

SENATE COMMITTEE ON BUSINESS, HOUSING AND CONSUMER AFFAIRS

March 24, 1993      Hearing Room 343 3:00 p.m.      Tapes 37 - 38

MEMBERS PRESENT:    Sen. Bill Dwyer, Chair Sen. Bill Kennemer, Vice-Chair  
Sen. Brady Adams Sen. Ron Cease

MEMBER EXCUSED:    Sen. Karsten Rasmussen

STAFF EXCUSED:        Cherie Copeland, Committee Administrator

STAFF PRESENT:        Richard Day-Reynolds, Committee Administrator  
Tamara Brickman, Committee Assistant

MEASURES CONSIDERED:      Public Hearing and Possible Work Session:  
SB    595        -      Requires      telecommunications      utility to  
include certain    alternative    service

pricing    information    in    bills    of

residential telephone customers. SB    747        -      Requires      toy  
dealers    to    notify      Director of Human Resources of hazardous toys  
intended for use by children of this state. SB    702        -      Requires  
    manufacturer      to    provide warning label on toys with small  
    parts.

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These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. [--- Unable To Translate Graphic ---]

TAPE 37, SIDE A

011      CHAIR DWYER:    Calls the meeting to order at 3:10 p.m.

(Tape 37, Side A) SB 595 - REQUIRES TELECOMMUNICATIONS UTILITY TO INCLUDE CERTAIN ALTERNATIVE SERVICE PRICING INFORMATION IN BILLS OF RESIDENTIAL TELEPHONE CUSTOMERS - PUBLIC HEARING Witnesses: Bob Jenks, Program Director, Citizens Utility Board Scott Girard, Public Utility Commission Ginny Lang, US West Communications Gary Bauer, OR Independent Communications David Overstreet, GTE

014    BOB JENKS, PROGRAM DIRECTOR, CITIZENS UTILITY BOARD (CUB):

Testifies in support of SB 595 and refers to written testimony (EXHIBIT A).

056 CHAIR DWYER: Asks about extended area services.

059 JENKS: There is no listing under basic services. Continues testimony in regards to SB 595.

137 CHAIR DWYER: Why doesn't the PUC handle this?

139 JENKS: Responds to Sen. Dwyer about PUC question. The system works as it was designed to work.

158 SEN. ADAMS: Is the PUC out to deceive customers by not making this change?

161 JENKS: Not flat out. System is designed for paying on what is not actually needed.

168 SEN. ADAMS: Continues discussion on PUC.

177 JENKS: The system is designed to work in that way.

179 SEN. CEASE: Comments on PUC possibly being overly bureaucratic, but not out to deceive them. Addresses comments to SEN. ADAMS.

190 CHAIR DWYER: How many people would take advantage of it if they had it set up that way?

193 SEN. ADAMS: Comments to CHAIR DWYER comment. Asks JENKS whether they had performed a cost benefit analysis.

200 JENKS: Responds to SEN. ADAMS. No they haven't. This is "not a scientific study." No good solid numbers of how many people in system

are being overcharged.

221 SEN. KENNEMER: Do companies make this information available in their directories?

224 JENKS: To some extent yes, but the system is overly complicated.

240 SEN. KENNEMER: Is this going to make the problem worse?

248 JENKS: I can understand that, but people should have access to that information.

265 SEN. CEASE: Can the information be sent to them?

268 JENKS: Responds to SEN. CEASE. The information is not available. Consumers must change billing procedures to find out the difference.

280 SEN. CEASE: Unreasonable to not be able to get that information.

292 SCOTT GIRARD, ADMINISTRATOR OF TELECOMMUNICATIONS DIVISION, OREGON PUBLIC UTILITY COMMISSION: Denies that PUC is attempting to obscure

information to consumers. Presents testimony in opposition to SB 595.

(EXHIBIT B)

329 SEN. CEASE: If customers want this information, who would they call?

337 GIRARD: Responds to SEN. CEASE. Business office.

338 SEN. CEASE: What is normal response of business office?

343 GIRARD: They have to be specific about what they ask.

(CHAIR DWYER leaves.)

345 SEN. CEASE: Very specific?

346 GIRARD: Responds to SEN. CEASE. If a consumer keeps track and contacts PUC they can get the information.

358 CHAIR KENNEMER: This bill would call for reconfiguration of billing software.

368 SEN. CEASE: Clarifies Chair Kennemer's question.

386 GIRARD: Continues testimony in opposition to SB 595.

395 SEN. CEASE: So for many people the would information be meaningless?

399 GIRARD: That is our opinion. Continues testimony in opposition.

TAPE 38, SIDE A

038 CHAIR KENNEMER: How costly?

039 GIRARD: responds to SEN. KENNEMER's question. Estimates that it would cost 60% more per billing (from 1/2 cent to .8 cents per billing).

049 SEN. CEASE: I do not pay attention to what is on phone bill except amount...What else is put on the bill?

055 GIRARD: Responds to SEN. CEASE's question. US West has a phone number on the bill itself.

060 SEN. CEASE: What else might be useful to people?

065 GIRARD: Responds to SEN. CEASE's question. Consumer rights information, rate changes.

075 SEN. CEASE: If customers understood difference between measured and flat rates, would they likely change billing? 079 GIRARD: Customers like certainty of flat rate billing.

093 SEN. ADAMS: Is PUC using the current system as a revenue source?

096 GIRARD: Responds to SEN. ADAMS' question. PUC does not receive revenues from EAS. We're not trying to deceive consumers.

119 CHAIR KENNEMER: How may other EAS beyond metropolitan area?

130 GIRARD: Responds. Can get information to you.

135 SEN. CEASE: The PUC is funded by the companies it regulates.

140 CHAIR KENNEMER: Asks next witnesses to come together to present testimony.

146 GINNY LANG, US WEST COMMUNICATIONS: Testifies in opposition to SB 595. Reads from written testimony (EXHIBIT C).

176 GARY BAUER, OREGON INDEPENDENT TELEPHONE ASSOCIATION: Testifies in opposition to SB 595. Not enough consumer interest (EXHIBIT D).

231 SEN. ADAMS: What was the customer base of the company that did study?

233 BAUER: About 3500.

243 DAVE OVERSTREET, GTE: Testifies in opposition to SB 595. Significant added costs to billing system, though unable to quantify. Add to

customer confusion and apathy. Added costs spread throughout the rate base.

295 CHAIR KENNEMER: Anyone else to testify? Closes hearing.

(Tape 38, Side A) SB 747 - REQUIRES TOY DEALERS TO NOTIFY DIRECTOR OF HUMAN RESOURCES OF HAZARDOUS TOYS INTENDED FOR USE BY CHILDREN OF THIS STATE - PUBLIC HEARING Witnesses: Jon Stubenvoll, Oregon State Public Interest Research Group

(OSPIRG)

308 JOHN STUBENVOLL, OREGON STATE PUBLIC INTEREST GROUP: Testifies in support of SB 747. (EXHIBIT E)

366 CHAIR KENNEMER: How are recalls handled at sales level?

370 STUBENVOLL: Responds to SEN. KENNEMER by explaining recall procedure.

380 SEN. ADAMS: What does prominently display mean?

385 STUBENVOLL: Explains the language.

398 SEN. ADAMS: Section 3, legal consequences. Intent? (EXHIBIT F)

406 STUBENVOLL: Provides for citizen enforcement.

TAPE 37, SIDE B

015 CHAIR KENNEMER: Any fiscal impact?

016 RICHARD DAY-REYNOLDS, COMMITTEE ADMINISTRATOR: No impact as amended.

018 STUBENVOLL: Not much of an enforcement problem.

023 DAY-REYNOLDS: Indeterminate as long as there is no involvement by the Health Division. 030 CHARLIE WILLIAMSON, OREGON TRIAL LAWYERS ASSOCIATION: Testifies in support of SB 747.

052 VICE-CHAIR KENNEMER: Enters Keith Merdink's testimony into record (EXHIBIT H)

055 SEN. ADAMS: How many deaths from toys?

062 WILLIAMSON: Responds to SEN. ADAMS' question regarding deaths from toys.

(Tape 37, Side B) SB 702 - REQUIRES MANUFACTURER TO PROVIDE WARNING LABEL ON TOYS WITH SMALL PARTS - PUBLIC HEARING Witnesses: Jon Stubenvoll, Oregon State Public Interest Research Group (OSPIRG)

084 JOHN STUBENVOLL, OSPIRG: Testifies in support of SB 702. (EXHIBIT I)

114 Sen. Dwyer arrives during STUBENVOLL's testimony. Allows VICE-CHAIR KENNEMER to remain in charge of the hearing.

137 SEN. CEASE: Indicating manufacture which might be out of state. Do neighboring states have laws like this?

144 STUBENVOLL: Responds to SEN. CEASE's question. The State of Connecticut was challenged and was upheld.

155 SEN. CEASE: Who will provide the labor?

159 STUBENVOLL: We've had a lengthy discussion with staff on whether to enforce this through the Health Division or another regulatory agency.

164 SEN. CEASE: The Health Division is to do it without resources? They're not terribly aggressive about getting the resources to do it. Who is to make the determination on funding and which department will enforce?

186 STUBENVOLL: Responds.

188 SEN. CEASE: These products change rapidly. The costs of administration and oversight might not be small.

198 STUBENVOLL: We hope manufacturers will comply if this is put in statute. There are alternate mechanisms to work this out.

208 SEN. CEASE: Discusses the differences in the Senate vs. the House. What are this bill's chances of passing?

219 STUBENVOLL: We would love the opportunity to try.

227 CHARLES WILLIAMSON, OREGON TRIAL LAWYERS ASSOCIATION: Testifies in support of SB 702.

243 SEN. CEASE: If we pass this law without money for enforcement how can we enforce it?

256 WILLIAMSON: OSPIRG will fund an informational mailing.

257 SEN. CEASE: This is worthy of concern; there is just a question of cost.

268 CHAIR DWYER: The bill is discriminatory. Hispanic kids that don't read English are discriminated against. You need to print the warning in

both languages.

278 VICE-CHAIR KENNEMER: Closes hearing.

TAPE 37, SIDE B

285 VICE-CHAIR KENNEMER: Adjourned the meeting at 4:25 p.m.

Submitted by:

Reviewed by:

Willie Tiffany

Richard Day-Reynolds

Assistant

Administrator

EXHIBIT LOG:

A - Testimony on SB 595 - Bob Jenks - 8 pages B - Testimony on SB 595 - Scott Girard - 1 page C - Testimony on SB 595 - Ginny Lang - 2 pages D - Testimony on SB 595 - Gary Bauer - 2 pages E - Testimony on SB 595 - Jon Stubenvoll - 4 pages F - -1 Hand-Engrossed SB 747 - Staff - 1 page G - -1 Amendment to SB 747 - Staff - 1 page H - Testimony on SB 747 - Keith Meerdink - 4 pages I - Testimony on SB 702 - Jon Stubenvoll - 8 pages