

HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE ON TELECOMMUNICATIONS AND TRADE

May 6, 1997 Hearing Room 343

8:30 AM Tapes 69 - 70

MEMBERS PRESENT:

Rep. Jim Hill, Chair

Rep. Ron Adams

Rep. Tom Whelan

Rep. Cynthia Wooten

STAFF PRESENT:

Julie Neburka, Administrator

Coben Tistadt, Administrative Support

MEASURE/ISSUES HEARD:

HR 2917 - Public Hearing

HB 3157 - Public Hearing

HB 3673 - Public Hearing

HB 3677 - 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 69, A		
004	Chair Hill	Opens meeting at 8:35 AM. Opens public hearing on HB 3157, closes public hearing on HB 3157. Opens public hearing on HB 3673, closes public hearing on HB 3673. Opens public hearing on HB 3677, closes public hearing on HB 3677. Opens public hearing on HB 2917.

<u>HB 2917 - PUBLIC HEARING</u>		
013	Julie Neburka	Committee Administrator. Presents staff measure summary.
019	Rep. Adams	Explains that the bill allows the Public Utility Commission to create incentives for rural areas to assess present telecommunications capacity and to encourage advancements. Suggests creating depreciation incentives. Mentions HB 3464.
045	Chair Hill	Mentions the fiscal impact. Asks the PUC to testify.
058	Pete Parris	Administrator for the Telecommunications Division, PUC. Submits written testimony (EXHIBIT A). States that the bill extends the PUC's authority and may require further statutory change. Notes that the bill doesn't specify what incentives will be used. Notes an unintended fiscal impact.
083	Chair Hill	Asks what the PUC is doing to extend telecommunication services to rural areas.
089	Parris	Responds that the PUC is limited in that capacity.
101	Chair Hill	Asks if the PUC has looked into the effect of its policies on the state's telecommunications networks.
107	Parris	Answers that there hasn't been a specific study. Mentions that the governor's office is working on that issue.
117	Rep. Adams	Asks Laurie Itkin to testify.
125	Chair Hill	Asks of the PUC's involvement with the Oregon Telecommunications Forum Council.
146	Laurie Itkin	Governor's Telecommunications Policy Advisor. Cites cooperative work with the industry. Cites HB 2106 which prohibits the commission from determining DAS' rates.
176	Parris	Talks of the certification process for telecommunications service providers.
199	Rep. Adams	Suggests possible amendments. Asks about the PUC's ability to provide incentives. Mentions such language in SB 994.
233	Parris	Cites a willingness to explore possible incentives. Mentions the possibility of over-extending the PUC's resources.
256	Rep. Adams	Mentions the intention behind HB 2106.
268	Woody Burko	Telecommunications Engineer for the PUC. Notes that there wasn't additional infrastructure needed for the lottery's frame-relay system, and that fiber is going to every central office in the state.
304	Rep. Adams	Points out that there is fiber in La Grande but that it isn't accessible.
324	Burko	

		Mentions facility maps showing that fiber stretches throughout the state.
340	Rep. Adams	Asks for action that will encourage the completion of loop redundancies. States that the bill attempts to help companies "do the right thing." Asks if there is the ability to add a surcharge to subsidize fiber being extended into La Grande.
395	Burko	Mentions a fiber route which isn't being used. States that he doesn't know how to encourage the use of fiber.
422	Chair Hill	States that lottery's request for fiber was the reason that fiber was extended into Burns. Notes that different areas will have different technological needs.
TAPE 70, A		
035	Burko	Mentions that there is a digital switch in La Grande. States that microwave is "a big pipe."
046	Rep. Adams	Relays La Grande's claim that they aren't competitive in attracting businesses to their city because of insufficient telecommunications capacity.
053	Itkin	Adds that La Grande also complained about a lack of redundancy.
074	Rep. Adams	Asks if the PUC could answer these concerns with the help of additional "tools." Notes popular demand for extending telecommunications services.
099	Rep. Wooten	States her opinion that the OTFC, and not the PUC, is the right entity to manage this task. Notes that the goals would be the same.
146	Rep. Adams	Responds that the PUC is employed full-time while the OTFC is not. Asks if the PUC can bring an "additional piece" to the task.
174	Rep. Wooten	Mentions similar approaches in other states.
184	Rep. Adams	Mentions different forms of incentives. States his view that there are various "pieces" to this task and that this legislation simply provides additional "piece."
191	Chair Hill	Notes that this is currently part of state policy. Expresses frustration with the PUC's unwillingness to help. Suggests "hit teams" to determine each particular community's needs.
226	Rep. Wooten	Suggests an "accommodation bill," incorporating the various pieces.
235	Rep. Adams	Asks for testimony from PGE and US West.
249	Burko	States that the PUC is willing to cooperate on this issue.
262	Rep. Adams	Asks what the PUC could do to help US West extend their services.
265	Ginny Lang	US West. Notes that this conversation has been happening for many years. Supports having economic development teams from

		each community come to the company and discuss their needs. Supports aggregating demand. Expresses an interest in having discussions of depreciation incentives. States that there are parts for everyone to play.
314	Clancy Standridge	GTE. Reminds the committee that this is a for-profit business and that there is a price tag attached to extending services. States that there is the need to recover investments.
337	Jim Schmit	US West. Notes that competitors can provide these services as well. States that there are investment opportunities "around the globe."
416	Rep. Adams	States that he will work to improve the bill.
TAPE 69, B		
014	Chair Hill	Asks about the bill's connection to franchise fees.
019	Rep. Wooten	States that HB 3246 is a "good telecommunications bill." Suggests that the members sit down and talk together.
032	Rep. Adams	Suggests that they hold their discussions in this forum. Specifies where he would amend the bill.
055	Chair Hill	Asks if the discussed map is proprietary.
067	Rep. Adams	Notes that the map shows fiber and not access to fiber.
078	Chair Hill	Asks if the map show where the switches are.
082	Burko	Answers yes.
084	Chair Hill	Closes public hearing on HB 2917. Adjourns meeting at 9:40 AM.

Submitted By, Reviewed By,

Coben Tistadt, Julie Neburka,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 2917, written testimony, Pete Parris, 1 p.