

**HOUSE COMMITTEE ON COMMERCE**

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**MAY 25, 1999 Hearing Room B**

**3:00 p.m. Tapes 73 -74**

**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**

**STAFF PRESENT: Jason Cody, Administrator**

**Annetta Mullins, Administrative Support**

**MEASURE/ISSUES HEARD: SB 940-A ñ Public Hearing and Work Session**

**SB 404-A ñ Work Session**

**SB 1085-A ñ Work Session**

**SB 1149 ñ Work Session**

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 73, A		
003	Chair Hill	Calls meeting to order at 4:00 p.m. and opens public hearing on SB 940-A.

**SB 940-A ñ PUBLIC HEARING**

	Jason Cody	Reviews bill and the SB 950ñA5 amendment ( <b>EXHIBIT A</b> ).
	Mark Nelson	Representing the Glass Packaging Institute. Testifies in support of SB 940-A. Comments they are in negotiations with the Department of Environmental Quality (DEQ). The institute is in agreement with the bill except lines 21-26 on page 1 and line 1 of page 2.
		Comments that DEQ prefers there be no process in statute for them to come in and negotiate compliance; the institute would prefer a statutory process.
		Advises that discussions are continuing with DEQ and requests another day to work out the differences. In lieu of additional time, submits the SB 940-A5 amendments ( <b>EXHIBIT A</b> ). Explains that with the ñ5 amendments they would go back to the Senate and request a conference committee.
031	Chair Hill	Asks what the effect is of not having this bill and being out of compliance.
037	Nelson	Suggests Bob Danko of DEQ can speak to enforcement. Explains these are empty containers coming into Oregon and being sold to Oregon manufacturers. The Owens plant in Portland uses over 50 percent recycled content now. The reason the change to 35 percent is needed is the City of Portland is considering co-mingling its glass. If that occurs, they believe Owens will drop below the 50 percent.
050	Rep. Deckert	Asks where a compromise could be found in Section 1 (2)(b).
055	Nelson	Responds they are trying to give the company some assurance that there is a process where they can come in and not be subject to enforcement.
073	Bob Danko	Department of Environmental Quality. Submits prepared statement and hand-engrossed SB 940-A containing conceptual amendments ( <b>EXHIBIT B</b> ). Testifies in opposition to SB 940-A. One plant in Seattle has not made the investment for recycled glass. As written, the bill would not require the plant in Seattle to comply and that puts the Oregon plant at a disadvantage.
119	Danko	Feels it is not appropriate to let the one plant stand where it is. Comments on operations of Seattle plant.
154	Danko	Comments that Recycling Advocates, Oregon Environmental Council and Oregon Student Public Interest Research Group also oppose the bill.
159	Danko	Reviews the hand-engrossed SB 940-A ( <b>EXHIBIT B, page 2</b> ).

180	Rep. Deckert	Asks if DEQ is okay with all sections of the bill except (b).
183	Danko	Responds affirmatively, with the addition of reporting beyond 750 miles.
180	Rep. Deckert	Asks if they can work out an agreement on (b) by tomorrow.
	Danko	Responds he hopes they can.
204	Doug Meyers	Association of Oregon Recyclers. Testifies that the recyclers are okay with the bill with minor tweaks. Supports the 5 amendments to get the bill in conference committee.
225	Chair Hill	Closes public hearing and opens work session on SB 940-A.
<b><u>SB 940-A 5 WORK SESSION</u></b>		
<b>240</b>	<b>Rep. Montgomery</b>	<b>MOTION: Moves to ADOPT SB 940A-5 amendments dated 05/24/99.</b>
257	Rep. Rasmussen	Asks if the bill could be conceptually amended with the DEQ amendments <b>(EXHIBIT B, page 5)</b> .
266	Rep. Rosenbaum	Comments that the 5 amendments do not seem to fix the problem.
270	Rep. Rasmussen	Comments that if the bill is going into non-concurrence, why not adopt the DEQ conceptual amendments <b>(EXHIBIT B, page 5)</b> to make sure the amendments are a part of the discussion in the conference committee.
		Committee is waiting for Reps. Simmons and Witt.
332	Nelson	Comments they are absolutely committed to continuing this discussion. If DEQ can join in saying the elimination of (b) does not foreclose the reintroduction of (b) in conference committee, they would be willing to do that.
347	Nelson	Submits and explains the SB 940-A6 amendments <b>(EXHIBIT C)</b> . Reviews amendments.
380	Rep. Montgomery	Asks if Mr. Danko has seen the 6 amendments. Comments he is prepared to withdraw his motion on adoption of the SB 940-A5 amendments and move the SB 940-A6 amendments.
393	Danko	Responds that for purposes of moving the bill and further discussion the SB 940-A6 amendments are okay.

396	Chair Hill	Asks Mr. Danko if he feels the elimination of (b) precludes its discussion and reintroduction in a conference committee.
397	Danko	Responds "no".
400	<b>Rep. Montgomery</b>	<b>Withdraws his motion on adoption of the SB 940-A5 amendments.</b>
<b>403</b>	<b>Rep. Montgomery</b>	<b>MOTION: Moves to ADOPT SB 940-A6 amendments dated 05/25/99.</b>
407	Rep. Deckert	Asks if DEQ will bring the same spirit into the meeting if subsection (b) is removed.
412	Danko	Responds affirmatively
416	Rep. King	Asks if the year 2003 sunset remains in the bill.
420	Nelson	Responds there is no sunset. The delay on enforcement is being deleted in lines 13-15.
		<b>VOTE: 9-0-0</b>
	<b>Chair Hill</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
<b>433</b>	<b>Rep. Montgomery</b>	<b>MOTION: Moves SB 940A to the floor with a DO PASS AS AMENDED recommendation.</b>
439	Rep. King	Comments he is in favor of giving a manufacturer a few more years to come into compliance with Oregon's recycling laws but if they don't want to make investments, he would not favor an out-of-state company.
454	Rep. Witt	Comments that to the employees it doesn't matter that it is an out of state company and the legislature should protect those jobs responsibly.
		<b>VOTE: 9-0-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b>

	Chair Hill	The motion CARRIES.
		Rep. Deckert will lead discussion on the floor.
TAPE 74, A		
020	Chair Hill	Opens a work session on SB 404-A.
<b><u>SB 404-A n WORK SESSION</u></b>		
020	Rep. Hill	<b>MOTION: Moves SB 404A to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on Rules, Elections and Public Affairs.</b>
026		<b>VOTE: 9-0-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b>
	Chair Hill	The motion CARRIES.
030	Chair Hill	Opens a work session on HB 3594.
<b><u>HB 3594 n WORK SESSION</u></b>		
030	Rep. Hill	<b>MOTION: Moves HB 3594 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on Rules, Elections and Public Affairs.</b>
033	Rep. Witt	Comments he has been contacted by constituents and others advocating on behalf of this bill. Believes there is a need for a public policy discussion relative to insurance and treatment for mental health and dependency problems and hopes it gets a fair hearing in Rules.
043	Chair Hill	Comments that sending the bill to another committee increases the chance of it having a public hearing.
047	Rep. Deckert	Comments he has heard more about this issue than almost any other issue. Joins

		Rep. Witt in hoping for a hearing and work session to get the bill out.
		<b>VOTE: 9-0-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b>
	<b>Chair Hill</b>	<b>The motion CARRIES.</b>
057	Chair Hill	Opens a work session on SB 1085-A.
<b><u>SB 1085 ñA ñ WORK SESSION</u></b>		
058	Jason Cody	Administrator. Explains SB 1085-A and the ñ2 amendments ( <b>EXHIBIT D</b> ).
068	Jenny Lang	U S West. Comments she has seen the SB 1085-2 amendments and they reflect the issues discussed and supports the amendments.
077	Gary Bauer	Oregon Telecommunications Association. Comments he believes the amendments are satisfactory to the cooperatives, but does not know about AT&T.
080	Rep. Rasmussen	Asks for explanation of the SB 1085ñA2 amendments ( <b>EXHIBIT D</b> ).
082	Bauer	Explains the purpose of SB 1085-A is to clarify the scope of authority the PUC has over a telephone cooperative. Joint rates are when two or more companies are joined together and have one single rate. Through service would combine the facilities of two or more companies to provide that service. Under the bill the commission could no longer under its own motion open an investigation. An entity could file a complaint with the commission and they could then look at whatever issue is under the complaint for joint rates or through services. The amendments clarify that in addition to customers and telecommunications utilities that a competitive provider or other type of carrier could also file a complaint.
101	Rep. Rasmussen	Asks where the PUC stands on the amendments.
012	Chair Hill	Comments they have not signed up to testify.
107	Rep. Witt	Comments that some have expressed a concerned that this bill will allow smaller communication companies that control the network to charge almost any fee they want to those who have to use the services, such as AT&T or MCI. Asks if it is true.

114	Bauer	Responds that he believes if a cooperative sets a rate for access, the carrier could file a complaint with the PUC over the rate. The PUC could open an investigation on that rate and take action. Today the commission can open an investigation on its own motion.
134	Rep. King	Asks if the PUC regulates rates of telephone cooperatives.
140	Bauer	Explains how cooperatives are regulated.
154	Tom Lindstrom	Beaver Creek Telephone. Explains how rates are set. Adds that their loan commitments state they will follow the rules and guidelines of the FCC. If the cooperatives violate the rules and guidelines, they must repay the loans they get from the federal government.
186	Rep. Deckert	Asks if the amendments address the concern of a customer's rates being raised, whether the amendments provide a fairer court.
197	Lindstrom	Responds affirmatively. ORS 759.220 allows a carrier to file a complaint with the commission. This bill does not change that. They can file a complaint with the commission as they do today. They can also address the cooperative's board of directors. Today they do not have that benefit. The amendments allow anyone to go to the commission and file a complaint. The company would have to justify the rate to the PUC.
<b>227</b>	<b>Rep. Montgomery</b>	<b>MOTION: Moves to ADOPT SB 1085-A2 amendments dated 05/25/99.</b>
231	Rep. Krummel	Advises that a FAX just received says that AT&T and U S West are in support of the bill with the amendments.
230	John Powell	AT&T. Explains that this bill was not part of the jurisdiction of his contract with AT&T and that he did substitute for Laura Imeson on this issue. Thinks it is the position of AT&T that this bill is not necessary and they continue to have concerns about the bill.
252	Rep. Montgomery	Asks if Ms. Imeson has seen the SB 1085-A2 amendments.
253	Powell	Responds he believes she has seen them.
257	Rep. Rosenbaum	Comments she is opposed to the motion to adopt the A2 amendments. It is unclear where everyone is on the bill, but it does seem clear we are taking away some ability to regulate.
<b>264</b>		<b>VOTE: 6-2-1</b> <b>AYE: 6 - Deckert, King, Krummel, Montgomery, Rasmussen, Hill</b>

		<p><b>NAY: 2 - Rosenbaum, Witt</b></p> <p><b>EXCUSED: 1 - Simmons</b></p>
	<b>Chair Hill</b>	<b>The motion CARRIES.</b>
278	Rep. Rasmussen	Comments she is not comfortable with the bill.
<b>279</b>	<b>Rep. Montgomery</b>	<b>MOTION: Moves SB 1085A to the floor with a DO PASS AS AMENDED recommendation.</b>
285	Rep. Witt	Comments he is not satisfied that this bill protects other businesses that need to use the system that is in place for telecommunication sales. Believes the bill will have an anti-competitive impact.
298	Rep. Krummel	Comments he shares some of Rep. Witt's concerns. Concerned it is not getting to the root of the problem and will oppose the bill.
311	<b>Rep. Montgomery</b>	<b>Withdraws his motion on passage of SB 1085-A.</b>
313	Chair Hill	Opens a work session on SB 1149-A.
<b><u>SB 1149-A n WORK SESSION</u></b>		
314	Chair Hill	Comments there are amendments that are not in from Legislative Counsel and that the committee has received other amendments but will not take testimony on amendments today.
		Amendments before the committee are hereby made a part of these minutes: SB 1149-A24 ( <b>EXHIBIT E</b> ); SB 1149-A25 ( <b>EXHIBIT F</b> ); SB 1149-A26 ( <b>EXHIBIT G</b> ); SB 1149-A27 ( <b>EXHIBIT H</b> ); SB 1149-A28 ( <b>EXHIBIT I</b> ).
317	Chair Hill	Closes the work session on SB 1149-A and adjourns meeting at 4:56 p.m.

Submitted By, Reviewed By,



Annetta Mullins, Jason Cody,

Administrative Support Administrator

**EXHIBIT SUMMARY**

**A - SB 940, SB 940-A5 amendments, Mark Nelson, 1 p**

**B ñ SB 940, prepared statement and proposed amendments, Bob Danko, 5 pp**

**C ñ SB 940, SB 940-A6 amendments, Mark Nelson, 1 p**

**D ñ SB 1085, SB 1085-A2 amendments, Jenny Lang, 1 p**

**E ñ SB 1149, SB 1149-A24 amendments, Committee, 1 p**

**F ñ SB 1149, SB 1149-A25 amendments, unknown 9 pp**

**G ñ SB 1149, SB 1149-A26 amendments, unknown 1 p**

**H ñ SB 1149, SB 1149-A27 amendments, unknown, 1 p**

**I ñ SB 1149, SB 1149-A28 amendments, unknown, 3 pp**