

SENATE COMMITTEE ON TRANSPORTATION

May 06, 1999 Hearing Room C

6:00 p.m. Tapes 84 - 85

MEMBERS PRESENT: Sen. Marylin Shannon, Chair

Sen. Mae Yih, Vice-Chair

Sen. Susan Castillo

Sen. Ted Ferrioli

Sen. Gary George

MEMBER EXCUSED:

STAFF PRESENT: Megan Palau, Administrator

Gary Roulier, Administrative Support

MEASURE/ISSUES HEARD: HB 2973A Public Hearing and Work Session

HB 2196A Work Session

HB 2467 Public Hearing and Work Session

SB 1085 Public Hearing and 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 84, A		
002	Chair Shannon	Opens the meeting at 6:12 p.m. and opens a public hearing on HB 2973A.
<u>HB 2973A PUBLIC HEARING</u>		

003	Megan Palau	Administrator. Explains the provisions of HB 2973A which exempts implements of husbandry from highway size limits if the owner is hired by or under contract to a farmer to perform agricultural activities.
010	Rep. Bruce Starr	House District 3. Testifies in support of HB 2973A. Explains the adopted amendment.
040	Chair Shannon	Asks for clarification of the amended language.
042	Starr	Responds that it clarifies that the owner must be "hired by or under contract to" a farmer.
050	Bill Kiewel	General Manager, National Frozen Foods Corporation. Presents (EXHIBIT A) and testifies in support of HB 2973A. Explains that the exemption would minimize the impact of continuous permitting given the constant movement of large machines from farm to farm (page 2 of the exhibit).

073	Don Schellenberg	Oregon Farm Bureau. Presents (EXHIBIT B) and testifies in support of HB 2973A. Points out that equipment owners are subject to vehicle size limits from which farmers are exempt under current statutes.
088	Sen. Yih	Asks about page 2, line 27, and if the definition of "farmer" would apply to the company that owned the equipment.
099	Kiewel	Responds that a company hired by a farmer would be covered within the definition.
107	Rep. Starr	Adds that the farmer is leasing the equipment from the company.
113	Schellenberg	Explains that the company is contracted by the farmer for the equipment. Adds that no administrative rules would be required to implement HB 2973A.
125	Steve Johnson	Manager, Field Motor Carrier Services. Presents (EXHIBIT C) and testifies that HB 2973A would simply bring statutes into line with current farming practices.
148	Chair Shannon	Closes the public hearing and opens a work session on HB 2973A.

HB 2973A WORK SESSION

151	Sen. Yih	MOTION: Moves HB 2973A to the floor with a DO PASS recommendation.
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VOTE: 4-0

AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 1 - Ferrioli

Chair Shannon

The motion CARRIES.

SEN. YIH will lead discussion on the floor.

158 Chair Shannon Closes the work session and opens a work session on HB 2196.

HB 2196 WORK SESSION

166 Kelly Taylor Oregon Department of Transportation (ODOT). Presents (**EXHIBIT D**) and explains that the ñ4 amendments address the committee concerns expressed at the public hearing.

203 Taylor Notes that the amendments repeal the provision that suspends driving privileges for a person convicted of a controlled substance offense that is not related to driving.

211 Sen. Shannon **MOTION: Moves to ADOPT HB 2196A-4 amendments dated 4/5/99.**

Chair Shannon

Hearing no objections, declares the motion CARRIED.

216 Sen. Shannon **MOTION: Moves HB 2196A to the floor with a DO PASS AS AMENDED recommendation.**

VOTE: 4-0

AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 1 - Ferrioli

Chair Shannon

The motion CARRIES.

CASTILLO will lead discussion on the floor.

230 Chair Shannon Closes the work session and opens a public hearing on HB 2467.

HB 2467 PUBLIC HEARING

234 Kate Richardson Legislative Assistant, Rep. Lane Shetterly, House District 34. Testifies in support of HB 2467 and explains that it authorizes red or amber warning lights for medical examiners and vehicles engaged in the removal of hazardous materials.

266 Chair Shannon Closes the public hearing and opens a work session on HB 2467.

HB 2467 WORK SESSION

274 Sen. George **MOTION: Moves HB 2467 to the floor with a DO PASS recommendation.**

VOTE: 4-0

AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 1 - Ferrioli

Chair Shannon

The motion CARRIES.

SEN. GEORGE will lead discussion on the floor.

287 Chair Shannon Closes the work session and opens a public hearing on SB 1085.

SB 1085 PUBLIC HEARING

312 Tom Linstrom President, Beavercreek Cooperative Telephone Company (BCTC). Presents **(EXHIBIT E)** and testifies in support of SB 1085. Explains that the bill clarifies the limited regulatory authority of the Public Utility Commission (PUC) over cooperatives for through services and joint rates.

356 Linstrom Reviews action by the 1987 Legislature to change the certification process and establish a forum to resolve disputes for cooperatives.

373 Chair Shannon Remarks that her understanding is that members of a local cooperative pay for access to trunk carriers, and asks whether SB 1085 would raise rates for access.

402 Linstrom Responds that SB 1085 does not affect access. Adds that the purpose of SB 1085 is to close loopholes in the statutes.

TAPE 85, A

009 Linstrom Explains rates that were proposed by the BCTC and subsequent regulation by the PUC. Notes that access rates have dropped at the same time that toll rates are

climbing.

047	Chair Shannon	Calls a recess at 6:38 p.m.
048	Chair Shannon	Reconvenes the meeting at 6:47 p.m. Asks Linstrom what SB 1085 is attempting to accomplish.
050	Linstrom	Responds that the bill provides for dispute resolution. Explains PUC actions in the event of proposed access rate changes.
098	Ginny Lang	US West. Presents (EXHIBIT F) and testifies that there are some concerns with the proposed amendments. Notes that it is unclear whether the guidelines would apply to future unincorporated associations and cooperative corporations.
148	Chair Shannon	Ask if the PUC has discussed the issues addressed in SB 1085 with Linstrom.
152	Phil Nyegaard	Administrator, Telecommunications Division, PUC. Responds that they have held conversations with the BCTC.
166	John Powell	AT&T. Adds that there have been some level of discussions between AT&T and the BCTC.
179	Nyegaard	Remarks that the concerns addressed by SB 1085 are now being examined by the Court of Appeals. Presents (EXHIBIT G) and testifies in opposition to SB 1085 because it would harm Oregon's rural telephone customers by increasing access rates.
214	Chair Shannon	Asks why the owners of a cooperative would want increased telephone charges.
226	Nyegaard	Answers that the increase he was referring to was to the access charges.
248	Chair Shannon	Comments that the cooperative members would be aware of the increased access rates and would only support SB 1085 if it would result in decreased access rates.
276	Nyegaard	Remarks that if SB 1085 becomes law, small companies that are not cooperatives will also seek relief from PUC regulation. Adds that the PUC would also not be able to establish new Extended Area Service (EAS) involving cooperatives.
293	Chair Shannon	States that the reason the legislature passed the Extended Area Service (EAS) bill was because the PUC would not take action.
301	Powell	Presents (EXHIBIT H) and testifies in opposition to SB 1085. Expresses the

concern that the providers to rural areas are monopolies and need to be regulated. Adds that SB 1085 raises a host of consumer protection issues.

348	Powell	Notes that AT&T is also a customer of the cooperatives and therefore feels that PUC oversight is critical.
371	Chair Shannon	Reiterates that the EAS has worked well.
387	Powell	Agrees that owners of the cooperative are well protected but adds that customers who are not part of the cooperative are not represented.
398	Chair Shannon	Comments that the bill's intent is to lower access rates.

TAPE 84, B

008	Sen. Yih	Asks if the PUC is advocating oversight.
010	Powell	Responds that AT&T is a customer of the cooperatives and SB 1085 removes PUC authority to regulate access rates.
020	Chair Shannon	Asks if AT&T and MCI were receiving the long distance rates that the EAS eliminated.
025	Powell	Answers he does not know. Explains that the EAS simply averages rates.
041	Linstrom	Reviews the rate structure between Molalla and Beavercreek. Reiterates that toll rates increased at the same time that access rates were being decreased.
092	Linstrom	Reviews the high levels of services offered by cooperatives in Oregon.
118	Chair Shannon	Asks if the intent is to raise access rates.
120	Linstrom	Responds that it is not. Reviews regulatory requirements of the Federal Communications Commission.
146	Chair Shannon	Closes the public hearing and opens a work session on SB 1085.

SB 1085 WORK SESSION

153	Linstrom	Presents (EXHIBIT I) and explains the provisions of the 11 amendments.
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158	Nyegaard	Disagrees that the ñ1 amendment gives PUC authority over cooperatives.
164	Chair Shannon	Asks what section of the amendment grants PUC authority over pooled rates.
177	Linstrom	Explains the provisions of ORS 759.220(2).
203	Nyegaard	Discusses the ñ1 amendments. Continues by explaining the differences between "regulate" and "approve."
255	Linstrom	Rebuts by explaining Section 3 of ORS 759.220(3) which grants the PUC authority to hear complaints regarding joint rates.
260	Nyegaard	Notes that Linstrom has always taken the position that ORS 759.220 does not apply to cooperatives.
268	Chair Shannon	States that the legislative intent is the PUC retains approval authority over pooled rates.
290	Linstrom	Notes that with competition in long distance, one long distance carrier declining to service an area would not be a problem.

297	Sen. George	MOTION: Moves to ADOPT SB 1085-1 amendments dated 4/28/99.
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VOTE: 3-2

AYE: 3 - Ferrioli, George, Shannon

NAY: 2 - Castillo, Yih

Chair Shannon	The motion CARRIES.
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303	Sen. George	MOTION: Moves SB 1085 to the floor with a DO PASS AS AMENDED recommendation.
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VOTE: 3-2

AYE: 3 - Ferrioli, George, Shannon

NAY: 2 - Castillo, Yih

Chair Shannon	The motion CARRIES.
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SEN. SHANNON will lead discussion on the floor.

Submitted By, Reviewed By,

Gary Roulier, Megan Palau,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2973A, written testimony, Bill Kiewell, 3 pp

B ñ HB 2973A, written testimony, Don Schellenberg, 1 p

C ñ HB 2973A, written testimony, Steve Johnson, 1 p

D ñ HB 2196, amendments, staff, 2 pp

E ñ SB 1085, written testimony, Tom Linstrom, 2 pp

F - SB 1085, written testimony, Ginny Lang, 1 p

G - SB 1085, written testimony, Phil Nyegaard, 1 p

H ñ SB 1085, written testimony, John Powell, 1 p

I - SB 1085, amendments, staff, 2 p

J - SB 1085, written testimony submitted prior to meeting, staff, 1 p