

**INFORMATIONAL MEETING**

**PUBLIC HEARING: HB 3697**

**TAPES 142 — 143 A/B**

**TAPES 144 - 145 A**

**HOUSE SCHOOL FUNDING AND TAX  
FAIRNESS/REVENUE COMMITTEE**

---

**APRIL 20, 2001 — 1:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING**

---

Members Present: Representative Lane Shetterly, Chair

Representative Janet Carlson, Vice Chair (1:28 arrived)

Representative Deborah Kafoury, Vice Chair

Representative Alan Bates

Representative Chris Beck (1:25 arrived)

Representative Alan Brown

Representative Mark Hass

Representative Max Williams

Representative Bill Witt (1:31 arrived)

Staff: Paul Warner, Legislative Revenue Officer

Richard Yates, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: Greg Peden, Qwest

Beth Vargas Duncan, City of Salem

Ginny Lang, Qwest

Jeanne Benecke, AT & T

Jim Tiger, Oregon Telecommunications Association

Schelly Jensen, Verizon

Bruce Shaull, Sprint

Lou Ogden, City of Tualatin

Don Gardner, City of Portland

Josephine Pope, Citizen

Stephen Bosak, Oregon Recreation & Parks Association

Al Lightner, Oregon Department of Transportation

Christopher Kopca, Portland Building Owners/Managers Association and the Association for Portland Progress

Dave Wright, Oregon State Parks

**TAPE 142, SIDE A**

004 Chair Shetterly Meeting called to order at 1:18 p.m.

**INFORMATIONAL MEETING**

021 Richard Yates Reviewed the 1999 Oregon Law that created the Task Force and describes the Task Force's charge. (Exhibit 1)

028 Greg Peden Presented final report and reviewed interim work of the Task Force, relating to:

1. Introduction. (Page 1, Exhibit 2).
2. Membership and Interested Parties, (Page 1, Exhibit 2).
3. Background Perspectives, (Page 1, Exhibit 2).

086 Beth Vargas Presented final report and reviewed interim work, relating to:  
Duncan

1. Goals. (Page 5, Exhibit 2).
2. New Information Collected, (Page 7,

Exhibit 2).

3. Issues and Alternatives, (Page 7, Exhibit 2).
4. Subcommittee Activities, (Page 8, Exhibit 2).
5. Discussion of Alternate Proposals, (Page 8, Exhibit 2).
6. Issues of Consensus, (Page 10, Exhibit 2).
7. Issues Yet to be Resolved, (Page 10, Exhibit 2).

Questions and discussion regarding report.

**OPENED PUBLIC HEARING ON HB 3697**

351 Ginny Lang Presented testimony in support of measure and the (-1) amendments. (Exhibits 3-4)

**TAPE 143, SIDE A**

035 Lang Continued with testimony, (Page 4, Exhibit 3).

136 Greg Peden Presented testimony in support of measure. (Exhibit 5)

206 Rep. Beck Read portions of Lang's testimony and questioned if "Nondiscriminatory should mean that the government does not give an unfair advantage . . ." is the position of the courts or Qwest, (Page 4, Paragraph 2, Exhibit 3).

238 Chair Shetterly Questions and discussion to clarify testimony from Lang, if a 2% excise tax is being establish in lieu of the current scheme of franchise fee does that open the door to litigation, (Pages 2-3, Exhibit 3)?

312 Yates How is the new tax broader than the existing tax; what other services are likely to be included?

319 Lang Provided a description of all that would be included; it includes primarily everything on the bill except interstate services.

Questions and discussion for purposes of

clarification.

**TAPE 142, SIDE B**

- Continued questions and discussion for clarification purposes.
- 073 Jeanne Benecke Presented testimony in support of measure. (Exhibit 6)
- 126 Chair Shetterly Does the measure or the (-1) amendments contain apportionment, read from the (-1) amendments, §3 (3), (Page 2, Lines 18-28, Exhibit 4)?
- 129 Peden Explained the difference between intrastate and interstate long distance.
- 195 Jim Tiger Presented testimony in support of measure. (Exhibit 7)
- 248 Chair Shetterly Questions and discussion regarding potential litigation if some action is not taken.
- 284 Schelly Jensen Presented testimony in support of measure. (Exhibit 8)
- 323 Bruce Shaull Presented testimony in support of measure. (Exhibit 9)

**TAPE 143, SIDE B**

- 003 Lou Ogden Presented testimony in opposition to measure. (Exhibit 10)
- 178 Viewed videotape.
- 326 Don Gardner Spoke in and distributed article from Portland Tribune. (Exhibit 11)
- 425 Gardner Continued with testimony in opposition to the measure.

**TAPE 144, SIDE A**

- 035 Gardner Continued with testimony in opposition to measure.
- 132 Josephine Pope Presented testimony in opposition to measure. (Exhibit 12)
- 241 Vice Chair Questions and discussion regarding:  
Carlson
1. The revenue neutrality of the measure and how the dollar figures were calculated.
  2. Was the 2% applying to a broader set of

services factored into the revenue estimates.

3. Should all of the fees be disclosed?
4. Does the original measure address the concerns that utilities cannot go in without the cities consent, read page 1, lines 18-19 of the printed measure.
5. Does agreement need to be reached to avoid potential litigation?

Continued at 3:30 p.m. as a sub-committee with Rep.'s. Bates, Beck, Vice Chair Kafoury and Chair Shetterly in attendance.

420 Rep. Bates Questions and discussion regarding leveling the playing field in between Incumbent Local Exchange Carriers and Competitive Local Exchange Carriers.

**TAPE 145, SIDE A**

047 Stephen Bosak Spoke in opposition to the measure.

076 Dave Wright Presented testimony in opposition to measure. (Exhibit 13)

091 Al Lightner Spoke to the measure; no position taken; noted objections to §2 and §5, as the measure is written. (Exhibit 14)

114 Christopher Kopca Spoke to the measure; no position taken.

Chair Shetterly Left at 3:43 p.m., passed gavel to Vice Chair Kafoury.

LRO Staff Distributed submitted testimony:

Staff Measure Summaries and Fiscal statement. (Exhibit 15)

Submitted by City of Eugene, Phillip Fell. (Exhibit 16)

Submitted by Department of Land Conservation and Development, Richard Benner. (Exhibit 17)

Submitted by Mt Hood Cable Regulatory Commission, Norman Thomas. (Exhibit 18)

206 Vice Chair Meeting adjourned at 3:48 p.m.  
Kafoury

Submitted by, Reviewed by,

Joan Green Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. Informational, 1999 Oregon Laws Chapter 436, Yates, 1 page
2. Informational, Final Report, Peden, 12 pages
3. HB 3697, Testimony, Lang, 5 pages
4. HB 3697, (-1) amendment, (BHC/tm/ps) 04/18/01, Lang, 6 pages
5. HB 3697, Testimony, Peden, 2 pages
6. HB 3697, Testimony, Benecke, 1 page
7. HB 3697, Testimony, Tiger, 2 pages
8. HB 3697, Testimony, Jensen, 1 page
9. HB 3697, Testimony, Shaull, 1 page
10. HB 3697, Testimony, Ogden, 2 pages
11. HB 3697, News Article from 04/03/2001 Portland Tribune, Gardner, 2 pages
12. HB 3697, Testimony, Pope, 2 pages
13. HB 3697, Testimony, Wright, 1 page
14. HB 3697, Testimony, Lightner, 2 pages
15. HB 3697, Staff Measure Summaries, Fiscal statement, Yates, 3 pages
16. HB 3697, Submitted Testimony, Fell, 2 pages
17. HB 3697, Submitted Testimony, Benner, 2 pages
18. HB 3697, Submitted Testimony, Thomas, 1 page