

Members

Sen. Morris Mills, Co-Chairperson
Sen. Beverly Gard
Sen. Frank Mrvan
Sen. Glenn Howard
Sen. Timothy Lanane
Sen. James Lewis
Sen. David Long
Sen. James Merritt
Sen. Becky Skillman
Sen. Thomas Weatherwax
Sen. Gregory Server
Rep. James Bottorff, Co-Chairperson
Rep. Robert Behning
Rep. Richard Bodiker
Rep. James Atterholt
Rep. David Crooks
Rep. Susan Crosby
Rep. David Frizzell
Rep. Brian Hasler
Rep. Jack Lutz
Rep. Edmund Mahern
Rep. Bruce Munson
Rep. Paul Robertson
Rep. Scott Pelath
Rep. David Yount



REGULATORY FLEXIBILITY COMMITTEE

Legislative Services Agency
200 West Washington Street, Suite 301
Indianapolis, Indiana 46204-2789
Tel: (317) 232-9588 Fax: (317) 232-2554

LSA Staff:

Brian Tabor, Fiscal Analyst for the Committee
John Parkey, Fiscal Analyst for the Committee
Sarah Burkman, Attorney for the Committee

Authority: IC 8-1-2.6-4

MEETING MINUTES¹

Meeting Date: October 18, 2000
Meeting Time: 10:00 A.M.
Meeting Place: State House, 200 W. Washington St.,
Senate Chambers
Meeting City: Indianapolis, Indiana
Meeting Number: 3

Members Present: Sen. Morris Mills, Co-Chair; Sen. Beverly Gard; Sen. Frank Mrvan; Sen. Glenn Howard; Sen. Timothy Lanane; Sen. James Lewis; Sen. David Long; Sen. James Merritt; Sen. Thomas Weatherwax; Rep. James Bottorff, Co-Chair; Rep. Robert Behning; Rep. James Atterholt; Rep. David Crooks; Rep. Susan Crosby; Rep. David Frizzell; Rep. Edmund Mahern; Rep. Scott Pelath; Rep. David Yount.

Members Absent: Rep. Paul Robertson; Rep. Bruce Munson; Rep. Brian Hasler; Rep. Jack Lutz; Rep. Richard Bodiker; Sen. Gregory Server; Sen. Becky Skillman.

Representative James Bottorff, Co-Chairman of the Regulatory Flexibility Committee, called the meeting to order shortly after 10:00 a.m.

Video and Voice Coverage of the General Assembly (HR 22)

Chairman Bottorff recognized Mr. Jerry Sullivan, Executive Director of the Intelenet

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Commission. The Chairman asked if coverage of the General Assembly would use a fixed camera as has been previously demonstrated in the House Chambers. Mr. Sullivan responded that it would likely be a single fixed shot due to the expense of using multiple cameras.

The Chairman then recognized Ms. Julia Vaughn, Policy Director of Common Cause of Indiana. Ms. Vaughn stated that her organization's goal is to provide Hoosiers with information about their government (for a copy of Ms. Vaughn's handouts, see Exhibit A). She introduced Mr. Nick Hess, a videographer and member of Common Cause of Indiana's governing board. Mr. Hess stated that nineteen states currently use some type of webcasting. While some use only audio, more established programs employ television stations as a point of distribution. He also stated that broadcasting of the General Assembly could be done relatively easily, and he recommended establishing a not-for-profit corporation to oversee the process.

Mr. Hess suggested that economies of scale may be achieved by including executive branch agencies and the Supreme Court in the same not-for-profit corporation. He also suggested that creating an internship program would assist in keeping costs low. Mr. Hess noted that four other states (including Illinois and Wisconsin) have funded studies to explore possibilities of webcasting. He urged the legislature to invest in this technology and use it to increase public participation in the political process.

Mr. Norm Compton, Station Manager of Community Media in Ft. Wayne, was the next witness to address the Committee. Senator Thomas Weatherwax asked if Mr. Compton's system was using state backbone technology. Mr. Compton responded that it was not an active two-way link, but rather a continuous download stream. Representative James Atterholt asked if Mr. Compton had considered webcasting the State of the State Address to help "pave the way". Mr. Compton replied that as a member of the Alliance for Community Video, he had focused mostly on cable television-backed local programming.

Mr. Dave Remondini, Counsel to the Chief Justice of the Supreme Court of Indiana, was then recognized by the Chairman. Mr. Remondini explained that the Supreme Court used webcasting for the first time in July to broadcast the Ameritech/SBC merger hearings (for a copy of Mr. Remondini's handouts, see Exhibit B). Chairman Bottorff asked Mr. Remondini about the budget for this operation, and he replied that with a two-camera, three-year package the cost was about \$200,000 (with approximately 50% for hardware and 50% for operations).

Representative Crooks stated that while no legislation would be endorsed by the Committee, individual legislators may want to move forward on this topic in the session. He also told the Committee that webcasting would be a good educational tool, and that a citizen legislature such as Indiana's should strive to give Hoosiers increased access to their government.

Fulfillment of Professional Licensing Requirements through Distance Learning

Chairman Bottorff recognized Mr. Karl Berron, of the Indiana Association of Realtors, Inc. Mr. Berron remarked that a number of states are currently pursuing programs for the fulfillment of professional licensing requirements through distance learning. Representative Bottorff asked if Mr. Berron and the majority of the Realtor's Association would be in favor of enabling legislation. Mr. Berron responded that he was unsure if sufficient demand existed, but he that was unaware of any opposition to the idea. He further stated that the success of any distance learning program likely depends on marketing efforts and the ability to overcome concerns over security.

Ms. Kim Tarnacki, Deputy Director of the Indiana Professional Licensing Agency (PLA) then addressed the Committee (for a copy of Ms. Tarnacki's handouts, see Exhibit C). She explained that of the thirteen licenses regulated by the PLA, six require continuing education. She stated

that the statutes have not caught up with new technology and reported that the Indiana Real Estate Commission is presently looking at this topic. Responding to a question from Representative Edmund Mahern, Ms. Tarnacki stated that it was likely that the Interim Study Commission on State Administration Issues will recommend legislation allowing up to one-half of continuing education credits to be obtained through distance learning. Chairman Bottorff asked if the PLA would be in favor of a such a bill, and she replied that the Agency would indeed support it.

Chairman Bottorff then recognized Becky Nickoli, Executive Director of Educational Systems for Ivy Tech State College. Ms. Nickoli shared information regarding Ivy Tech's use of distance learning. She stated that there are over 3,800 students currently using the technology, mostly through the Internet. Ivy Tech has also used television satellite transmission and two-way video over the Indiana Higher Education Telecommunication System backbone. Ms. Nickoli added that many distance learning students are stay-at-home caretakers and some are disabled. She expressed Ivy Tech's willingness to work with the Indiana Association of Realtors to develop courses for completing professional licensing requirements.

Propane Gas Issues

Mr. Mike Pitts, representing the Indiana Propane Gas Association (IPGA), addressed the Committee (for a copy of Mr. Pitts' handouts, see Exhibit D). He stated that the IPGA's members provide a valuable service and compete in a highly fragmented and competitive market. He expressed concern that some Rural Electric Membership Corporations (REMCs) have recently entered the propane market. Mr. Pitts felt that the REMC status as not-for-profit, federally subsidized entity raises issues of fairness when competing with other propane dealers. He added that this is a problem in other parts of the United States, and that federal legislation may soon address this topic.

Mr. Pitts stated that if Indiana were to move forward with energy deregulation, such issues of cross-subsidization must first be addressed. Representative Crooks asked what action other states have taken. Mr. Pitts responded that at least one other state has mandated that an REMC partner with an existing propane company, but that he was not advocating that as a solution. Senator Weatherwax questioned whether or not it was appropriate for REMCs to begin offering additional services.

Dan Leary of Shelby Bottled Gas, Corp. stated that he was not opposed to additional competition, but that the REMCs have the benefit of a captive clientele and can offer combined billing with their electric services. Senator Gard asked if he could compete with the price offered by the REMC competitor, but Mr. Leary answered that it was too soon to tell. Roger Thayer, an IPGA member from Columbus, Indiana, reported that REMCs are able to establish contracts with new customers moving into the area before his business can contact them. Mr. Pitts summarized the IPGAs' concerns and thanked the Committee.

Mr. Trevor Vance of the Indiana Statewide Association of RECs (Rural Electric Cooperatives), Inc. then presented testimony to the Committee (for a copy of Mr. Vance's handouts, see Exhibit E). Mr. Vance explained that the US Department of Agriculture (among others) has stated that the practice of REMC's entering the propane market does not constitute cross-subsidization. He noted that four REMCs have partnered with existing propane dealers, of all which are members of the IPGA. He stated that the propane operations are established as a separate limited liability corporation for accounting and tax purposes, and that they are all self-sufficient and use no federal grants.

Mr. Vance addressed Senator Weatherwax's concerns and stated that the REMCs were not simply seeking to expand, but were rather responding to their customers' desire for

consolidated billing. The REMCs are also able to offer service commitments for one year at a fixed rate, which Mr. Vance stated was attractive to many senior citizens. Harold Cooper of the Premier Ag Co-op also spoke and stated that his organization approached the REMC, and that his customers like the idea of metered gas and combined billing. Senator Frank Mrvan asked if customers of REMCs engaging in the propane business have benefitted from lower electric rates. One individual replied that his REMC's propane enterprise had not yet become profitable, and no benefit had yet accrued to its electric customers.

Adjournment

Chairman Bottorff then thanked Senator Morris Mills, Co-Chairman of the Regulatory Flexibility Committee, for his years of service to the Committee. Chairman Mills then adjourned the meeting at approximately 12:00 noon.