

**JOINT CONFERENCE COMMITTEE ON SB 622A**

July 13, 1999 Hearing Room E

12:30 p.m. Tape 4

**MEMBERS PRESENT: Sen. David Nelson, Chair**

**Rep. Ryan Deckert**

**Rep. Jim Hill**

**Rep. Bob Montgomery**

**Sen. Charles Starr**

**MEMBER EXCUSED: Sen. Lee Beyer**

**STAFF PRESENT: Sherry Sheng, Administrator**

**Nancy Masee, Administrative Support**

**MEASURE HEARD: SB 622A 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
<b>TAPE 4, A</b>		
002	Chair Nelson	Chair calls meeting to order at 12:50 p.m. and opens work session on SB 622A. States the purpose of this meeting is to present amendments which are forthcoming. Describes the biggest change to be in the issue of prohibited acts.
<b><u>SB 622A WORK SESSION</u></b>		
012	Sherry Sheng	Committee Administrator. Summarizes fiscal analysis of SB 622 which reveals all agencies other than the Oregon Economic Development Department (OEDD)

		will have minimal fiscal impact. Refers to letter from Public Utility Commission (PUC) summarizing two issues that need clarification.
032	Joan Smith	PUC Commissioner.
033	Phil Nygaard	PUC. Administrator of Telecommunications Division.
035	Joan Smith	PUC Commissioner. Describes issues of legislative intent that need clarification. Asks if Sections 29 and 30 of SB 622A prevent PUC from asking the circuit court to fine a carrier for violations of current service quality standards that took place before the bill is in effect.
055	Rep. Hill	Comments that the PUC has all the authority based on present law until that authority is changed and, if the bill is passed, any violations after that date will be under the new law.
089	Smith	Asks if limiting the difference between price and benchmark under universal service, if the committee agrees that the language in Section 28 means PUC must reduce the gap to the extent possible.
105	Phil Nygaard	Describes difficulties in reaching benchmarks. Describes the different kinds of utilities and the different constraints to be dealt with under the Federal Telecommunications Act of 1996 and with the Federal Communications Commission(FCC).
129	Rep. Deckert	Asks if the changes made to SB 622 are acceptable by PUC.
130	Smith	Says they have not had time to study the changes but it sounds acceptable.
142	Chair Nelson	Asks about cross subsidy and what the power of PUC is.
145	Nygaard	Comments that SB 622 does not affect PUC power on cross subsidy. For example, a company signing a contract with an affiliate which called for a regulated service below the retail price, PUC would review the contract and would have the power to deny approval of the contract.
150	Chair Nelson	Asks about he access charge.
165	Smith	States that the bill does not affect PUC's authority over intra-state access charges (the price paid to use networks of incumbents).
174	Nygaard	Responds that US West is the only company who will opt in and PUC will have authority to lower access charges. Says the bill does not limit the authority.

178	Rep. Hill	Asks if PUC has the authority to pass on reduced charges to the public.
195	Smith	Responds PUC wishes they could.
197	Sheng	States the question raised was what portion of the carrier's contribution to the infrastructure account would be the out of pocket cost other than tax benefits and writeoffs.
203	Rep. Deckert	Responds the question would be what would be the tax advantages.
240	Dick Yates	Legislative Revenue. Says US West will have to get an Internal Revenue Service (IRS) ruling. US West would probably characterize it as a business expense. Explains the direction of money is to go into projects, like fibreoptics, and money to Connecting Oregon Communities Fund, does not go to the utilities.
242	Rep. Deckert	Asks if \$80 million would be returned.
287	Yates	Says he does not have a ballpark figure, but \$80 million seems high.
290	Chair Nelson	Recesses the meeting until 1:30 p.m.
313	Chair Nelson	Reconvenes the meeting at 2:50 p.m.
<b>314</b>	<b>Rep. Hill</b>	<b>MOTION: Moves to ADOPT SB 622A-31 amendments dated 6/13/99.</b>
315	Rep. Montgomery	Says he will be voting no. Explains he agreed with the SB 142, but since all the changes, he now does not find the bill acceptable.
342	Rep. Deckert	Asks PUC if the 31 amendments are agreeable.
357	Smith	Says it appears reasonable. No one negotiated directly with PUC but PUC reviewed the amendments.
		<b>VOTE: 4-1</b>  <b>AYE: 4 – Deckert, Hill, Starr, Nelson</b>  <b>NAY: 1 – Montgomery</b>  <b>EXCUSED: 1 – Beyer</b>

358	Chair Nelson	The motion Carries.
360	Rep. Hill	MOTION: Moves SB 622A to the floor with the recommendation that the Senate concur in House amendments dated 6/9/99 and that the bill be further amended by the ñA31 amendments and be repassed.
		VOTE: 4-1 AYE: 4 ñ Deckert, Hill, Starr, Nelson NAY: 1 ñ Montgomery EXCUSED: 1 ñ Beyer
362	Chair Nelson	The motion Carries.  SEN. NELSON AND REP. HILL will lead discussion on the floor.
363	Rep. Deckert	Comments that he has not had time to study the amendments, and he may change his mind. Says he appreciates the process.
365	Chair Nelson	Adjourns meeting at 2:55 p.m.

Submitted By, Reviewed By,

Nancy Masee, Sherry Sheng,

Administrative Support Administrator

#### EXHIBIT SUMMARY

A - SB 622A, -31 Amendments, Staff, 34 pp