

**SENATE COMMITTEE ON BUSINESS & CONSUMER AFFAIRS**

**May 17, 1999 Hearing Room C**

**1:00 PM Tapes 117-119**

**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:**

**HB 2681A Public Hearing**

**HB 2579 Public Hearing**

**HB 3001A Public Hearing and Work Session**

**HB 3622 Public Hearing and Work Session**

**HB 3048A Public Hearing and Work Session**

**HB 3501A Public Hearing and Work Session**

**HB 2924A Public Hearing and Work Session**

**HB 2577A Public Hearing and Work Session**

**HB 2608A 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 117, A**

003

Chair Nelson

Opens meeting at 1:00 PM. Opens public hearing on HB 2681

**HB 2681A PUBLIC HEARING**

009

Mary Bryant

Speaks on behalf of Sen. Neil Bryant, Senate District 27. Supports HB 2681A. Explains utility problem in central Oregon. States that wastewater and household water are both controlled by one company in Bend. Explains that last year, this area was annexed into the city. States that the owners of this utility company have been charging exorbitant rates.

030

Joan Smith

Public Utility Commission. Share concerns of Sen. Bryant with this company. Supports HB 2681 with minor amendments and an emergency clause. Presents **(EXHIBIT A)**.

042

Tom Gallagher

Sun River. Agrees with the amendments. Supports HB 2681A.

Mary Bryant

Addresses the annexation and explains there is a deadline of July 1, 1999 to have a new contract signed.

055

Chair Nelson

Asks if there is an amendment.

060

Smith

Says there is a copy of an amendment that they had been working on.

062

Chair Nelson

Explains that the amendments need to be in legislative counsel form.

Sen. Beyer

Asks why the city of Bend is not responsible for regulating.

077

Smith

States it is because an investor owned company and the city annexed the land, but did not take over the administration.

Bryant

Says they cannot regulate the rates.

078

Smith

Explains that this is because it is a privately owned utility inside the city limits.

079

Chair Nelson

Explains that the committee will wait for the amendments. Closes public hearing on HB 2681A. Opens public hearing on HB 2579.

**HB 2579 PUBLIC HEARING**

100

Joan Smith

Public Utility Commission (PUC). Explains that yellow page revenues have been

		shared between customers and shareholders. Should HB 2579 pass, business and residential lines, rates would be increased by \$3.70 and GTE local rates would be increased by \$2.70. Presents <b>(EXHIBIT B)</b> .
165	Schelly Jensen	GTE. Describes that yellow page regulation is from business advertising and not from local residential ratepayers. Supports HB 2579. Presents <b>(EXHIBIT C)</b> .
214	Sen. Beyer	Asks if GTE sells listings to other companies.
215	Jensen	Says yes, they sell to other providers.
242	Chair Nelson	Asks if the internet is selling yellow pages.
243	Jensen	Answers yes, they are set up as a search engine.
256	Jenny Lang	US West Communication. Dex is a separate unregulated company that sells advertising. US West sells listings to 50 other companies.
353	Smith	PUC contends if yellow pages are up for sale, part of the money should go to ratepayers and part to shareholders. HB 2579 says that it will all go to the shareholders.
404	Sen. Miller	Asks about the Department of Justice's opinion on HB 2579.
414	Smith	Answers that she does not know.
<b>TAPE 118, A</b>		
009	Sen. Miller	Asks if the question of constitutionality was brought up in the House discussion.
019	Smith	Says she does not know if it was discussed in the first meeting.
024	Sen. Metsger	Discusses the previous SB 142 and asks how SB 142A would affect residential service with the capping.
034	Smith	States that if SB 142A should pass, the dollars would be taken out of the price cap limits.
049	Lang	Says the universal service section of SB 142A would take care of the imputation issues.
059	Sen. Metsger	Asks if the Universal Service Funds would affect the rates.

097	Smith	Answers that in the event the company had to sell the property at a loss, the customers would absorb the loss.
108	Chair Nelson	Recesses public hearing on HB 2579. Opens public hearing on HB 3001A.
<b><u>HB 3001A PUBLIC HEARING</u></b>		
112	Rep. Al King	Supports HB 3001A, which will require automobile dealers to have continuing education. States this would not be paid for by the state.
114	Chair Nelson	Recesses public hearing on HB 3001A. Opens public hearing on HB 3622.
<b><u>HB 3622 PUBLIC HEARING</u></b>		
059	Rep. Roger Beyer	House District 28. Supports HB 3622, which would license Christmas tree growers.
060	Chair Nelson	Closes public hearing and opens work session.
<b><u>HB 3622 WORK SESSION</u></b>		
062	Chair Nelson	<b>MOTION: Moves HB 3622 to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 4-0-1</b>  <b>AYE: In a roll call vote, all members present vote Aye.</b>  <b>EX: Miller</b>
063	Chair Nelson	<b>The motion CARRIES.</b>  <b>SEN. STARR will lead discussion on the floor.</b>
061	Chair Nelson	Closes work session on HB 3622. Opens public hearing on HB 3048A.
<b><u>HB 3048A PUBLIC HEARING</u></b>		
180	Rep. Kevin Mannix	HB 3048A will allow a storage unit owner to add wording on storage agreements indicating whether contents are covered under insurance.

182	Chair Nelson	Closes public hearing and opens work session.
<b><u>HB 3048A WORK SESSION</u></b>		
183	Chair Nelson	<b>MOTION: Moves HB 3048A to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 5-0</b>  <b>AYE: In a roll call vote, all members present vote Aye.</b>
185	Chair Nelson	<b>The motion CARRIES.</b>  <b>SEN. BEYER will lead discussion on the floor.</b>
186	Chair Nelson	Closes work session on HB 3048A and opens public hearing on HB 3001A.
<b><u>HB 3001A PUBLIC HEARING</u></b>		
188	Pete Shepherd	Department of Justice. Supports HB 3001A.
220	Monty King	Oregon Auto Dealers. Supports HB 3001A. Presents <b>(EXHIBIT D)</b> .
230	Sen. Metsger	Asks about exemptions, line 22, sale and disposition of total vehicles. Asks if this would be required of an auction company who deals with classic cars.
250	King	Answers yes, they would fall under this bill only if they are licensed in Oregon.
253	Chair Nelson	Closes public hearing and opens work session.
<b><u>HB 3001A WORK SESSION</u></b>		
254	Chair Nelson	<b>MOTION: Moves HB 3001A to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 4-0</b>  <b>AYE: In a roll call vote, all members present vote Aye.</b>  <b>EXCUSED: 1 - Sen. Miller</b>

256	Chair Nelson	<p><b>The motion CARRIES.</b></p> <p><b>SEN. METSGER will lead discussion on the floor.</b></p>
257	Chair Nelson	Closes work session on HB 3001A and opens public hearing on HB 3501A.
<b><u>HB 3501A PUBLIC HEARING</u></b>		
262	John Brenneman	Oregon Funeral Directors Association. Explains that HB 3501A will allow out-of-state removal of bodies. Explains that this bill allows limited privileges to funeral service professionals so that they can come from out-of-state and pick up remains with reciprocity privileges. States that the ñ6 amendments are technical language clean up. Presents <b>(EXHIBIT E)</b> .
395	Sen. Starr	Asks about the procedure for the death of someone in Oregon who is to be buried in Washington, with a "same day" burial request.
397	David Coe	Cemetery and Mortuary Board. Answers, under current circumstances, if a funeral was taking place in Washington, a death certificate would already be issued and transferral by the Washington parties.
<b>TAPE 117, B</b>		
005	Coe	Explains that the requirement for a death certificate causes delays in burials and there are reciprocal agreements between states. Explains if a death certificate were filed the same day, burial would be permitted.
037	Coe	Explains that the death certificate would not be waived, it would allow the removal of remains from Oregon to Washington or vice versa.
042	Sen. Beyer	Asks who issues the death certificate.
045	Coe	Answers, with HB 3501A any person who is authorized under Washington law or who registers with the Oregon State Mortuary Board would be authorized to file a death certificate.
	Staff	Submits <b>(EXHIBIT F)</b> .
050	Chair Nelson	Closes public hearing and opens work session.

**HB 3501A WORK SESSION**

051	Chair Nelson	<b>MOTION: Moves to ADOPT HB 3501-A6 amendments dated 5/17/99.</b>
		<b>VOTE: 4-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b> <b>EXCUSED: 1 - Sen. Metsger</b>
	Chair Nelson	<b>The motion CARRIES.</b>
055	Chair Nelson	<b>MOTION: Moves HB 3501A to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 4-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b> <b>EXCUSED: 1 - Sen. Metsger</b>
056	Chair Nelson	<b>The motion CARRIES.</b>  <b>SEN. NELSON will lead discussion on the floor.</b>
058	Chair Nelson	Closes work session on HB 3501A and re-opens public hearing on HB 2579.
<b><u>HB 2579 PUBLIC HEARING</u></b>		
085	Diane Cowan	Executive Director, Oregon Public Utilities Association. Supports the ñ2 amendments to HB 2579 but does not have a position on the bill. Amendment would expand authority to PUD to include telecommunications infrastructure, service, and capability for economic development. Explains the ñ2 amendments, page 3, lines 14-16. Reads from amendment. Presents <b>(EXHIBIT G)</b> .
147	Ben Doty	Telecommunications Manager. Central Lincoln PUD. Explains there is no investment in infrastructure on the coast and the coast areas need investment to create business.
170	Sheng	Says the ñ2 amendments are the same as in SB 142.

173	Cowan	Says they added language "to promote economic development."
185	Gary Bauer	Oregon Telecommunications Association. Has concerns with the area under condemnation, lines 16 through 18 on the ñ2 amendments, limiting the condemnation to existing lines used solely for telecommunications.
240	Joan Smith	Public Utility Commission. Supports the public utility departments.
249	Staff	Submits <b>(EXHIBIT H)</b> .
250	Chair Nelson	Closes public hearing on HB 2579 and opens public hearing on HB 2924A.
<b><u>HB 2924A PUBLIC HEARING</u></b>		
251	Charles Stern	Yamhill County Clerk. States that the object of HB 2924A is to clarify the recording of fixture filings in the county clerk's office. Presents <b>(EXHIBIT I)</b> .
253	Chair Nelson	Closes public hearing and opens work session.
<b><u>HB 2924A WORK SESSION</u></b>		
254	Chair Nelson	<b>MOTION: Moves HB 2924A to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 4-0</b>  <b>AYE: In a roll call vote, all members present vote Aye.</b>  <b>EXCUSED: 1 - Sen. Miller</b>
253	Chair Nelson	<b>The motion CARRIES.</b>  <b>SEN. MILLER will lead discussion on the floor.</b>
254	Chair Nelson	Closes work session on HB 2924A and opens public hearing on HB 2577A.
<b><u>HB 2577A PUBLIC HEARING</u></b>		



330	Sherry Sheng	Gives background on previous public hearing on this bill. HB 2577A directs PUC to report to the Governor and Legislative Assembly or Emergency Board annually on status of competition and regulation in the telecommunications industry. States this can be done with many reports or one combined report.
350	Sheng	States that the requirements differ with each facility.
360	Chair Nelson	Asks if this will cost more.
380	Sheng	Answers no additional cost.
410	Sen. Metsger	Believes this is a good idea. Feels that all reports should be combined.
<b>TAPE 118, B</b>		
009	Chair Nelson	Closes public hearing and opens work session.
<b><u>HB 2577A WORK SESSION</u></b>		
010	<b>Chair Nelson</b>	<b>MOTION: Moves HB 2577A to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 3-0</b>  <b>AYE: In a roll call vote, all members present vote Aye.</b>  <b>EXCUSED: 2 - Sen. Miller and Sen. Beyer</b>
011	<b>Chair Nelson</b>	<b>The motion CARRIES.</b>  <b>SEN. METSGER will lead discussion on the floor.</b>
014	Chair Nelson	Closes work session on HB 2577A and opens public hearing on HB 2608A.
<b><u>HB 2608A PUBLIC HEARING</u></b>		
016	Jack Barnes	Farmers Insurance. Supports HB 2608A but opposes the 4 amendments. Presents <b>(EXHIBIT J)</b> .
020	Doug Heatherington	Farmers Insurance.

052	Sen. Metsger	Asks how long the \$10,000 personal injury protection (PIP) limit has been in effect.
056	Barnes	Responds that he believes it is from the 1970s but is unsure.
064	Sen. Metsger	Asks if it would be fair to assume that the buying power of \$10,000 twenty-five years ago would be at least \$20,000 today for the same coverage.
075	Barnes	Responds that this may be true, although higher limits are available to those who desire them and by making this "mandatory" it is putting a hardship on many people.
077	Sen. Metsger	Gives an example of situations where there are several policies.
087	Barnes	Explains the situations in which the policies are used. Says there is inconsistency in the insurance marketplace.
094	John Powell	North Pacific Insurance Company. Explains they are a company that lists all family cars on one policy, therefore, he believes his company has an advantage over Farmers. Supports HB 2608A. Talks about PIP benefits. Wants passage without the amendment. States that rates are determined based on losses.
160	Sen. Beyer	Asks who would pay the hospital bill in extended injuries after PIP.
174	Powell	Says that health insurance would pick up the hospital bill after PIP.
200	Ed Patterson	Oregon Association of Hospitals and Health Systems. Supports HB 2608A and the n4 amendments. Introduces Dr. William Long, Emmanuel Hospital and developer of the state trauma system. Describes the levels of emergency care. Explains only 67% of all charges incurred are collected. Says the write-off amount was \$6.8 million dollars in 1997.
294	Dr. William Long	Trauma Director, Emmanuel Hospital. Describes trauma centers and emergency care systems. Explains that rural Oregonians have a greater survival rate in trauma centers. Discusses the economics of trauma care. Explains that hospital charges have increased from \$11,000 to \$21,000 in the last ten years and Oregon Health Plan personnel cost \$31,000. Explains that trauma individuals need extra social services and more help. States that PIP is the only form of insurance some motor vehicle accident victims carry.
420	Sen. Beyer	Asks about the \$6.8 million dollars in write-offs.
	Patterson	Explains there is no other way to absorb write-offs than to bill this into the hospital cost structure.

459	Powell	Reminds the committee that "trauma" is the most exaggerated of all the health care costs and this is not what is happening in the majority of accidents.
<b>TAPE 119, A.</b>		
008	Barnes	Reiterates that as the rates go up there will be many more individuals who are driving uninsured.
011	Staff	Submits <b>(EXHIBIT K)</b> .
012	Chair Nelson	Closes public hearing on HB 2608A and adjourns meeting at 3:00 PM.

Submitted By, Reviewed By,

Nancy Masee, Y. Sherry Sheng,

Administrative Support Administrator

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Transcribed By,

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## **EXHIBIT SUMMARY**

**A ñ HB 2681A, Written testimony, Joan Smith, 3 pp**

**B ñ HB 2579, Written testimony, Joan Smith, 16 pp**

**C ñ HB 2579, Written testimony, Schelly Jensen, 3 pp**

**D ñ HB 3001A, Written testimony, Monty King, 2 pp**

**E ñ HB 3501A, Written testimony, John Brenneman, 1 p**

**F ñ HB 3501A, -5 and ñ6 Amendments, Staff, 4 pp**

**G ñ HB 2579, Written testimony, Diane Cowan, 2 pp**

**H ñ HB 2579, -2 Amendments and Letter by Chris Crean, Staff, 5 pp**

**I - HB 2924, Written testimony, Charles Stern, 1 p**

**J ñ HB 2608, Written testimony, Jack Barnes, 2 pp**

**K ñ HB 2608, -4 Amendments and charts, Staff, 6 pp**