

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

June 6, 1991Hearing Room B
1:00 p.m.Tape 64

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

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

MEASURES HEARD: HB 2902 Affiliated interest contracts, WS.
SB 557 Regulation of small telephone companies, WS.
SB 1157 Notice of euthanasia practices, PUB and WS.

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WORK SESSION.
TAPE 64, SIDE A

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

010 CHAIR JOLIN: The issue of SB 1157 is dead. We are using this bill as a vehicle for SB 1188.
SB 1157-1 (EXHIBIT A) deals with disclosure of euthanasia practices.

SB 1157, NOTICE OF EUTHANASIA PRACTICES, PUB AND WS.
Witnesses: Joan Dahlberg, Oregon Pet Owners Association.

018 JOAN DAHLBERG: Summarizes in favor of SB 1157. We are in support of the SB 1157-1 amendments which just involves the euthanasia disclosure portion. The portion involving dogs on their owners' property has been removed.

025 SENATOR KENNEMER: If I were to give you a dog or cat, would I be included in this?

030 CHERIE COPELAND: I don't believe that is the intent.

MOTION: Chair Jolin moves the SB 1157-1 amendments.

VOTE: There being no objections the motion carries.

MOTION: Chair Jolin moves SB 1157 as amended to the floor with a Do Pass recommendation.

VOTE: In a roll call vote the motion carries with Senators Jolin, Kennemer, Bunn, and Shoemaker voting "AYE."
Senator Otto voting "NAY."

Senator Bunn will carry the bill.

SB 557 REGULATION OF SMALL TELEPHONE COMPANIES, WS.
Witnesses: Maurice Astley, Oregon Independent Telephone Association.
Scott Gerard, Public Utility Commission.

052 CHERIE COPELAND: Summarizes the SB 557-1 amendments (EXHIBIT B). The amendment deletes the current language of the bill and inserts something that is much briefer. The PUC is required to review all of the rules that they have and justify that they should apply to the small telecommunications companies.

067 MAURICE ASTLEY: Oregon Independent Telephone Association is in favor

of the SB 557-1 amendments. The small companies do things manually to comply with some of the rules. This is an added burden to the smaller companies, and we feel that these amendments would relieve some of that burden. The Commission has offered to do some workshops which would include small companies and consumers to talk about these kinds of rules and how to apply them.

092 SCOTT GERARD: The PUC is in support of the SB 557-1 amendments. We are planning to hold workshops as soon after the end of session as possible and have discussions with the small telephone companies and their customers to see what differences or problems we need to address.

MOTION: Chair Jolin moves the SB 557-1 amendments.

VOTE: There being no objections the motion carries.

MOTION: Chair Jolin moves SB 557 as amended to the floor with a Do Pass recommendation.

VOTE: In a roll call vote the motion carries with all members voting "AYE."

Senator Kennemer will carry the bill.

HB 2902-A AFFILIATED INTEREST CONTRACTS, WS.

Witnesses: Ron Eachus, Public Utility Commission.
Gary Wilhelms, US WEST Communications.

120 CHAIR JOLIN: I had a very high level of discomfort as did others with HB 2902 in its original form. Everyone worked very hard to get some movement beyond what initially the PUC was advocating, which was adoption in statute of their administrative rules. What we have before us today is a very solid, innovative compromise that is noted as HB 2902-4 amendments (EXHIBIT C).

128 CHERIE COPELAND: Summarizes the HB 2902-4 amendments. The amendments would change the concept of the affiliated interest contract to a three tier situation where any operating expenses per affiliate under \$10,000 a year don't need to be reviewed by the PUC. If the contract is between \$10,000 and \$100,000 or .1% of the annual operating expenses, then the utility that is proposing the contract would submit an abbreviated version of some review issues. If the PUC doesn't say within 90 days that a full review process is in order then the contract is approved. Any contracts over \$100,000 are required to go through the regular review process.

160 SENATOR SHOEMAKER: On line 3 of page 3 what does "the basis of determining the transfer price" mean?

171 RON EACHUS: When we are talking about the basis for determining the transfer price, usually what you have is a transfer of services from the regulated utility. We're concerned about transfer of assets and also contractual obligations. We are also concerned about the price that the utility is now paying the affiliate for the service that the utility would otherwise provide.

198 CHAIR JOLIN: Does the PUC agree with the HB 2902-4 amendments?

215 RON EACHUS: Yes. This is a very reasonable and workable compromise. We would prefer to give our new waiver process a try. But we believe that these amendments are workable.

275 GARY WILHELMS: US WEST doesn't agree totally with the HB 2902-4 amendments. We are willing to work with these amendments if this is the best that we can do. However, this isn't what we would prefer to have in legislation.

MOTION: Chair Jolin moves the HB 2902-4 amendments.

303 SENATOR BUNN: I object. I would first like to see if we have support for the bill with minimal PUC amendments. When we had the testimony on May 28, Commissioner Eachus talked about the \$100,000 issue and I think that is something you had concern about. I would like to see if we can deal with that issue and if not go with the HB 2902-4 amendments.

309 CHAIR JOLIN: I have spoken with members and I clearly have three votes. This is the best compromise in approaching this bill. I can't support the bill in its original form. The modifications that had been proposed still didn't get to the issue that addressed my concerns.

325 CHAIR JOLIN: Recesses at 1:31 p.m.

328 CHAIR JOLIN: Re-opens work session on HB 2902 at 1:33 and then announces that we will recess until an understanding can be reached.

335 CHAIR JOLIN: Recesses hearing at 1:35 p.m.

338 CHAIR JOLIN: Reconvenes hearing at 4:16 p.m.

340 CHERIE COPELAND: Summarizes the HB 2902-4 as further amended. The bottom limit under which contracts don't need a review has been raised from \$10,000 to \$50,000. On line 16 the wording is changed to say "for contracts which are more than \$50,000 but less than \$100,000 the following provisions apply in leu of ORS 759.385 and 759.390."

352 CHAIR JOLIN: It is the PUC's intent to develop some rules that require that the contract be made available to them.

358 CHERIE COPELAND: In Section 4 the language that has been deleted is the .1% of the telecommunications intrastate revenue in the contracts. It is now strictly a figure of between \$50,000 and \$100,000 rather than between \$50,000 and .1%.

376 MOTION: Chair Jolin moves the HB 2902-4 amendments as further amended.

VOTE: There being no objections the motion carries.

MOTION: Chair Jolin moves HB 2902-4 as amended to the floor with a Do Pass recommendation.

VOTE: In a roll call vote the motion carries with all members voting "AYE."

Senator Bunn will carry the bill.

387 CHAIR JOLIN: Adjourns hearing at 4:11 p.m.

Submitted by: Reviewed by:

Apryl Poff Cherie Copeland
Committee Assistant Committee Administrator

EXHIBIT LOG:

- A - SB 1157-1 amendments submitted by staff, 1 page.
- B - SB 557 hand-engrossed amendments submitted by staff, 1 page.
- C - HB 2902-4 hand-engrossed amendments submitted by staff, 5 pages.