

# HOUSE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

May 07, 2003 Hearing Room D  
1:00 PM Tapes 53 - 54

**MEMBERS PRESENT:**        **Rep. Patti Smith, Chair**  
                                 **Rep. Vicki Berger, Vice-Chair**  
                                 **Rep. Mary Gallegos, Vice-Chair**  
                                 **Rep. Mark Hass**  
                                 **Rep. Dave Hunt**  
                                 **Rep. Steve March**  
                                 **Rep. Dennis Richardson**

**STAFF PRESENT:**        **Kimberly A. Medford, Committee Administrator**  
                                 **Linda K. Gatto, Committee Assistant**

**MEASURE/ISSUES HEARD:**        **HB 2011 Public Hearing and Work Session**  
   **HB 3547 Public Hearing**

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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.

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<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
<b>TAPE 53, A</b>		
004	Chair Smith	Calls the meeting to order at 1:37 p.m. and opens the public hearing on HB 2011.
<b><u>HB 2011 PUBLIC HEARING</u></b>		
006	Marty Brantley	Chairman Oregon Economic and Community Development Department, (OECDD). Supports the refocus on: <ul style="list-style-type: none"><li>• Identifying OECDD's mission</li><li>• Structuring OECDD to be reflective of the mission</li><li>• Utilizing the right people, funding, and accountability.</li></ul>
020	Brantley	States that the number one function of OECDD is the creation of quality, stable jobs.
051	Rep. March	Asks if he supports the -1 or -2 amendments ( <b>EXHIBIT A</b> ).
052	Brantley	Answers the -2 amendments.
054	Bruce Anderson	House Speaker's Office. Provides an overview of HB 2011 and the -2 amendments. States that this bill will help existing businesses expand their operations and bring new business to Oregon by fostering a business friendly environment.
085	Anderson	Reviews the changes in Section 1 and Section 3.
116	Anderson	Reviews the changes in Section 4.
136	Anderson	Reviews the changes in Section 5.
148	Anderson	Reviews the changes in Section 7.
201	Anderson	Reviews the changes in Sections 6, 8, and 9.
212	Anderson	Notes there is one minor change on page 3, line 26 before the period. Suggests adding language that the commission sets the regions in consultation with local governmental units on page 3, line 26

228	Rep. Hunt	Asks what opposition is there regarding having community colleges represented.
238	Anderson	Responds that community colleges do not have a Commission. Explains the focus was to have the chairs of the Commissions.
227	Rep. Hunt	Notes that infrastructure development is not included in the mission statement.
240	Anderson	Refers to page 1, line 24, about ports being critical to economic development.
252	Rep. March	Refers to Section 1 of the -1 amendments relating to industrial and commercial infrastructure. Asks if the -2 amendments encourage the development of infrastructure.
298	Anderson	Answers that the -1 language discusses the duties of the central and the regional offices. Refers to Section 1 regarding OCEDD assisting communities.
290	Rep. Hass	Asks what is the definition of the language “unreasonable delay” and “ensure client satisfaction” and “promote local awareness”.
320	Anderson	Explains that “promote local awareness” is current language. Explains in regard to “unreasonable delay” and “ensure client satisfaction” intends to prevent having a project held up for some reason and results in a deadlock that requires intervention.
345	Rep. Hass	Notes that there are times when projects need to be held up.
347	Anderson	Responds that the issue being addressed is to have projects proceed.
373	Rep. Hass	Comments that streamlining the permitting process is his preferred way of getting to this.
389	Anderson	Responds that the delay would need to be justifiable.
399	Chair Smith	Refers to page 3, line 9 “other persons designated by the Governor” and asks is there a limit on the number of people the governor can bring on.
431	Anderson	Responds the intent is to allow some flexibility for the Governor.
463	Rep. Richardson	Supports the bill with these amendments.
470	Jim Lindsay	The Lindsay Group. Supports the bill and provides an overview of the type of work he does. Refers to correspondence from Microchip and OSTP Group, <b>(EXHIBIT B)</b> .
<b>TAPE 54, A</b>		
034	Lindsay	Explains the importance of productivity in business. Discusses the role of productivity in daily life. Would like to see Oregon as the most productive state in the union and have the highest per capita income in the union.
062	Lindsay	Comments on the headquarter companies that have left Oregon and suggests asking them what it would take to get them back.
080	Lindsay	States the bill is a good beginning and suggests focusing on moving forward and building a strong sustainable business climate.
095	Mike Sohn	States that last year he moved here from California and opened a new business. Explains in order to bring more businesses to Oregon there needs to be an infrastructure, manpower, and support from local people.
141	Rep. March	Asks what type of business is he in and what drew him to Oregon.
162	Sohn	Answers it is a high tech related business. Comments on the competition and many businesses want to move over seas. All high tech business is cyclical.
172	Jon Chandler	Legislative Advocates. Testifies in support of the -2 amendments

222 Doris Penwell and how this bill dovetails with SB 467 and HB 3120.  
 OECD Responds to the question Rep. Hass has about the language and offers to work together to clarify the language.  
 233 Chair Smith Closes the public hearing on HB 2011 and opens the work session on HB 2011.

**HB 2011 WORK SESSION**

257 Rep. Gallegos **MOTION: Moves to ADOPT HB 2011-2 amendments dated 05/07/03.**

258 Rep. Hass Comments on economic development opportunities. Explains that he supports the intent of the bill but sees no action and will be a no vote.

283 Chair Smith Comments that part of reason funding higher education is a problem is because the process needs to be streamlined so businesses will come here.

**VOTE: 7-0**

**Hearing no objection, declares the motion CARRIED.**

292 Chair Smith  
 Rep. Gallegos **MOTION: Moves HB 2011 to the floor with a DO PASS AS AMENDED recommendation.**

307 Rep. Hunt Comments that he does not see how this bill would not have a fiscal impact. States he would support the bill if it was referred to Ways and Means.

318 Chair Smith Explains that by the time the bill arrives on the floor the fiscal statement will be prepared.

323 **VOTE: 5-2**

**AYE: 5 - Berger, Gallegos, March, Richardson, Smith P.**

**NAY: 2 - Hass, Hunt**

**The motion CARRIES.**

**REP. GALLEGOS will lead discussion on the floor.**

337 Chair Smith Closes the work session on HB 2011 and opens the public hearing on HB 3547.

**HB 3547 PUBLIC HEARING**

350 Rep. Richardson Introduces HB 3547A and the -2 amendments, **(EXHIBIT C)**, which establishes a cluster of industries in Oregon the area of Homeland Security. Introduces James Adams who will explain how the war on terrorism affects Oregon.

390 James Adams Ashland Institute for Strategic Studies. States that he has specialized in warfare for about 25 years, particularly terrorism. He is an advisor in Washington DC and is a professor at Oregon State University.

416 Adams Explains that 9/11 was a culmination of a series of events. Explains how the attacks were organized and states that America was unprepared and this has begun an intense intelligence effort.

457 Adams Explains what has been learned and what has been done. Reports the current status of the War on Terror, al Qaida, and the reason for attacking Iraq.

**TAPE 53, B**

005 Adams Discusses biological weapons and the small pox model. Discusses the certainty of another attack on US soil.

035 Adams Comments on the strengths of the US. States the potential of future attacks/wars being on terms other than the United States terms. Discusses recent knowledge of planned nuclear and radiological attacks. Discusses the relatively easy access to

		biological weapons.
088	Adams	Discusses the money behind Homeland Security, Notes that no one in the government was held accountable for 9/11.
109	Adams	Discusses the lack of a coordinated effort to utilize resources to execute a plan. Proposes a public/private partnership to develop a homeland security excellence network.
148	Rep. Gallegos	States her understanding is that there are federal matching funds. Asks what federal grants are available.
151	Adams	Responds that not all funds available are matching funds. Notes there is grant money in the intelligence community, commerce, and customs.
198	Rep. March	Asks what organizations in the private sector could work on this.
207	Adams	Responds that companies who have demonstrated leadership need to create and develop a plan. Provides some examples.
240	Rep. Richardson	Adds reasons why Oregon should move ahead with plans to develop this industry.
261	Rep. Gallegos	Asks if there is research already in progress.
262	Rep. Richardson	Suggests pursuing available funds without the match requirement and promote research and products.
279	Sherry Sheng	Deputy Director, Economic and Community Development Department (OECDD). States that OECDD has recognized that homeland security may be an area of significant growth. Discusses Oregon Rains and cyber security.
362	Rep. Berger	Asks is Oregon in a position to see the funds that Mr. Adams discussed.
378	Sheng	Responds it requires collaboration of Oregon companies. Notes that the funds have not been appropriated yet.
394	Rep. Berger	Asks if the research component has been explored.
398	Sheng	Answers affirmatively but the research dollars are not yet available.
<b>TAPE 54, B</b>		
422	Chair Smith	Closes the public hearing on HB 3547.
	Rep. Hass	Serves notice of a possible minority report on HB 2011.
021	Chair Smith	Acknowledges and compliments the Committee's work this session. Adjourns the meeting at 2:50 p.m.

## **EXHIBIT SUMMARY**

**A. HB 2011-1 amendments dated 4/29/03 and HB 2011-2 amendments dated 5/7/03, staff, 27 pp**

**B. HB 2011, correspondence, Jim Lindsay, 3 pp**

**C. HB 3547-2 amendments dated 5/7/03, Rep. Dennis Richardson, 3 pp**