

SENATE COMMITTEE ON RULES

August 12, 2003
1:30 P.M.

Hearing Room B
Tape 115

MEMBERS PRESENT: **Sen. Roger Beyer, Co-chair, Presiding**
 Sen. Kate Brown, Co-chair
 Sen. Jason Atkinson, Vice-chair
 Sen. Ginny Burdick, Vice-chair
 Sen. Tony Corcoran
 Sen. Bill Fisher

STAFF PRESENT: **Jim Stembridge, Committee Administrator**
 Jeana Harrington, Committee Assistant

MEASURES HEARD: **Public Hearing – Executive Appointments**
 Public Utility Commission
 Ray Baum
 John Savage
 Executive Appointments
 Oregon Watershed Enhancement Board
 Daniel Heagerty
 Jane O’Keeffe
 Board of Commissioners of the Port of Portland
 Thomas Imeson
 Steve Corey
 Jay Waldron
 HB 3442B – Public Hearing

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker’s exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 115, A		
003	Co-chair Beyer	Calls meeting to order at 1:34 PM. Opens public hearing on Executive Appointments – Public Utility Commission (PUC) (EXHIBIT A).
<u>Executive Appointments - Public Utility Commission</u>		
010	Sen. Fisher	Remarks.
011	Ray Baum	Governor’s appointee to the PUC. States his intentions for the commission. Notes he is from Eastern Oregon. Explains the interests of the PUC.
035	John Savage	Governor’s appointee to the PUC. Provides career history in the energy policy field. States that energy services are vital. Voices desire in providing cost and energy efficient services to consumers.
058	Sen. Brown	Requests Mr. Savage to speak on the purpose of the three percent public purposes program and the energy trust created by SB 1149.
059	Savage	Responds it is to ensure energy costs are kept down. Provides opinion on investments in conservation renewable resources.
068	Sen. Corcoran	Asks for position of deregulation as it affects rural consumers.

078	Baum	Responds that government regulation of utilities is necessary in rural Oregon. Voices interest in considering the interests of rural consumers when deciding on competition among utilities.
087	Savage	Submits that the charge of the PUC is to ensure opportunities are provided for business customers while retaining safeguards for rate payers.
095	Sen. Brown	Asks Mr. Baum for his vision of the PUC's role in regulating monopoly utilities and inquires how customers should be best protected.
099	Baum	Replies that staff should be adequately audited so rate payers can be protected. Submits a challenge of the PUC is to keep business going while keeping rates down.
112	Sen. Corcoran	Notes that over the past ten years there has been increasing concern as to PUC ability to protect consumers. Asks for insight as to where the perception developed and for suggestions on how to change it.
115	Savage	Responds with concerns of stakeholders not being heard in decisions. Speaks further on the perception.
130	Co-chair Beyer	Recalls a bill involving the PUC and asked if it passed. Asks how the PUC plans to administer funds.
140	Savage	Affirms the bill passed. Answers that the PUC has already implemented rules. Thinks the framework is good for implementing the law.
149	Co-chair Beyer	Closes public hearing on Executive Appointments – PUC. Opens work session on Executive Appointments.

WORK SESSION

151	Sen. Brown	MOTION: Moves that the appearances be waived and that the committee recommend the following appointments and reappointments be confirmed in the Senate, with multiple appointments made to a single board or commission to be considered en bloc:
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OREGON WATERSHED ENHANCEMENT BOARD – APPOINTMENT OF DANIEL HEAGERTY AND REAPPOINTMENT OF JANE O'KEEFFE (EXHIBIT B)
BOARD OF COMMISSIONERS OF THE PORT OF PORTLAND – APPOINTMENT OF STEVE COREY AND THOMAS IMESON AND REAPPOINTMENT OF JAY WALDRON (EXHIBIT C)

162	Sen. Fisher	Asks what governs who appears and who is waived.
168	Co-chair Beyer	Replies the Co-chairs decide.
171	Co-chair Brown	Explains criteria considered on whether to waive appearances.
177	Sen. Fisher	Asks if the opinion of the previous appointee has any bearing.
180	Jim Stembridge	Committee Administrator. Speaks on the appointed and reappointed individuals.
184	Sen. Brown	Recalls the other service of the appointees.
193		VOTE: 6-0
	Co-chair Beyer	Hearing no objection, declares the motion CARRIED. SEN. ATKINSON will lead discussion on the floor.
199	Co-chair Beyer	Closes work session on Executive Appointments. Opens public hearing on HB 3442B. Notes there are conflicts on the bill and that it will have a public hearing only.

HB 3442B – PUBLIC HEARING

206	Jim Stembridge	Committee Administrator. Summarizes HB 3442B, which creates Oregon Wine Board as semi-independent state agency.
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		Believes conflicts deal with other bill involving semi-independent state agencies.
212	Gary Conkling	Oregon Wine Growers. Testifies in support of HB 3442B. Provides measure history. Notes no opposition.
235	Jim Bernau	President, Oregon Wine Growers. Testifies in support of HB 3442B. Urges passage as soon as possible. Informs on the restructuring of the wine industry and the decision to become a semi-independent state agency. Speaks on the growth of the wine industry. Explains the problem is with well-organized competitors both nationally and internationally.
292	Sen. Atkinson	Reads a list of wineries in his district. Asks if those wineries have been contacted on the idea. Asks if there is regional support.
298	Bernau	Affirms but notes Bob Caravan of Ridgeview Vineyards did not sign onto the bill.
300	Sen. Atkinson	Inquires why Mr. Caravan did not.
304	Bernau	Responds he has spoken at length to Mr. Caravan, and relays his wishes to decrease his cost of business. Explains Mr. Caravan does not support the measure because he opposes the extra fees and taxes.
316	Sen. Fisher	Poses question regarding the beer and wine tax.
323	Bernau	Discusses the misconception of taxes and explains it is paid by producers whose small businesses and could be devastating to the industry in Oregon.
340	Sen. Burdick	Assumes that Mr. Bernau would then support the tax being passed on to the consumer.
350	Bernau	Offers that small business owners appreciate the legislators' attempts at finding alternatives to funding.
358	Conkling	Notes the beer and wine industry has testified on different occasions that if a sales tax were applied to beer and wine sales it would not be opposed.
367	Sen. Fisher	Poses question regarding cash "per barrelhead" on wine.
379	Bernau	Explains the process of distribution of wine and taxation.
390	Co-chair Beyer	Clarifies the reason behind the conflict.
394	Stembridge	Speculates conflicts were due to the recent passage of semi-independent agency legislation.
399	Sen. Corcoran	Recalls the Governor had voiced concern.
403	Co-chair Beyer	Requests confirmation of the conflict.
405	Stembridge	Avows he will obtain a report on the conflict.
410	Co-chair Beyer	Closes public hearing on HB 3442B. Adjourns meeting at 2:03 PM.

EXHIBIT SUMMARY

- A – Public Utility Commission, Executive Appointments, Staff and Governor’s Office, 11 pp.**
- B – Oregon Watershed Enhancement Board, Executive Appointment, Staff and Governor’s Office, 15 pp.**
- C – Board of Commissioners of the Port of Portland, Executive Appointment, Staff and Governor’s Office, 11 pp.**