

Senate Business and Transportation Committee

SB 35

Testimony of Brant Wolf

Oregon Telecommunications Association

Wednesday, February 18<sup>th</sup>, 2015

The Oregon Telecommunications Association (OTA) is a trade association representing wireline telecommunications providers. OTA members provide telecommunications services throughout Oregon in both densely populated and very remote areas.

The OTA counts among our members 11 telecommunications cooperatives. These cooperatives serve smaller cities and rural areas in the Willamette Valley and the central coast.

In recent years these companies have been attempting to share resources and engage in other practices in order to reduce expenses. Our cooperative members are far too small to enjoy the economies of scale some of their competitors enjoy. While none of our cooperative members are currently engaged in exploring the possibility of merging or selling their assets to another, this is definitely a scenario that could arise.

Current law indicates that a 2/3rds majority of the cooperative members must vote in support of any merger activity. The perception is that this threshold is unattainable.

SB 35 would change the statute to allow for a simple majority of the members to vote in support a merger or sale of assets. The bill would allow for a telecommunications cooperative Board of Directors to maintain a higher vote threshold in it's by-laws if desired.

SB 35 is written to affect only the telecommunications cooperatives and it is these very companies that are seeking the change in statute.

In addition, SB 35 includes language which specifies that electronic notification of elections and voting is allowed.

The OTA asks that the Senate Business and Transportation Committee support SB 35 and send this legislation to the Senate floor with a do pass recommendation.

I would be happy to address any questions the Committee might have.