

## STATE OF OREGON

## INTEROFFICE MEMO

IL.15 11:15 AM

~~

Governor 6000

DATE:

February 8, 1985

FROM:

Gerry Thompson

SUBJECT:

Telecommunications/Jane Huston

As you left the other day, I was meeting with Jane Huston. To refresh your memory, the legislature became very upset when Jane announced in a hearing that she would be awarding bids in the "very near future." The legislature feels that they should have some review of the project. Remember, though, that Jane has an Attorney General's opinion that places full authority in her to purchase whatever telecommunications system deemed necessary. Her project does not require legislative decision or oversight.

Gary Wilhelms and Ray Gribling are very exercised over this whole matter and are having success in keeping some legislators excited. Mike Thorne and L. B. Day in particular only wanted Jane to hold any decision on bids until the legislature's data processing committee had time to review the issue. In talking with Jane, she does not intend to let any bid until the last possible date. Bids were received in September and those prices are only good for six months. That means she must take action sometime in late March.

Jane is willing to wait as long as she possibly can for the data processing committee review. In fact, she is eager for their review and will be a cooperative participant. I have told both Mike and L.B. this and they have assured me they will move their committee quickly.

The other issue that surfaced just as you were leaving was Jane's belief that Ways & Means was cutting all agency budgets for telecommunications from 48 percent increase to a 5 percent allowable. Then they would set up another fund within the E Board to address future needs for telecommunications useage ubdget. Thorne assures me this is not entirely accurate. They have taken the position they cannot move on telephone budgets on the larger agencies until they know the telecommunications project. They have moved ahead on some of the smaller agency budgets, but are only holding on the larger agencies.

Do you still want to talk to Mike Thorne?  $\leftarrow 45 - 476$ 



## Governor:

Mike Thorne called. He has a data processing committee meeting, hopefully this week, or at least early next week, to look at the telecommunications issue being discussed in General Service. He understands that the department may be opening some bids in the very near future. He wants to discuss the merits of withholding that announcement until the committee has a chance to look at the costs more thoroughly His concern is that a state-owned telephone system needs to be looked at carefully, and announcing the bids may pre-empt the opportunity to examine the total impact.

He would like some counsel and guidance and the Governor's thinking.

betty

Cutting agency trudgets for telephone
from 487 to 5% - Set up fund
in & Board for future needs

his wife or some find on the set of the set of