

**SENATE COMMITTEE ON BUSINESS & CONSUMER AFFAIRS**

**March 29, 1999 Hearing Room C**

**1:00 p.m. Tapes 71 - 72**

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

**Sen. Lee Beyer, Vice-Chair**

**Sen. Rick Metsger**

**Sen. Randy Miller**

**Sen. Charles Starr**

**MEMBER EXCUSED:**

**STAFF PRESENT: Y. Sherry Sheng, Administrator**

**Nancy Masee, Administrative Support**

**MEASURE/ISSUES HEARD:**

**SJM 4 Public Hearing and Work Session**

**SB 624 Public Hearing and Work Session**

**SB 359 Public Hearing and Work Session**

**SB 296 Public Hearing and Work Session**

**SB 290 Public Hearing and Work Session**

**HB 2577 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 71, A		

003	Chair Nelson	Opens meeting at 1:05 PM. Opens public hearing on SJM 4.
<b><u>SJM 4 PUBLIC HEARING</u></b>		
005	Rep. Bob Jenson	House District 57. Encourages passing SJM 4. Urges Congress of the United States and National Railroad Passenger Corporation to restore daily passenger rail service between Pacific Northwest and Chicago via eastern Oregon. Explains this train was discontinued a couple of years ago and that senior citizens and handicapped persons need the use of this train. Express mail by train could pay for it.
030	Rep. Mark Simmons	House District 58. Agrees that train service via Amtrak Pioneer from 1976 to 1997 was important and is still needed.
032	Chair Nelson	Closes public hearing on SJM 4 and opens work session on SJM 4.
<b><u>SJM 4 WORK SESSION</u></b>		
034	Chair NELSON:	<b>MOTION: Moves SJM 4 be sent to the floor with a BE ADOPTED recommendation.</b>
		<b>VOTE: 3-0</b> <b>EXCUSED: 2 - Sen. Beyer, Sen. Starr</b>
036	Chair Nelson	<b>Hearing no objection, declares the motion CARRIED.</b>  <b>SEN. NELSON will lead discussion on the floor.</b>
052	Chair Nelson	Closes work session on SJM 4. Opens public hearing on SB 624.
<b><u>SB 624 PUBLIC HEARING</u></b>		
062	Gary Bauer	Oregon Telecommunications Association. Supports SB 624 which exempts unaffiliated telecommunications utilities serving fewer than 50,000 access lines from certain telecommunication regulations. Asks that the access lines be amended to 30,000 by the ñ1 amendment. Presents <b>(EXHIBIT A)</b> .
092	Phil Nyegaard	Public Utility Commission (PUC). Gives background on petitioning process to PUC. Says PUC's concern is with the petitioning number. Presents <b>(EXHIBIT B)</b> .

103	Chair Nelson	Asks for figures from GTE and local companies.
112	Bauer	Estimates that GTE has about a 450,000 access lines. Sprint and CenturyTel have 75,000 access lines. Other companies have fewer than 15,000.
119	Chair Nelson	Asks what the alternative regulatory process from 1987 is.
121	Bauer	Explains how a company chooses to raise rates and provides 45 days of notice. Explains how proceedings are opened up.
132	Chair Nelson	Asks why this is not compliant with the federal threshold.
137	Nyegaard	The 50,000 threshold has to do with certain sections of the federal act. Says the state threshold has to do with general requirements of regulation.
150	Chair Nelson	Closes public hearing on SB 624. Opens work session on SB 624.
<b><u>SB 624 WORK SESSION</u></b>		
155	Sen. Miller	Comments that this bill is about power and authority of the PUC. Sees no reason to amend the bill.
157	Sen. Metsger	Says the telecommunications group is comfortable with the 30,000, he feels it is acceptable.
158	Sen. Metsger	<b>MOTION: Moves to ADOPT SB 624-1 amendments dated 3/17/99.</b>
		<b>VOTE: 1-2</b>  <b>AYE: 1 ñ Metsger</b>  <b>NAY: 2 ñ Miller, Nelson</b>  <b>EXCUSED: 2 ñ Beyer, Starr</b>
159	Chair Nelson	<b>The motion FAILS.</b>
160	Chair Nelson	<b>MOTION: Moves SB 624 to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 3-0</b>

		<b>EXCUSED: 2 - Beyer, Starr</b>
161	<b>Chair Nelson</b>	<b>Hearing no objection, declares the motion CARRIED.</b>  <b>SEN. NELSON will lead discussion on the floor.</b>
162	Chair Nelson	Closes work session on SB 624. Opens public hearing on SB 359.
<b><u>SB 359 PUBLIC HEARING</u></b>		
190	Ann Crook	Interim Aeronautics Manager, Oregon Department of Transportation (ODOT). Supports SB 359 which repeals the requirement that a person who rents an airplane to another person inform the renter whether insurance coverage is provided and, if so, the nature of the coverage. Gives background on this issue. Presents <b>(EXHIBIT C)</b> .
248	Chair Nelson	Asks for questions.
252	Sen. Miller	Asks if insurance is required of airplane owners.
259	Crook	Answers there is not a requirement.
262	Sen. Metsger	Asks if insurance of any kind is required on an airplane.
270	Crook	Answers no, it is not like motor vehicles.
292	Chair Nelson	Asks for questions. Hearing none, closes public hearing on SB 359. Opens work session on SB 359.
<b><u>SB 359 WORK SESSION</u></b>		
295	<b>Sen. MILLER:</b>	<b>MOTION: Moves SB 359 be sent to the floor with a BE ADOPTED recommendation.</b>
		<b>VOTE: 4-0</b>  <b>EXCUSED: 1 - Sen. Starr</b>

296	Chair Nelson	<p>Hearing no objection, declares the motion <b>CARRIED</b>.</p> <p><b>SEN. MILLER will lead discussion on the floor.</b></p>
297	Chair Nelson	Closes work session on SB 359. Opens public hearing on SB 296.
<b><u>SB 296 PUBLIC HEARING</u></b>		
343	Vicki McLean	Administrator, Central Services Division, Public Utility Commission (PUC). Gives background on SB 296 which modifies definitions for the laws regulating telecommunications assistive devices for hearing impaired individuals. Says SB 296 adds flexibility to telecommunications programs for the hearing impaired. Most frequent users are older persons. States this bill would help those persons who are hard of hearing. Presents <b>(EXHIBIT D)</b> .
377	Chair Nelson	Asks what the ten cent surcharge raises.
382	McLean	Responds about \$3 million a year.
393	Chair Nelson	Asks who determines if a person is hearing impaired.
395	McLean	Answers those persons are determined by audiologists and other medically trained people.
401	Chair Nelson	Asks for questions. Hearing none, closes public hearing on SB 296 and opens work session on SB 296.
<b>TAPE 72, A</b>		
<b><u>SB 296 WORK SESSION</u></b>		
010	Chair Nelson	<b>MOTION: Moves SB 296 to the floor with a DO PASS recommendation.</b>
		<p><b>VOTE: 4-0</b></p> <p><b>EXCUSED: 1 ñ Starr</b></p>
011	Chair Nelson	Hearing no objection, declares the motion <b>CARRIED</b> .

		<b>SEN. BEYER will lead discussion on the floor.</b>
012	Chair Nelson	Closes work session on SB 296. Opens public hearing on SB 290.
<b><u>SB 290 PUBLIC HEARING</u></b>		
014	Jim Markee	Representing the Oregon Board of Barbers and Hairdressers and the Oregon Association of Cosmetologists. Introduces Sue Wilson. Explains SB 290 which changes the name of the board to the Board of Cosmetology. Says this bill is not opposed. Says it is supported by Hairdressers Association of Oregon and by cosmetology schools. Says the board and cosmetology schools oppose the ñ1 amendments. Explains the amendments would return training programs to apprenticeships.
073	Susan Wilson	Administrator, Health Licensing Boards and Programs. Presents <b>(EXHIBIT E)</b> . Gives background on SB 290 which: <ul style="list-style-type: none"> <li>• Changes name to Board of Cosmetology</li> <li>• Changes active status of license from 5 years to 2 years</li> </ul>
080	Rep. Ron Sunseri	House District 22. Introduces Richard Dixon with ñ1 amendments.
087	Richard Dixon	Hairdresser licensed in Oregon for 38 years. Discusses the ñ1 amendments which would allow people to get a license by apprenticeships rather than through a school. Says persons should be able to accumulate hours under a hairdresser and be licensed that way. Presents <b>(EXHIBIT F)</b> .
113	Chair Nelson	Says that the industry has changed and different standards are set.
118	Dixon	Questions the reasons for licensing.
230	Sen. Miller	Asks if the licensing examinations would be the same for an apprentice as for a student.
232	Dixon	Answer that would be the intention.
235	Sen. Miller	Says the method of training would be different, but not the licensing. Asks if there is any law which prevents home hair cutting or styling.
153	Dixon	Responds that the state cares if there is a charge. However, it is done fairly often.
154	Chair Nelson	Thanks Dixon.

166	Wilson	Administrator, Board of Hairdressers. Describes the four disciplines under cosmetology: nail technology, facial technology, hair design, and barbering. There are now additional regulations related to using certain products on nails or faces. SB 290 is primarily to change the name to Board of Cosmetology.
190	Brenda Hoxey	Board of Hairdressers Chairperson. Supports SB 290. Opposes the ñ1 amendments. Describes 35 schools of cosmetology in Oregon. Says the system is working. The Department of Education has set requirements. The Board of Barbers and Hairdressers check for safety and sanitation, and do the examining. Going to an apprentice program would be going backwards.
210	Chair Nelson	Asks for questions.
228	Sen. Miller	Makes an analogy to driver testing. Drivers can learn informally or through a school. Asks why someone through an apprenticeship should not be licensed if they could pass the licensing test.
239	Hoxey	Responds that other aspects than testing are important to being licensed. The schools offer curricula set by the Department of Education.
273	Sen. Miller	Asks if the exam alone would not be enough to be a professional hairdresser.
278	Hoxey	Responds that the exam is enough according to the board, but in reality based on her 38 years experience, it is not enough to be a professional hairdresser.
291	Markee	Says the exam is part of the procedure to license people. The educational standards set in Oregon are above average in the nation.
320	Sen. Beyer	Comments that most apprenticeships are set through the Bureau of Labor (BOLI).
337	Markee	Responds that the board is willing to look at new programs, but today there is not a need.
342	Sen. Miller	Asks where the 35 schools are.
350	Hoxey	Responds they are all over the state. Several are in Portland and three are in Salem.
275	Sen. Miller	Asks the cost.
277	Hoxey	Responds \$10,000 pays for the full course of 2,300 clock hours and about 15 months of time. There is a challenge program which allows a person to take the examination without the required classes.

380	Chair Nelson	Asks for further questions. Closes public hearing on SB 290. Opens work session on SB 290. Asks about the amendment.
<b><u>SB 290 WORK SESSION</u></b>		
391	Sen. Miller	<b>MOTION: Moves to ADOPT SB 290-1 amendments dated 3/26/99.</b>
392	Sen. Beyer	<b>VOTE: 1-3</b> <b>AYE: 1 ñ Miller</b> <b>NAY: 3 - Beyer, Metsger, Nelson</b> <b>EXCUSED: 1 ñ Starr</b>
	Chair Nelson	<b>The motion FAILS.</b>
393	Sen. Metsger	Agrees with Sen. Beyer. Hesitant that an apprenticeship program is lacking in the amendment.
<b>TAPE 71, B</b>		
011	Sen. Beyer	Asks if the board would work with an apprentice program.
019	Wilson	Says there would need to be changes in the program to include apprenticeship training.
022	Sherry Sheng	Committee Administrator. Explains that the Bureau of Labor and Industry (BOLI) says if the committee is interested in pursuing an alternative program, a more detailed amendment would need to be included.
034	Sen. Miller	Asks if more time is needed to develop an amendment.
035	Sen. Beyer	Comments that developing an apprenticeship program is complex and moves more slowly than the school program that is already in place.
036	Sen. Beyer	<b>MOTION: Moves SB 290 to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 4-0</b>



		<b>EXCUSED: 1 ñ Starr</b>
036	<b>Chair Nelson</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
		<b>Sen. BEYER will lead the discussion on the floor.</b>
037	Chair Nelson	Closes work session on SB 290. Opens public hearing on HB 2577.
<b><u>HB 2577 PUBLIC HEARING</u></b>		
090	Rep. Jim Hill	House District 5. Supports HB 2577. This bill requires the Public Utility Commission report back to the legislature on status of competition and regulation in the telecommunications industry.
095	Chair Nelson	Asks if there are any sanctions if this not carried out.
113	Sen. Beyer	Asks if the status of quality telecommunications and technology in the state will be addressed.
119	Rep. Hill	Says he envisions the report to be a qualitative approach in terms of the regulations and implementation. Suggests that PUC offer recommendations through this process. Responds the rural areas need to have the same benefits as the valley.
178	Sen. Miller	Comments that the PUC has difficulty in allowing competition and pursuing deregulation. Asks if a report from PUC would be credible.
185	Rep. Hill	Answers that he believes that it will be.
187	Chair Nelson	Asks about implicit and explicit definitions in the bill.
189	Rep. Hill	Refers to lines 22 and 23 and implicit subsidies of the yellow pages. Says the implicit definitions will go away under competition. The implicit subsidies will become explicit.
195	Chair Nelson	Comments that is a crucial part of the bill.
230	Phil Nyegaard	Administrator, Telecommunications Division, PUC. Says that PUC does not oppose this bill. Suggests only one report from PUC, rather than two. Presents <b>(EXHIBIT G)</b> .

239	Sen. Beyer	Agrees that one report is better.
242	Shelley Jensen	GTE. Supports HB 2577. Agrees with Rep. Hill that PUC is required to do a kind of catalog. Agrees with having one report from them.
259	Chair Nelson	Asks for further questions. Says HB 2577 needs more study. Asks for comments. Hearing none, closes public hearing on HB 2577. Re-opens public hearing on SJM 4.
<b><u>SJM 4 PUBLIC HEARING</u></b>		
278	C. B. Hall	Vice President of the Association of Oregon Rail and Transit Advocates. Supports SJM 4 and explains why it is important. Eastern Oregon communities lack public transit. Travel options need to be available to rural communities. Amtrak can attach box cars for freight. Northwest produce can contribute to this express service to assist the cost of providing train service. Passenger and freight service in Oregon is a very reasonable possibility. Presents <b>(EXHIBIT H)</b> .
345	Chair Nelson	Asks about cost of a boxcar of fruit to transport by rail.
367	Hall	Responds he does not have those figures. Thirty cars would guarantee the solvency of the route, according to his information.
370	Chair Nelson	Asks if mail can be transported too.
373	Hall	Responds that Amtrak does that now and it may increase. Transporting farm produce would ensure solvency.
375	Chair Nelson	Closes public hearing. Adjourns meeting at 2:27 p.m.

Submitted By, Reviewed By,

Nancy Masee, Y. Sherry Sheng,

Administrative Support Administrator

#### **EXHIBIT SUMMARY**

**A ñ SB 624, -1 Amendments, Gary Bauer, 1 p**

**B ñ SB 624, written testimony, Phil Nyegaard, 1 p**

**C ñ SB 359, written testimony, Ann Crook, 4 pp**

**D ñ SB 296, written testimony, Vicki McLean, 2 pp**

**E ñ SB 290, written testimony, Susan Wilson, 2 pp**

**F ñ SB 290, -1 amendment, Richard Dixon, 2 pp**

**G ñ HB 2577, written testimony, Phil Nyegaard, 1 p**

**H ñ SJM 4, written testimony, C. B. Hall, 6 pp**