

HOUSE COMMITTEE ON COMMERCE

June 10, 1997 Hearing Room 357

8:15 AM Tapes 67 - 68

MEMBERS PRESENT:

Rep. Eldon Johnson, Chair

Rep. Cynthia Wooten, Vice-Chair

Rep. Ron Adams

Rep. Roger Beyer

Rep. Ricahrd Devlin

Rep. Jim Hill

Rep. Bob Montgomery

Rep. Jackie Taylor

Rep. Tom Whelan

STAFF PRESENT:

Julie Neburka, Administrator

Keith Putman, Administrator

Coben Tistadt, Administrative Support

MEASURE/ISSUES HEARD:

SB 1192A - Work Session

SB 126A - Public Hearing and Work Session

SB 645A - Public Hearing and Work Session

SB 98A - Public Hearing and Work Session

SB 376A - 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.

	Speaker	Comments
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Tape/#		
Tape 67, A		
002	Chair Johnson	Opens meeting at 8:19 AM. Opens work session on SB 1192A.
<u>SB 1192A - WORK SESSION</u>		
038	Mike Dye	Owner of an exotic animal ranch. Describes business. States that the economic impact statements for the wildlife integrity bills did not consider private businesses. States that current rules prohibit introducing wildlife into Oregon unless that species is included on a list. States that the task force assigned to comprise the list is under-staffed.
088	Dye	Continues testimony. States that SB 1192A requires that the Department of Fish and Wildlife comprise a list of prohibited animals. States that it is impossible for individuals to produce studies on animals proving that their introduction wouldn't be harmful. Supports forming a task force for the interim.
113	Rep. Adams	Asks about the December 1 date.
115	witness	States that there is a one-year moratorium allowing individuals to move their animals before the rules become effective.
128	Chair Johnson	Notes that with passage of the bill the date would no longer apply.
134	Sharon Harman	Operations Director for the Oregon Humane Society. Opposes the bill. States that she served on the Wildlife Integrity task force, noting that they worked on the current rules for two years. Notes that the intention was to protect Oregon wildlife. Mentions the impact of foreign animals on native animals and crops. States that the bill would do away with four years of public involvement and public policy setting.
161	Rep. Hill	Asks of what will happen as of December 31.
167	Harmen	Answers that there are provisions for moving out of state.
170	Rep. Hill	Asks what the consequences would be for having an outlawed species.
175	Harmen	Answers she doesn't know.
180	Rep. Hill	Expresses his concern that the department would be out shooting exotic animals.
185	Chair Johnson	Notes controversy on what exactly the rules do.
186	Rep. Taylor	Asks if the bill would do away with the elk ranching industry.
194	Harmen	Answers that it would do away with regulations governing the industry.
192		

	Rep. Montgomery	Asks how many people were on the task force and who appointed them.
199	Harmen	Answers that there were nineteen members, including individuals from the private sector. States that she was invited to make appointments.
203	Rep. Montgomery	Clarifies that the department made the appointments.
213	Rep. Whelan	Asks what public purpose is served by outlawing certain animal parts.
219	Harmen	Answers that the value of the commodities encourage black markets.
224	Rep. Whelan	Asks if they aren't penalizing legal trade
228	Harmen	Answers that it depends on the specific animal parts.
249	Rep. Beyer	Notes subsequent referral to Ways and Means. Proposes putting the -A2 amendments (EXHIBIT A) into the bill.
255	Keith Putman	Committee Administrator. States that Sen. Fisher proposed a set of amendments which he hasn't yet seen.
266	Rep. Montgomery	Opines that the amendments don't include sufficient "balance."
274	Rep. Beyer	States that they spelled out what they wanted but that it was drafted differently.
280	Chair Johnson	Suggests that the Speaker of the House and the President of the Senate form a task force for the interim.
282	Rep. Montgomery	Adds that the governor should be included.
287	Rep. Beyer	MOTION: Moves to FURTHER AMEND SB 1192A-2 amendments dated 6/9/97 on page 1, line 10, by inserting "The President of the Senate, the Speaker of the House, and the Governor shall appoint the members of the committee." after "taxidermy interests."
294		VOTE: 9-0
	Chair	Hearing no objection, declares the motion CARRIED .
296	Rep. Beyer	MOTION: Moves to ADOPT SB 1192A-2 amendments dated 6/9/97.
300		VOTE: 9-0
	Chair	Hearing no objection, declares the motion CARRIED .
301	Rep. Beyer	Expresses his concern that the amendments still don't meet the concerns that businesses will be put out of business.
307	Chair Johnson	Suggests adding conceptual amendments that the department can't adopt the rules that are to be put in place.

319	Rep. Beyer	MOTION: Moves SB 1192A to the Ways and Means committee by prior reference with a DO PASS AS AMENDED recommendation.
322	Rep. Whelan	Asks if the bill would disempower the department from doing their business.
325	Chair Johnson	Answers that the Ways and Means committee can address that.
326	Rep. Adams	Shares Rep. Whelan's concerns. States that he isn't familiar with the statutes. Notes that they are asking the Ways and Means committee to make policy.
363	Rep. Wooten	Adds that the Ways and Means committee has even less information about this bill than the Commerce Committee.
372	Rep. Beyer	States that if the department's rules contradict section 1 of the bill then those rules won't be implemented.
383	Rep. Adams	Notes that, under the bill, anything not included on the list would be allowed. Suggests leaving out section 3.
400	Chair Johnson	States that they are trying to protect business.
408	Rep. Beyer	Explains that the bill shifts the burden of proof from the individual to the state.
425	Rep. Wooten	Supports sending it to the Ways and Means committee without recommendation. Adds that she will vote no against the bill.
TAPE 68, A		
005	Rep. Beyer	Changes motion to DO PASS WITHOUT RECOMMENDATION
011	Rep. Adams	Suggests that they are abrogating their responsibility.
017	Rep. Beyer	Suggests that removing section 2 solves the poaching problem.
029	Rep. Taylor	Asks if every species could be reviewed by a certain date.
030	Chair Johnson	Notes time constraints.
035		VOTE: 3-5 AYE: 3 - Beyer, Hill, Johnson NAY: 5 - Adams, Montgomery, Taylor, Whelan, Wooten EXCUSED: 1 - Devlin
	Chair	The motion FAILS.
047	Rep. Montgomery	MOTION: Moves SB 1192A to the floor with a DO PASS AS AMENDED recommendation and to remove the prior referral to the Ways and Means Committee.
059		VOTE: 5-3

		<p>AYE: 5 - Beyer, Hill, Montgomery, Whelan, Johnson</p> <p>NAY: 3 - Adams, Taylor, Wooten</p> <p>EXCUSED: 1 - Devlin</p>
	Chair	<p>The motion CARRIES.</p> <p>REP. BEYER will lead discussion on the floor.</p>
071	Chair Johnson	Announces that the committee will not hear HB 3500 today. Opens public hearing on SB 126.
<u>SB 126A - PUBLIC HEARING</u>		
082	Cecil Monroe	Administrator of the Division of Finance and Corporate Securities with the Department of Consumer and Business Services. States that there were no "nay" votes in the Senate. Submits written testimony (EXHIBIT B) and section-by-section analysis(EXHIBIT C). States that the bill eliminates the need for the director to secure a bond before bringing a civil suit. Mentions the 1996 National Securities Markets Improvement Act.
100	Rep. Montgomery	Asks if there was any opposition in committee hearings.
102	Monroe	Answers that there was not.
103	Cindy Robert	Securities Industry Association. Mentions initial opposition from her association. States that the amendments have taken care of their problems with the bill.
108	Chair Johnson	Opens work session on SB 126A.
<u>SB 126A - WORK SESSION</u>		
115	Rep. Montgomery	MOTION: Moves SB 126A to the floor with a DO PASS recommendation.
117		<p>VOTE: 7-0</p> <p>AYE: In a roll call vote, all members present vote Aye.</p> <p>EXCUSED: 2 - Devlin, Beyer</p>
	Chair	<p>The motion CARRIES.</p> <p>REP. WOOTEN will lead discussion on the floor.</p>
120	Chair Johnson	Opens public hearing on SB 645A.

<u>SB 645A - PUBLIC HEARING</u>		
126	Mic Alexander	Practicing Lawyer in Marion County and member of the Oregon Trial Lawyers Association. Describes the membership of the task force. States that the bill is a good compromise.
149	John Powell	State Farm Insurance and North Pacific Insurance. Describes the "VEGA case," stating that the bill reverses the decision. States that the bill provides alternatives to filing while enhancing coverage. States that the bill provides for arbitration. Expresses ambivalence towards the bill.
197	Chair Johnson	Opens work session on SB 645A.
<u>SB 645A - WORK SESSION</u>		
200	Rep. Wooten	MOTION: Moves SB 645A to the floor with a DO PASS recommendation.
202		VOTE: 8-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Beyer
	Chair	The motion CARRIES . REP. ADAMS will lead discussion on the floor.
211	Chair Johnson	Opens public hearing on SB 98A.
<u>SB 98A - PUBLIC HEARING</u>		
225	Ed Nieuburt	Department of Consumer and Business Services. States that the bill establishes reasonable requirements. Talks about current state and federal regulations. States that the bill maintains the state's portability program and includes those qualifying under the federal program. Talks about small employer protections.
275	Nieuburt	Continues testimony, concluding that the bill maintains Oregon's leadership in this area while not falling short of federal standards. (EXHIBIT D).
285	Peggy Anet	Health Insurance Association of America. States that the amendments allow state law to meet the federal requirements.
296	Bruce Bishop	Kaiser Permanente. Cites two issues underlying the amendments: conformity with federal standards and avoidance of unfair advantages for self-insured plans exempt from state law.

334	Chair Johnson	Asks if the department prepared the amendments.
337	Nieuburt	Answers yes.
339	Rep. Adams	Asks if employers are, in this case, "bound by reality."
350	Nieuburt	Notes that the language isn't new. States that the bill allows an employer to provide insurance after a certain number of hours.
360	Rep. Adams	Asks about the inclusion of the word "genetic."
374	Nieuburt	Answers that it is in the federal language, and insures that medical conditions need to be objective.
382	Rep. Adams	Reads line 9 on page 22.
392	Nieuburt	Answers that both federal and state laws allow looking back six months for preexisting conditions.
TAPE 67, B		
001	Rep. Adams	Asks about pregnancies.
008	Nieuburt	Answers that pregnancy is not allowed as a preexisting condition
010	Rep. Hill	Asks about pregnancies in a group health plan.
013	Nieuburt	Answers that pregnancies aren't allowed as a preexisting condition except with individual policies.
020	Rep. Wooten	Mentions attempts to exclude pregnancy as a preexisting condition for all policies.
029	Rep. Montgomery	Asks for a description of the emergency.
032	Nieuburt	Notes that federal regulations will be adopted July 1 but the government is unprepared to act on those regulations.
041	Chair Johnson	Opens work session on SB 98A.
<u>SB 98A - WORK SESSION</u>		
044	Rep. Wooten	MOTION: Moves to ADOPT SB 98A-7 amendments (EXHIBIT E) dated 6/10/97.
045		VOTE: 8-0 EXCUSED: 1 - Beyer
	Chair	Hearing no objection, declares the motion CARRIED.
049	Rep. Wooten	MOTION: Moves SB 98A to the floor with a DO PASS AS AMENDED recommendation.
052		VOTE: 8-0 AYE: In a roll call vote, all members present vote Aye.

		EXCUSED: 1 - Beyer
	Chair	The motion CARRIES. CHAIR JOHNSON will lead discussion on the floor.
059	Chair Johnson	Opens public hearing on SB 376A.
<u>SB 376A - PUBLIC HEARING</u>		
066	Mike Dewey	Oregon Cable Association. Describes the methodology with which energy companies charge telecommunications and cable companies for their use of poles. Mentions that the FCC wrote that the 40 inches of clearance space should be considered usable space. Notes that if the utilities need the space then cable has to relocate. Mentions the cost of relocation. Discusses a case in Michigan. States that the utilities generally use the clearance space. Talks of costs of attaching to poles. States that the costs to utilities are minuscule.
116	Dewey	Continues testimony. States that the initial request that the 40 inches be usable space, through compromise, has been reduced to 20 inches.
145	Rep. Montgomery	Asks if there is a law that the poles have to be a certain height.
148	Dewey	Answers that poles are typically 40-45 feet. Adds that they have to be big enough to have a certain amount of clearance.
157	Jim Anderson	Pacificorp. Submits written testimony (EXHIBIT F). States that he will answer Rep. Montgomery's question after Mr. Dewey finishes.
163	Dewey	Notes that the FCC has decided that the 40 inches should be usable space. States that the PUC denied their request that cable companies be allowed the use of the space. States that the 20 inch compromise is reasonable.
185	Anderson	Submits written testimony (EXHIBIT). Opposes amended bill as it reduces safety space. Notes that the cable industry receives cheap access to poles. Mentions reasons why cable companies aren't interested in owning poles. States that most poles are 35 feet in height. States that the diagram shown by Mr. Dewey isn't typical. States that normally there is seven feet between power lines and cable lines.
235	Anderson	Continues testimony. States that the bill will result in significant losses for the utilities. Talks about pole degradation due to the weight of cable, television, and telephone lines. States that pole charges aren't for revenue.
257		

	Sandy Flicker	Oregon Rural Electric Cooperative Association. Opposes the amended bill. States that they were included in discussions. Concurs with Mr. Anderson's comments. Notes that they don't have a lot of employees to maintain poles. Talks about the costs of maintaining the poles. Disagrees with Mr. Dewey's comments that the costs are minuscule. Supports existing system.
297	Rep. Wooten	Asks standard cost of contact.
301	Anderson	Answers \$5.78 for standard contact.
304	Rep. Wooten	Asks if that is for telecommunications carriers.
307	Anderson	Answers that the fee is similar, but somewhat different.
313	Rep. Wooten	Asks if it is more.
315	Anderson	Answers yes.
316	Rep. Wooten	Asks about cost of contact for cable.
320	Anderson	Answers that he doesn't know.
324	Rep. Wooten	Asks Ms. Flicker for the cost of contacts.
326	Flicker	Answers that each utility negotiates separately.
330	Rep. Wooten	Asks Mr. Dewey to comment on testimony stating that his diagram was inaccurate.
340	Dewey	States that maintenance charges are figured into the cost of contacts. States that usable space is 10.6 feet rather than the lower figure quoted. Suggests determining usable space and adding 20 inches.
366	Rep. Taylor	Asks about safety clearance.
369	Anderson	Answers that the forty inches is the space taken up by cable and television. Mentions 26% underbilling, i.e., contacts with poles that aren't reported.
406	Rep. Adams	Asks if hypothetically an energy employee damages a cable line who would be liable.
TAPE 68, B		
008	Dewey	States that currently utilities are held harmless for any act.
012	Rep. Wooten	Notes that those contacting energy's poles aren't liable either.
018	Rep. Adams	Asks about "sag" on lines.
026	Anderson	Answers that it depends on temperature and on length of span. Notes that it is carefully calculated.
042	Rep. Adams	Guesses that if the lines are too close it could degrade the cable signals.
051	Rep. Devlin	Asks who benefits from the amount of clearance.
061	Dewey	States that both parties benefit from the protection from litigation.
069	Rep. Montgomery	Suggests that the cable companies don't appreciate being allowed to use the space.
078	Rep. Whelan	Asks why pole attachment rates have tripled.

082	Dewey	Notes that cable can't put poles up. Guesses that the rates tripled because of compliance programs with utilities. States that the space can be used by utilities.
102	Chair Johnson	Opens work session on SB 376A.
<u>SB 376A - WORK SESSION</u>		
109	Rep. Hill	MOTION: Moves SB 376A to the floor with a DO PASS recommendation.
110		VOTE: 5-3 AYE: 5 - Devlin, Hill, Whelan, Wooten, Johnson NAY: 3 - Adams, Montgomery, Taylor EXCUSED: 1 - Beyer
	Chair	The motion CARRIES. Rep. Hill will lead the discussion on the bill.
132	Chair Johnson	Adjourns meeting at 10:00 AM.

Submitted By, Reviewed By,

Coben Tistadt, Julie Neburka,

Administrative Support Administrator

EXHIBIT SUMMARY

A - SB 1192A, LC amendments, staff, 1 p.

B - SB 126A, written testimony, Cecil Monroe, 2 pp.

C - SB 126A, section-by-section analysis, Cecil Monroe, 22 pp.

D - SB 98A, written testimony, Ed Nieuburt, 3 pp.

E - SB 98A, LC amendments, staff, 34 pp.

F - SB 376A, written testimony, Jim Anderson, 1 p.