

HOUSE COMMITTEE ON COMMERCE

January 13, 1999 Hearing Room E

3:30 p.m. Tapes 1 - 2

MEMBERS PRESENT: Rep. Jim Hill, Chair

Rep. Ryan Deckert, Vice-Chair

Rep. Al King

Rep. Jerry Krummel

Rep. Bob Montgomery

Rep. Anitra Rasmussen

Rep. Diane Rosenbaum

Rep. Mark Simmons

Rep. Bill Witt

VISITING MEMBER: Rep. Jeff Kropf

STAFF PRESENT: Jason Cody, Administrator

Annetta Mullins, Administrative Support

MEASURE/ISSUES HEARD:

Overview of Information Technology Issues

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 1, A		
004	Chair Hill	Calls meeting to order at 3:39 p.m., announces that because the subcommittees have not been named the committee will not adopt rules today, and that the

		committee will operate under the House Rules until subcommittees have been formally announced.
<u>INTRODUCTIONS</u>		
018	Chair Hill	Asks that members and staff introduce themselves.
019		Members and staff introduce themselves.
048	Chair Hill	Reviews issues the committee will be considering during the session: power deregulation, telecommunications deregulation, trade and economic development, all State information technology issues, Year 2000 (Y2K) issues, ports, and banking and finance. Announces that for approximately the first three weeks the committee will hold informational meetings and will hold hearings on measures later.
<u>OVERVIEW OF INFORMATION TECHNOLOGY ISSUES</u>		
102	Don Maziotti	Chief Information Officer, department of Administrative Services (DAS), and Telecommunications Advisor to the Governor, introduces Dan Hardman, Chief Risk Officer, and Barbara Jensen, Coordinator for the Statewide Y2K Office.
107	Chair Hill	Invites Rep. Kropf to join the committee on the dais.
124	Maziotti	Submits packet of information and outline of topics (EXHIBIT A) and introduces Pat Lundeen of the Planning and Review Section of the Information Resource Management Division (IRMD).
144		Explains presentation is divided into three sections (EXHIBIT A, page 1). Adds they have not attempted to identify the telecommunications issues that will come before the committee, but only issues they are directly familiar with or they are supporting on behalf of DAS and the Governor's office.
160	Maziotti	Reviews "Organization of Information Technology Activities" (EXHIBIT A).
		Reviews scope of work of the IRM Council and refers members to the council's report (EXHIBIT A, pages 23-42). Adds that they anticipate the Governor will issue an executive order directing implementation of the council's strategy within the next three to four weeks.
237	Maziotti	Reviews scope of work of the Information Technology Roundtable, and adds that the group receives monthly detailed Y2K briefings.
		Explains purpose of and reviews activities of the Oregon Telecommunications Forum Council.

		Explains duties of the Telecommunications Advisor to the Governor and that he holds the position.
		Reviews documents on "Information Technology Issues and Activities" (EXHIBIT A).
		Comments he has not discussed the Public Utility Commission (PUC) and presumes the committee will ask that the PUC brief the committee.
290	Maziotti	Reviews "Oregon Enterprise IT Strategy" (EXHIBIT A, pages 23-42).
306		Reviews the six initiatives in the strategy (EXHIBIT A, page 31).
380		Reviews public policy issues:
		<ul style="list-style-type: none">• SB 267 (EXHIBIT A, page 43)
		<ul style="list-style-type: none">• Telecommunication proposals
TAPE 2, A		
025	Maziotti	<ul style="list-style-type: none">• SB 142 relating to rate of Return to fund an infrastructure development fund, and SB 143 to extend tax credits to give incentives to telecommunication providers to upgrade electronic infrastructure in Oregon
		<ul style="list-style-type: none">• Legislation to expand public utility district (PUD) authority
070	Dan Hardman	Chief Risk Officer, Risk Management Division, DAS, explains functions of the division and SB 268, the Governor's proposed legislation (EXHIBIT A, page 53).
122	Maziotti	Comments the packet includes Y2K-related materials and explains efforts being made by the State of Oregon attempting to meet the Y2K problem.
		Calls attention to the organization chart (EXHIBIT A, page 58).
		Adds they believe they have engaged the major executives of the major departments of government that have Y2K problems.
230		Advises they have also included in the packets detailed report on major systems and the degree of completion of each system (EXHIBIT A, pages 71-94).

		<p>Advises that the packet also includes information about the completion assurance process. States there are two independent consulting teams that do not have other contracts with state government and which state government does not rely upon for future business. Explains purpose of the consulting firms. Adds that information is updated on a daily basis and anyone can check on the status.</p>
254	Rep. Montgomery	<p>Asks if the 500 people who are working on the Y2K problems are in limited duration positions.</p>
279	Maziotti	<p>Explains the status of employees working on the Y2K problems. Adds that other programs have been put on hold and that during this time period there will be no systems development.</p>
290	Rep. Montgomery	<p>Asks for explanation of the sources of funds being used on the Y2K problems.</p>
	Maziotti	<p>Explains that funds have been diverted from other projects and that a vast majority of funds come from the federal government.</p>
297	Chair Hill	<p>Comments the total focus will not be on Y2K because the millenium has to be dealt with also. Asks when DAS will come to the legislature and say that an agency is going to fail to meet the deadline.</p>
324	Rep. King	<p>Asks if Oregon is dependent on vendors who may not be ready and whether they are included in the evaluation.</p>
347	Barbara Jensen	<p>Project Manager for the Statewide Y2K Project, DAS, explains Oregon is dependent on the vendors and explains the communications between agencies, federal government agencies and vendors.</p>
354	Maziotti	<p>Explains the color rating system (EXHIBIT A, page 22).</p>
395	Chair Hill	<p>Advises the committee will spend a couple of days on this subject and review agency-by agency, so the members will understand the choices that are going to be made, the impacts, and the choices that must be made in terms of post millenium change.</p>
413	Chair Hill	<p>Adjourns meeting at 4:29 p.m.</p>

Submitted By, Reviewed By,

Annetta Mullins, Jason Cody,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ Information Technology Issues, packet of information, Don Maziotti, 99 pp