

HOUSE COMMITTEE ON
AGRICULTURE AND NATURAL RESOURCES

April 22, 2003 Hearing Room D
1:00 PM Tapes 72 - 75

MEMBERS PRESENT: **Rep. Jeff Kropf, Chair**
 Rep. George Gilman, Vice-Chair
 Rep. Kelley Wirth, Vice-Chair
 Rep. Terry Beyer
 Rep. Dave Hunt
 Rep. Patti Smith

MEMBER EXCUSED: **Rep. Donna Nelson**

STAFF PRESENT: **Ray Kelly, Committee Administrator**
 David Peffley, Committee Assistant

MEASURES HEARD: **Informational Meeting**
 HB 3264 – Reconsideration and Work Session
 HB 2754 – Work Session
 HB 3270 – Work Session
 HB 3552 – Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 72, A		
003	Chair Kropf	Calls the meeting to order at 1:12 and opens the informational meeting.
<u>INFORMATIONAL MEETING</u>		
020	Robert Tse	United States Department of Agriculture (USDA) Foreign Agriculture Service (FAS). Submits (EXHIBIT A) and (EXHIBIT B) and begins a power-point presentation. Gives an introduction to the US Farm Bill and the benefits to the agricultural community.
145	Chair Kropf	Asks Tse the significance of conducting international transactions in dollars as opposed to local currency.
150	Tse	Responds by addressing the ease of conversion and continues informational testimony on the agricultural trade and the food aid program.
175	Tse	Transitions to information on the Foreign Agricultural Service and its relation to US agricultural trade and the U.S. Farm Bill.
212	Chair Kropf	Asks about the Food for Peace Program as it relates to terrorist nations.
218	Tse	Responds to food assistance in Iraq and its necessity.
227	Chair Kropf	Asks if Food Aid is involved in Afghanistan.
232	Tse	Notes that FAS has administered the financial part of Afghani

		aid and that it's separate from the UN programs.
240	Chair Kropf	Asks Tse if other countries are carrying out similar programs.
244	Tse	Notes that there are and states that the Food Aid program goes back to the 1950's.
250	Chair Kropf	Asks if ODA could work toward establishing food aid programs with other countries.
252	Tse	Replies that they could work with FAS in providing food aid.
255	Chair Kropf	Asks how this would be accomplished.
258	Tse	Continues with the discussion of the relations with overseas agricultural trade offices and the USDA's International Trade Policy.
307	Chair Kropf	Asks what FAS's role is in the importation and exportation of agricultural products.
318	Tse	Responds to their role and the historical facilitation of foodstuffs between America and abroad. Also notes that USDA and FAS works on relieving trade barriers. Continues by highlighting technical requirements such as additives, labels, and pesticides.
410	Tse	Highlights export financing and insurance.
TAPE 73, A		
010	Tse	Continues with a global perspective on US agriculture and the importance of exports.
080	Chair Kropf	Asks what percentage of our wheat is exported.
085	John Szczepanski	Oregon Department of Agriculture (ODA). States that he doesn't have those figures but will get them in the near future.
092	Tse	Talks of the challenge of United States agriculture and the diversification of crops over the past twenty-five years.
131	Chair Kropf	Asks why it is that pet food is the largest growing agricultural export.
135	Tse	Responds that it's a reflection of the growth of a middle class throughout the world.
170	Tse	Continues with quarter century global trends.
330	Chair Kropf	Affirms the value of foreign agriculture and the US Farm Bill's part in the program.
355	Szczepanski	Submits (EXHIBIT C) and highlights the significance of exporting for Oregon agriculture. Notes that 80% of Oregon agriculture leaves Oregon and 45% leaves the country.
TAPE 72, B		
004	Szczepanski	Continues with Oregon agriculture exports to the Pacific Rim.
010	Chair Kropf	Asks for confirmation that Japan desires to extend their policy of bar-coding beef to any imported beef.
016	Szczepanski	Affirms that is the case. Continues by discussing grass seed and seafood exports to Asia and how they bring jobs to the region. Talks about the change in marketing and takes a look ahead at the future of agriculture in the Pacific Rim.
080	Chair Kropf	Asks if the Korean policy of quarantining cattle only applies to Oregon or whether it applies for all imports.
082	Szczepanski	Notes that it is standard for any cattle.
087	Chair Kropf	Asks Tse how soon federal dollars became available from the Farm Bill.
094	Tse	Notes that the money is just becoming available. Addresses the funding and dedication of the funding.
117	Chair Kropf	Addresses his experience in negotiating for inclusion to the current Farm Bill. Encourages committee members to be active in policy recommendations and that traveling to DC is time and

163 Chair Kropf money well-spent.
Closes the informational hearing and opens a reconsideration and work session on HB 3264.

HB 3264 –RECONSIDERATION AND WORK SESSION

161 Rep. Hunt **MOTION: Moves to SUSPEND the rules for the purpose of reconsidering HB 3264.**

163 **VOTE: 6-0**

EXCUSED: 1 - Nelson

165 Chair Kropf **Hearing no objection, declares the motion CARRIED.**

167 Rep. Hunt **MOTION: Moves to RECONSIDER the vote by which HB 3264 passed to the floor with a DO PASS recommendation.**

169 **VOTE: 6-0**

EXCUSED: 1 - Nelson

170 Chair Kropf **Hearing no objection, declares the motion CARRIED.**

177 Ray Kelly Addresses the -2 amendments as previously discussed, **(EXHIBIT D).**

190 Lanny Quakenbush Forest Practices Program Policy Manager, Oregon Department of Forestry (ODF). Notes that there are no major concerns and the minor concerns can be addressed in the Senate.

202 Ray Wilkinson States that he hopes that this will move forward today.

209 Greg Kline Forest Practices Director, ODF. States appreciation to the committee for moving the bill forward.

213 Rep. Wirth Asks what kind of written plan is required under current law.

220 Kline Addresses the circumstances under which such a plan would be required.

223 Rep. Wirth Asks about the effects or the amendments.

225 Wilkinson Addresses the effects and notes that no substantive changes have taken effect.

238 Rep. Wirth Asks if any approval at all would be required under the amended bill.

242 Wilkinson Avows that no approval would be required.

253 Rep. Smith Asks if the amendments are taking away the approval of the state forester.

264 Kline States that she is referring to a different situation.

267 Rep. Wirth Asks the effects of taking out the word *written*.

276 Kline Notes that the plan could be oral.

283 Kelly Offers clarification of the language in the amendment.

306 Rep. Gilman **MOTION: Moves to ADOPT HB 3264-2 amendments dated 4/22/03.**

307 **VOTE: 6-0**

EXCUSED: 1 - Nelson

308 Chair Kropf **Hearing no objection, declares the motion CARRIED.**

312 Rep. Gilman **MOTION: Moves HB 3264 to the floor with a DO PASS AS AMENDED recommendation.**

317 **VOTE: 6-0**

EXCUSED: 1 - Nelson

319 Chair Kropf **Hearing no objection, declares the motion CARRIED.**

REP. KROPF will lead discussion on the floor.

326 Chair Kropf Closes the work session on HB 3264 and opens a work session on HB 2754.

HB 2754 – WORK SESSION

342 Glen Stonebrink Oregon Cattlemen Association (OCA). Testifies that OCA does not oppose HB 2754, but expresses concerns with the legislation

		which he hopes other witnesses will address.
419	Rep. Wirth	Asks if the committee has received information on conservation easements as they relate to HB 2754.
425	John McDonald	Director, Oregon Association of Conservation Districts. Addresses Rep. Wirth's concerns with regard to conservation easements and submits (EXHIBIT E) and testifies in favor of HB 2754.
TAPE 73, B		
004	McDonald	Continues testimony by addressing conservation easements. Speaks to conservation plans and their relationship to the land owner.
142	Chuck Craig	ODA. Discusses ODA's authority regarding conservation easements. Addresses long-range planning.
205	Jim Johnson	Addresses the highway scenic easement section of HB 2754.
230	Rep. Wirth	Confirms the intent of legislation regarding scenic easement.
238	Chair Kropf	Asks whether ODA feels that they have the flexibility to make sure conservation easements do what they're intended to do.
261	Craig	ODA. Affirms ODA's commitment to the sensitivity of their constituents. Asserts that ODA has the greatest concerns for the landowner and the resources of the land.
280	McDonald	Reaffirms Craig's assertions.
321	Rep. Hunt	Asks if a landowner could acquire a piece of land that already has an easement on it.
332	McDonald	Responds that districts have always had the authority to hold property and easements.
343	Craig	Speaks to conservation easements as belonging to a unique class of easements.
362	Rep. Smith	Asks what the process would be if public access were allowed.
372	McDonald	States that the process and those rights would be just like those for private property.
384	Rep. Smith	Asks the purpose for the public hearing process and whether it truly matters.
406	Jim Geisinger	States that nothing changes during the easement process. States that public meeting provisions are still in place and aren't changed by the easement.
438	Rep. Smith	Asks how much districts would charge for their services.
443	McDonald	Replies that it would vary based upon a myriad of factors.
TAPE 74, A		
002	Leo Preston	USDA Natural Resources Conservation Service (NRCS). Submits (EXHIBIT F) and testifies in favor of HB 2754. Informs the committee of the role of NRCS in working with districts providing assistance to farmers and ranchers.
066	Chair Kropf	Cites Stonebrink's concerns and asks Preston whether he believes this bill leaves enough flexibility.
075	Preston	States that he believes that it does and is comfortable with the bill.
081	Rep. Hunt	MOTION: Moves HB 2754 to the floor with a DO PASS recommendation.
083	Rep. Smith	Asks about the fiscal impact of HB 2754.
090	Ray Kelly	Affirms that there is a minimal fiscal impact.
093	Rep. Smith	Asks whether local counties have testified as to loss of tax revenue.
096	Ray Kelly	Committee Administrator. States that they have not.
098	Rep. Gilman	Asserts that he will give the bill a courtesy vote to get it out of

101	Rep. Beyer	committee, but adds that he will vote against it on the floor.
105	Rep. Wirth	States that she will vote yes.
110	Chair Kropf	States that this bill will be protected by a cap and will vote yes.
		States that he's uneasy with conservation easements, but sees them as a lesser of two evils.
117		VOTE: 5-1
		AYE: 5 - Beyer, Gilman, Hunt, Wirth, Kropf
		NAY: 1 - Smith P.
		EXCUSED: 1 - Nelson
126	Chair Kropf	The motion CARRIES.
		Rep. Wirth will lead discussion on the floor.
136	Chair Kropf	Closes the work session on HB 2754 and opens a work session on HB 3270.
<u>HB 3270 – WORK SESSION</u>		
144	Ray Kelly	Summarizes HB 3270 and the -3 amendments (EXHIBIT G). Notes the subsequent referral to ways and means.
174	Glen Stonebrink	Testifies to the -3 amendments and that they have been watered down from their original form. Urges support for the passage of HB 3270.
220	Ron Fox	Manager, Business and Industry Team, Oregon Economic Computer Development Team. Talks about the merging of the bill with the -3 amendments.
253	Dalton Hobbs	Oregon Department of Agriculture (ODA). Affirms that the -3 amendments appropriately reflect the sentiments of the work group.
280	Fox	Concurs with Hobbs with regard to the commission as noted in the -3 amendments.
300	Chair	States his intention to make any further amendments on the Senate side.
320	Stonebrink	Speaks to the idea of giving money or products back in exchange for a tax benefit.
330	Chair Kropf	Addresses the concept of offering food to society.
355	Hobbs	Notes a scheduled meeting between food producers and the governor to address donating food for charity.
369	Rep. Beyer	Asks for a definition of <i>priority consideration</i> and asks if there is a precedent in the state for its inclusion.
377	Fox	States that he isn't familiar with that term.
390	Stonebrink	Notes that he is familiar with the term and gives an example of how it works.
410	Chair Kropf	Adds that this is slated for a four-year trial, not necessarily to continue in perpetuity.
417	Fox	Addresses business loan and assistance programs.
440	Chair Kropf	Asks about dollar limitations and whether they should be applied.
445	Fox	Notes that loan limits are defined in particular programs.
TAPE 75, A		
013	Chair Kropf	Confirms the limits and ceilings built into the loan programs.
016	Fox	Affirms that is correct.
021	Rep. Hunt	Asks if this is creating a new category or new status.
030	Fox	Affirms that priority consideration would not be disadvantageous to other programs.
054	Rep. Hunt	Asks about the possibility of preferential treatment.
067	Hobbs	Speaks to targeted focused activities in negating Rep. Hunt's worries.

103	Chair Kropf	Closes the work session on HB 3270 and opens a work session on HB 3552.
<u>HB 3552 – WORK SESSION</u>		
100	Ray Kelly	Summarizes the -2 amendments (EXHIBIT H).
107	Kristina McNitt	Oregon Small Woodlands Association. Testifies to HB 3552 and the -2 amendments. States that if more changes are necessary, they can be addressed on the senate side.
142	Rep. Gilman	Asks about the ten percent which was included in the original bill.
144	McNitt	Speaks to the ten percent threshold in the original bill and the conservation fund part. Notes that outcomes have not been specified.
151	Rep. Wirth	States that she would support the revision.
166	Kelly	Confirms that there is a subsequent referral to ways and means.
170	McNitt	Gives her opinion that in fact there is no fiscal impact on the bill.
193	Chair Kropf	Recommends amending the bill in ways and means, but believes that there will be a significant expense included.
200	Fox	Recommends moving the bill forward.
202	Chair Kropf	Asserts that she hopes to avoid the backlog in ways and means.
212	McNitt	Asks for confirmation of Chair Kropf's concerns regarding a conceptual amendment.
220	Ray Kelly	Committee Administrator. States that the Clerk's office is disallowing any conceptual amendments.
224	Rep. Smith	MOTION: Moves to ADOPT HB 3552-2 amendments dated 4/21/03.
226		VOTE: 6-0 EXCUSED: 1 - Nelson
228	Chair Kropf	Hearing no objection, declares the motion CARRIED.
232	Rep. Smith	MOTION: Moves HB 3552 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.
235	Rep. Wirth	Cites McNitt's concerns and states that she will vote no based on those concerns, but asserts that she will vote for it on the floor providing that the concerns are addressed in Ways and Means.
256		VOTE: 5-1 AYE: 5 - Beyer, Gilman, Hunt, Smith P., Kropf NAY: 1 - Wirth EXCUSED: 1 - Nelson
259	Chair Kropf	The motion CARRIES.
263	Chair Kropf	Closes the work session on HB 3552 and adjourns the meeting at 3:58 P.M.

EXHIBIT SUMMARY

- A – Informational materials, Robert Tse, 18 pp.**
- B – Informational materials, Robert Tse, 29 pp.**
- C – Informational materials, John Szczepanski, 9 pp.**
- D – HB 3264, -2 amendments, staff, 17 pp.**
- E – HB 2754, written materials, John McDonald, 2 pp.**
- F – HB 2754, written materials, Leo Preston, 1 p.**
- G – HB 3270, -3 amendments, staff, 3 pp.**

H – HB 3552, -2 amendments, staff, 2 pp.