

HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE ON TELECOMMUNICATIONS AND TRADE

March 26, 1997 Hearing Room 343

8:30 AM Tapes 33 - 34

MEMBERS PRESENT:

Rep. Jim Hill, Chair

Rep. Eldon Johnson

Rep. Tom Whelan

Rep. Cynthia Wooten

MEMBER EXCUSED:

Rep. Ron Adams

STAFF PRESENT:

Julie Neburka, Administrator

Coben Tistadt, Administrative Support

MEASURE/ISSUES HEARD:

HB 3021 - 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 33, A		
003	Chair Hill	Opens meeting at 8:34 AM. Opens public hearing on HB 3021.
<u>HB 3021 - PUBLIC HEARING</u>		
022	Roger Hamilton	Chair of the Oregon Public Utility Commission. Submits written testimony (EXHIBIT A). Submits proposed amendments (EXHIBIT B) and lists its supporters. States the commission's belief that the language of the bill is unworkable. Talks about the benefits of the proposed amendments.

064	Chair Hill	Asks if there was collaboration on the proposed amendments.
065	Ginny Lang	US West. Answers that she has not seen the proposed amendments prior to the meeting.
073	Chair Hill	Asks if the sponsors of the amendments have read the text of the amendments.
074	Hamilton	Answers that he believes so.
076	Pat Hickey	AT&T. States that the "competitive coalition" sees the amendments as a fresh starting point for the bill. Cites a desire to see all parties satisfied with the process.
094	Chair Hill	Asks if the amendments include AT&T's language.
095	Hickey	Answers that he views the amendments as a starting point, but that further discussion will be needed.
103	Chair Hill	Asks if there will be any disagreements with the language of the amendments.
113	Hickey	States that the amendments are "a different roadmap and we are on that road."
115	Rep. Johnson	Asks Ms. Lang when she first saw the amendments.
116	Lang	Answers that she just saw them.
117	Rep. Johnson	Asks when the amendments were prepared.
118	Hamilton	Answers that they were prepared in the past four days as a result of the committee's request.
119	Chair Hill	Asks for additional comments from the amendments proponents.
124	Bob Jenks	Executive Director of the Citizens' Utility Board. States that the board has reviewed the amendments and supports them.
133	Chair Hill	Asks if there are different definitions, stating that he wants to compare "apples to apples."
145	Hamilton	Defers to Tom Barkin.
155	Chair Hill	Asks if there are definitions in the amendments which are not found in the bill.
164	Tom Barkin	Head of Hearing Division of the PUC. States that they have stricken definitions in the original bill due to a lack of clarity, e.g. the definition of "price floor" isn't found in statute. States that their amendments use well-defined words found in the federal act, and those that which aren't found in the act they define in the amendments.
194	Rep. Johnson	Asks if what is highlighted is new material not found in statute.
197	Barkin	Answers yes.
201	Chair Hill	Asks if they define cost of service.
203	Barkin	Answers no.
204	Chair Hill	Asks if they need that definition.

206	Hickey	States support for the definition as found in the federal act.
212	Chair Hill	Asks if they need a definition in Oregon statute.
214	Hickey	Answers no.
215	Susan McAdams	Electric Lightwave Incorporated. Supports continuing the authority of PUC.
223	Ken Snow	GST. States that the methodology of pricing is in turmoil. Warns against codifying a pricing mechanism at this time.
235	Rep. Johnson	Asks if the PUC intends to use the definition for cost of service as found in the federal act.
240	Hamilton	Answers yes, citing its flexibility.
249	Chair Hill	Asks if the definition is not in the act but in a Federal Communications Commission order.
251	Hamilton	Answers that that is correct.
259	Barkin	Notes that the FCC cited the Oregon PUC's work in developing definitions.
270	Lang	Supports working with the federal definition. Expresses desire to work with staff and the commission on this definition "because it is so important."
280	Fred Logan	GTE. Notes that the FCC's definition is being disputed and suggests that it is "in error." Expresses desire to have cost of service reflect accurate business costs.
291	Chair Hill	Asks if the committee should use the definition as found in the order.
297	Logan	Answers no, stating that the costs should reflect real business considerations and not a hypothetical model.
305	Rep. Johnson	Asks PUC if they would use the same depreciation schedule if they used the federal definition.
311	Hamilton	Answers that the issue is addressed in dockets in contested cases.
323	Barkin	States that incumbents and competitors submit depreciation schedules, and that PUC can change their proposals appropriate to the particular case.
336	Rep. Johnson	Wonders why PUC's depreciation schedules sometimes exceed a piece of equipment's lifespan.
349	Barkin	States that the committee should hear from an expert.
358	Lang	Opines that with the federal act the depreciation schedules need to change, noting the differences between a monopoly environment and a competitive environment.
380	Rep. Johnson	States that some changes need to be made in this area.
390	Chair Hill	Asks if there are problems with the definition of dialing parity.
396	Lang	Notes that the definition wasn't included in the original bill.
407	Chair Hill	Notes differences with the federal act's definition.

416	Rep. Johnson	States that Ms. Lang needs time to look over the commission's proposal.
419	Chair Hill	States that he directed the commission to include the incumbents in discussing proposed amendments.
429	Hamilton	Cites a clear division between the commission and the competitor's position and that found in HB 3021. Cites discussions with Chuck Lenard.
461	Chair Hill	Offers his office as a meeting site. States that PUC should have faxed its proposal to the incumbents and to the committee's members. Recesses meeting.
TAPE 34, A		
020	Chair Hill	Adjourns meeting.

Submitted By, Reviewed By,

Coben Tistadt, Julie Neburka,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 3021, written testimony, Roger Hamilton, 2 pp.

B - HB 3021, proposed amendments, Roger Hamilton, 28 pp.