

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.

SENATE COMMITTEE ON
TELECOMMUNICATIONS AND CONSUMER AFFAIRS

April 11, 1991Hearing Room B
1:00 p.m.Tape 42 - 43

MEMBERS PRESENT:Senator Jolin, Chair
Senator Otto, Vice-Chair
Senator Kennemer
Senator Bunn
Senator Shoemaker

STAFF PRESENT: Cherie Copeland, Committee Administrator
Apryl Poff, Committee Assistant

MEASURES HEARD: SB 901 Approval of telecommunications contracts, PUB.
SB 1180 Animal restraint, PUB.
SB 546 Health insurance cancellation notice, WS.

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PUBLIC HEARING.
TAPE 42, SIDE A

005 CHAIR JOLIN: Calls the hearing to order at 1:09 p.m.

SB 901, PUB.

Witnesses: Gary Wilhelms, US West Communications.
Mike Kane, Public Utility Commission.
Les Smith, Oregon Radio Common Carriers.
Kelly Ireland
Mark Trincherro, TRACER.
Beth Kaye, MCI.
Valerie SaliSB ury, League of Oregon Cities.
Marilyn Grannell, Oregon Radio Common Carriers.
Pat Hickey, AT&T.
Pat McCormick, Electric Lightwave.
Earl Kamsky, Electric Lightwave.

014 GARY WILHELMS: Submits and summarizes written testimony and amendments to SB 901 (EXHIBIT A). We have been negotiating language for a bill with the PUC and, I believe, are very close to agreement. We requested the original bill draft using language from the 198 9 session contracting bill because we needed a vehicle and didn't have final language ready by the draft request deadline. Advancements in technology and competitive alternatives in the telecommunications industry are increasing at a rapid pace. As a result, telecommunications utilities may not be able to obtain or retain their customer's business at full tariffed rates. As the regulated telecommunications utilities lose any medium and large business customers to competitive alternatives, they also lose the revenue contribution to fixed costs of the business, thereby creating upward pressure on rates for the remaining customers.

065 GARY WILHELMS: Under existing law, contracts between customers and US West are subject to a third party approval process by the PUC. This bill refines the process whereby a telecommunications utility may enter into a contract with a customer for telecommunications service. The bill requires that contracts be filed with the PUC for review and allows the PUC to void a contract between a customer and the utility if it's found to be below cost. This bill provides protection for ratepayers by continuing the process of investigation and review by the PUC, while at the same time providing telecommunications utilities the flexibility they need to contract with, keep commitments to, and retain customers.

102 MIKE KANE: We have been working with US West and trying to come up with language and a process for approving special contracts that we can all agree on. We are very close in coming up with an agreement. We are in agreement with the US West amendments. The PUC would like some time from now until a work session is held on this bill to do so.

138 MARILYN GRANELLE: Submits and summarizes amendments (EXHIBIT B). We would like to be included in the negotiations on language with the PUC and US West. Our concerns are with Section 2 (2) and (3) on the new language. We are concerned about the privacy and also if the PUC doesn't hear any filings within 90 days then the contract would be deemed approved.

177 SENATOR SHOEMAKER: Why are you so concerned about the privacy provisions?

179 LES SMITH: If it were to be a US West or GTE affiliate we as competitors would like to know that so we would be able to enjoy the same benefits.

189 SENATOR SHOEMAKER: What is the problem with the 90-day provision?

199 PAUL GRAHAM, ATTORNEY GENERAL'S OFFICE: If a utility does business with itself, it has to file a contract and get approval for it under our affiliated interest statutes.

209 SENATOR SHOEMAKER: Would that satisfy your concerns regarding the disclosure?

211 LES SMITH: Yes.

220 MARK TRINCHERO: Submits and summarizes written testimony in favor to SB 901 (EXHIBIT C). I am representing Telephone Ratepayers Association for Cost-based and Equitable Rates (TRACER). Tracer is an unincorporated association of large telecommunications service users in the State of Oregon, including businesses, hospitals and state agencies. Telecommunications utilities and their customers should be permitted in appropriate circumstances to individually contract for telecommunications services. TRACER has a number of concerns with the bill, as drafted. These concerns can be summarized as follows:

>The contracts should be filed with the PUC and receive approval prior to their effective dates.

240 >In addition to confidential treatment of customer identity, all other customers' proprietary information submitted as part of a contract filing with the Commission should be kept confidential.

>Contracts for telecommunications services and supporting materials filed with the Commission may contain customer proprietary information which, if disclosed, could cause economic and competitive harm to customers.

261 >Contracts filed pursuant to this section should be enforced between the

parties according
their terms. Customers need to rely upon the rates, terms and conditions
contained in the
contracts which they execute with telecommunications utilities.
>Telecommunications customers should be assured that they will be entitled
to the same
rates, terms and conditions as a contract customer if they are similarly
situated to such a
customer.

270 >If the Commission finds that an approved contract no longer covers its
short and long-run
incremental cost, it should be allowed to make an appropriate adjustment to
the
telecommunications utility's revenue requirement in a subsequent
proceeding.

>Contacts executed prior to the effective date of this section should be
deemed lawful and
enforceable by the contracting parties according to their terms.
300 >The unjust discrimination statutes shouldn't be amended.

327 GAIL GAREY: The following are concerns that we have about a
telecommunications utility being
able to enter into a special contract.
>Monopolies on the local exchange network.
>There needs to be some added safeguards for when a utility enters into a
special contract.

370 BETH KAYE: There is nothing in this bill that distinguishes between
those people who have and
don't have competitive alternatives. We believe that this needs to be
included. We agree with TRACER
that the non-discrimination provision of the current statute shouldn't be
amended. We disagree on the
issue of how proprietary information should be treated. We think there is
no reason that the utility should
be able to block distribution of the name of the customer.

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040 VALERIE SALISBURY: The League of Oregon Cities would like to retain
the PUC review.

059 EARL KAMSKY: Submits and summarizes written testimony to SB 901
(EXHIBIT D). We have
concerns about SB 901 as it's written, and also with the amendments
proposed by the bill's requesters.
The new language of SB 901 needs to be further amended to make clear that a
telecommunications
utility's ability to provide services under contract is limited to cases
where there is demonstrated effective
competition for substantially similar services. With that limitation, and
if the essential terms of the
contracts are filed with the PUC and open to public scrutiny, Electric
Lightwave Inc. (ELI) believes the
bill's passage would be in the public interest.

077 PAT HICKEY: Our concerns about this bill have been covered by MCI,
TRACER, and US
WEST. We will be happy to work with these companies to come up with an
agreeable solution.

095 CHAIR JOLIN: Concludes hearing on SB 901.

106 PETER STOEL: Submits and summarizes written testimony in favor to SB
118 0 (EXHIBIT E).

The following are illegal in Multnomah County:
>People playing ball or frisbee with their dog in their own yard.
>Dogs playing with kids in wading pool on back patio.
>Owner sitting on front porch holding small dog in arms.
>Dog walking from front door to driveway of home to get in car without
leash.

>Owner bathing dog in yard.
If these ordinary household activities taking place within the confines of
our own yards are made illegal,
doesn't that go too far in removing from us, a basic civil freedom, that
is, freedom from unnecessary
governmental interference in our ordinary, everyday living? An unleashed
dog on his own property is
not sufficient cause to warrant the excessive governmental interference and
intrusion into our private lives

that this highly restrictive leashing requirement entails.

222 TOM DEHEN: Submits and summarizes written testimony in favor to SB 118 0 (EXHIBIT F).

Many prospective homes are denied the right to adopt pets from county animal control agencies when there is a fencing requirement. The pets are euthanized in preference to being adopted out to homes without fencing. Fencing requirements discriminate against rural residents with acreage. Seldom do these people have fencing that can fulfill animal control requirements but yet they can offer the impounded dog a nice life. The practical impact of such specious requirements is to turn away the more intelligent, sophisticated pet owner. Most people would rather go to a pet shop than have animal control interfering with their relationship with their landlord.

263 JANE BYRNE: Submits and summarizes written testimony in favor to SB 118 0 (EXHIBIT G).

In most of the larger county impound facilities of the state, the holding period for most dogs is three days. If within that time period the dog is neither redeemed by his owner nor selected for an adoption hold by a private party visiting the facility, the dog is euthanized at the end of the three-day holding period. The three-day holding period applies to dogs not wearing a license nor I.D. tag at the time of impoundment. Dogs wearing their licenses or I.D. tag at the time of impoundment get six days. We feel that the length of holding time for dogs wearing licenses and not wearing licenses should be eliminated. A three-day holding period doesn't permit pet owners sufficient time to discover their pet at the impound facility before he is euthanized. SB 1180 is written so as to allow impound facilities the freedom to divide the 10-day holding period into whatever ratio they prefer. They could have a 3-day redemption period with the additional 7 days used for both redemptions and adoptions or select a 4-day/6-day split, 5-day/5-day split. Increasing the holding period to ten days makes sense from all standpoints.

465 SENATOR OTTO: Since you seem to have a complaint with just Multnomah County, why don't you go to the county with this rather than try to pass a state law to deal with a local problem?

475 JOAN DAHLBERG: We are so familiar with Multnomah County we tend to use them as an example. We are concerned with this issue in a number of different counties.

TAPE 42 SIDE B

033 SENATOR OTTO: Have you ever gone to Multnomah County and asked them to change their ordinance?

038 JOAN DAHLBERG: Yes. We have done extensive work on these issues for the past 15 years. Unfortunately, animal control agencies are very resistant to change in general.

048 SENATOR OTTO: What is the fiscal impact of this bill?

050 JOAN DAHLBERG: Our feeling is that if they make the changes they should within the agencies that 10-day holding period would have a beneficial impact rather than a harmful impact. This should create revenues rather than costing them more.

058 SENATOR OTTO: The one figure I heard was that the county would have to put up a \$600,000 structure to house all the dogs in the county if you were to have a 10-day waiting period.

075 MIKE CAMPBELL: Submits and summarizes written testimony in opposition

to SB 1180 (EXHIBIT H). If this bill is passed, it would greatly increase the costs of providing animal control services to the public, and at the same time, it would reduce the effectiveness of these same services. This bill restricts the abilities of animal control agencies to protect the public from dangerous and aggressive animals, it doesn't allow us to incorporate certain criteria into our adoption requirements which are needed to insure adoptions to responsible and caring people, and it requires our agencies to hold animals for three times the current legal time period. Ten business days actually translates to almost 14 days when not counting the day of impound, the day of euthanasia, or days when we are closed to the public as called for in this bill. The Lane County Board of Commissioners agree with me that this bill isn't in the best interests of the people we serve. It is both costly and ineffective.

175 MERT DAVIS: Submits and summarizes written testimony in opposition to SB 1180 (EXHIBIT I). This bill offers more problems than solutions. The majority of dogs that are impounded by animal control officers, or picked up as strays by private citizens, aren't wearing a dog license or other means of identification. It defies logic to assume that a dog will take the time to have its owner put its collar and dog license on before it leaves the yard. In the case of stray dogs that have been impounded, most of the ones that are reclaimed by their owners are reclaimed within 48 hours of the impound. The likelihood of a stray dog being reclaimed by its owner decreases proportionately as the number of days the dog is held increases. SB 1180 encourages irresponsible pet ownership and wrongfully attempts to place that burden for that irresponsibility on animal shelters. It imposes unreasonable requirements on animal shelters with respect to holding periods, limits our ability to find good homes for adoptable animals, and significantly increases our expenses.

225 CHAIR JOLIN: Closes hearing on SB 1180.

228 SB 546, WORK SESSION.

262 CHERIE COPELAND: Introduces SB 546-2 amendments (EXHIBIT J). This bill requires notification to employees when health insurance at place of employment has been cancelled. The primary change that was made was rather than requiring the insurance company to notify the employee, the language states that the insurance company shall cause to be notified and they then have some options on how to effect the notification. These amendments also apply to health care service contractors.

300 CRAIG URBANI: These amendments give the insurer the option of having the employer make the notification. The insurer need not make the notification themselves but they are ultimately responsible to see that the notification would come about. We also made it clear that this does apply to a multiple employer trust where there is an insurance contract. In the event there is a Taft-Hartley trust, it is my understanding that the Taft-Hartley trust itself would notify any of its members of their rights to continued coverage or their eligibility. This provides for a conversion privilege in the statute to some kind of a health care program that can be continued and requires some type of notification by either the employer or the insurer.

332 REP. DOMINY: Does this cover Kaiser and Blue Cross plans?

342 GREG URBANI: Yes.

375 PAUL TIFFANY: The amendments accomplish what we had hoped to accomplish.

400 TOM ERWIN: I am in support of the SB 546-2 amendments.

413 MOTION: Senator Jolin moves the SB 546-2 amendments.
VOTE: There being no objections the motion carries.

417 MOTION: Senator Jolin moves SB 546 as amended to the floor with a Do Pass
recommendation.

420 VOTE: In a roll call vote the motion carries with all member present
voting "AYE."
Senator Kennemer and Senator Bunn excused.

423 Senator Jolin will carry the bill.

425 CHAIR JOLIN: Adjourns hearing at 2:35 p.m.

Submitted by: Reviewed by:

Apryl Poff Cherie Copeland
Assistant Committee Administrator

EXHIBIT LOG:

- A - Written testimony submitted by Gary Wilhelms, 8 pages.
- B - SB 546-2 amendments submitted by Marilyn Grannelle, 1 page.
- C - Written testimony submitted by Mark Trincherro, 5 pages.
- D - Written testimony submitted by Earl Kamsky, 2 pages.
- E - Written testimony submitted by Peter Stoel, 4 pages.
- F - Written testimony submitted by Tom Behen, 2 pages.
- G - Written testimony submitted by Jane Byrne, 4 pages.
- H - Written testimony submitted by Michael Campbell, 5 pages.
- I - Written testimony submitted by Mert Davis, 5 pages.
- J - Hand-engrossed amendments SB 546-2 submitted by staff, 5 pages.