

SENATE COMMITTEE ON
AGRICULTURE AND NATURAL RESOURCES

March 17, 2003
8:30 AM

Hearing Room B
Tapes 39 - 41

MEMBERS PRESENT: **Sen. Frank Shields, Chair**
 Sen. Roger Beyer, Vice-Chair
 Sen. Bill Fisher

MEMBER EXCUSED: **Sen. Tony Corcoran**

STAFF PRESENT: **Judith Callens, Committee Administrator**
 Patricia Nielsen, Committee Assistant

MEASURE/ISSUES HEARD: **SB 673 – Public Hearing and Work Session**
 SB 818 – Public Hearing
 HB 2158 – Public Hearing and Work Session
 HB 2546 – Public Hearing

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 39, A		
005	Chair Shields	Calls meeting to order at 8:20 a.m. Opens public hearing on SB 673.
<u>SB 673 - PUBLIC HEARING</u>		
010	Judith Callens	Committee Administrator. Presents overview of SB 673, which allows Oregon seafood harvester cooperatives or associations to negotiate with dealers or negotiating committee of dealers to establish prices of seafood. Presents -1 amendments dated 3-14-03 (EXHIBIT A).
030	Nick Furman	Executive Director, Oregon Dungeness Crab Commission; Administrator, Oregon Albacore Commission. Testifies in support of SB 673. Discusses background of Dungeness crab fishery and demand for crab products. Raises issue of price negotiations delaying opening of season. Asserts that organized negotiations would help streamline the season.
100	Furman	Continues and discusses minimal cost of administration by the Department of Agriculture versus high cost of lost revenue due to the delay of the season.
120	Sen. Beyer	Asks if there is a marketing association for crab fishermen.
125	Furman	Responds that five of the eight Oregon coastal ports have their own marketing associations.
135	Sen. Beyer	Asks what percentage of fishermen belong to marketing associations.
140	Furman	Suggests it is a majority of fishermen.
145	Sen. Fisher	Inquires about price problems with crab from other areas coming on the market in this area.
155	Furman	Describes interaction between Washington, Oregon and California market prices.

170	Sen. Fisher	Asks about crab coming from other areas in the world.
175	Furman	Explains that Dungeness crab is only found along the Pacific coast.
185	Rod Moore	Executive Director, West Coast Seafood Processors Association. Testifies as neutral on SB 673. Advises he is not involved in price negotiation or price setting. Offers general comments and submits written testimony (EXHIBITS B, C). Raises concerns that the measure does not have the desired effect. Offers to work under the bill. Approves of voluntary nature.
230	Chair Shields	Asks about suggested -1 amendment for voluntary participation.
235	Moore	Discusses -1 amendment. Predicts increased participation if it is voluntary.
260	Sen. Beyer	Asks about comparison to ryegrass association experience. Asks whether, if fishermen are members of an association, and the association sets the price, dealers must pay the association price or be in violation of state law.
270	Moore	Replies the participants are required to accept the negotiated price and those outside the negotiation are not compelled to accept the price.
285	Sen. Beyer	Clarifies whether, if fishermen are in associations, the dealers will be forced to accept the process.
300	Moore	Agrees it might cause concern. Explains he does not know the number of dealers. Continues if a majority of the crab processed on the coast is processed by association members the effect on individual dealers is unknown.
325	Sen. Beyer	Comments that in the ryegrass industry less than half are association members but those who participate must take the agreed-upon price.
345	Moore	Asks whether the price is restricted as to the buyer or the seller.
350	Sen. Beyer	Clarifies any dealer is prohibited from offering a fisherman a different price.
355	Brent Searle	Department of Agriculture. Discusses price negotiations in the ryegrass industry. Explains that approximately ninety percent of both growers and buyers participate. Advises the goal is for a majority to participate.
410	Sen. Beyer	Asks if the process was changed by 2001 legislation.
420	Searle	Responds part of the intent of the legislation was to enable all dealers to negotiate together over the price and reach agreement.

TAPE 40, A
005

Alan Pazar

Lane County, crab fisherman. Testifies in favor of SB 673. Offers information on the difficulties in price negotiations in the prior season:

- Points out that sixty percent of crab is purchased by one dealer and that smaller dealers find it difficult to negotiate outside this dealer's activities
- Proposed program is not mandatory and will benefit smaller buyers
- Raises safety issue where any delay puts pressure on the fishermen to get out even in marginal weather
- December sales are mainly fresh whole crabs; otherwise they are sold for freezing and are more difficult to handle and sell

- \$3-4 million estimated losses in 2002-03 season
- Estimates 75 percent of fishermen are members of associations but if season is delayed they need information so more join

090 Sen. Beyer Comments that in good times the growers are more likely to join the Perennial Ryegrass Buyers Association (PRBA), but when industry declines the membership collapses. Asks if that could happen to the crab fishery.

110 Pazar Estimates that during half of his 20 years of fishing the season has been delayed pending price negotiations. Suggests it is in everyone's best interest to keep prices stable. Discusses specific seasons.

140 Roger Martin Pacific Seafood. Expresses concern about selling in a world market if the buyers are locked in to a set price. Asserts the comparison to ryegrass is not appropriate. Disagrees with government involvement.

225 Chair Shields Asks why not try if the fishermen feel it will solve the problem.

230 Martin Expresses doubt whether government will solve the problem.

240 Furman Returns to respond to comments. Advises the purpose is to establish a starting price for the fishery though the price always varies once the season starts. Concedes the industry is dangerous, volatile and emotional, and there is a large amount of money involved. Asserts that is why the industry needs a supervised process.

305 Furman Continues and explains that four states and one other country produce Dungeness. Predicts that everyone will participate and the legislation will serve the industry well. Suggests because it is voluntary, it can be tested to see if it works.

330 Chair Shields Closes public hearing on SB 673. Opens work session on SB 673.

SB 673 – WORK SESSION

345 Sen. Beyer Expresses doubt but also willingness to send the measure forward.

350 Sen. Beyer **MOTION: Moves to ADOPT SB 673-1 amendments dated 3/14/03.**

355 **VOTE: 3-0**
AYE: In a roll call vote, all members present vote Aye.
EXCUSED: 1 – Corcoran
The motion CARRIES.

390 Chair Shields
Sen. Beyer **MOTION: Moves 673 be sent to the floor with a DO PASS AS AMENDED recommendation.**

400 Sen. Fisher Comments on reservations whether the program will work. Expresses willingness to vote out and allow floor debate or House Committee revise if necessary.

TAPE 39, B

005 Sen. Beyer Comments on possible changes.

010 Chair Shields Points out he will send the measure forward as a courtesy.

012 **VOTE: 3-0**
AYE: In a roll call vote, all members present vote Aye.
EXCUSED: 1 – Corcoran
The motion CARRIES.
SEN. MESSERLE will lead discussion on the floor.

015 Chair Shields Closes work session on SB 673. Opens public hearing on SB

818.

SB 818 – PUBLIC HEARING

020	Judith Callens	Committee Administrator. Presents overview of SB 818, which requires a person selling or distributing a product containing elemental mercury or mercury compounds to notify the Director of Human Services.
040	Gail Shibley	Administrator, Public Health Systems, Department of Human Services (DHS). Offers to answer questions.
050	Sen. Richard Devlin	District 19. Testifies in support of SB 818. Discusses toxicity of mercury in the environment. Explains other states are beginning to restrict mercury emissions. Urges action to protect public health. Suggests implementing some of the provisions provided by SB 818, even if all cannot be funded. Points out that mercury-containing products are not prohibited and there is no special burden on shippers to Oregon.
150	Laura Weiss	Oregon Environmental Council. Testifies in support of SB 818. Submits written testimony (EXHIBIT D). Discusses health risks of mercury. Explains requirements contained in SB 818, including notification about products containing mercury. Reiterates several states have already passed legislation to address the problem. Discusses release of mercury from industrial point sources.
240	Rhett Lawrence	Oregon State Public Interest Research Group (OSPIRG). Testifies in support of SB 818. Offers written testimony (EXHIBIT E). Discusses hazards of mercury and need for protection of the public. Explains importance of recycling and collection plans, and reducing discharges from industrial point sources.
320	Jeff Bickford	Manager, Marion County Public Works, Environmental Services Division. Testifies in support of SB 817. Discusses county efforts to reduce mercury at the Brooks trash burning facility. Explains county recycling efforts. Asserts all industrial users should be required to reduce emissions. Suggests consumers should be advised of mercury-containing products, with burden on manufacturers instead of on local governments.
390	Chair Shields	Asks about installation of technology at the Brooks trash burning site. Asks about cost-benefit analysis of installation.
400	Bickford	Explains their processing is mandated by federal clean air standards. Points out the Brooks plant technology achieves 99.9 percent removal instead of 50 percent as required by federal statute.
TAPE 40, B		
005	Sen. Beyer	Asks how Marion County came to support SB 818.
010	Bickford	Responds the Commissioners have reviewed his testimony today and decided to support the measure.
015	Sen. Fisher	Asks what happens to removed mercury.
020	Bickford	Explains it is collected in ash and taken to special landfill where it is sealed.
022	Chair Shields	Asks whether the mercury will vaporize.
025	Bickford	Answers it is not volatile and will not evaporate from ash.
028	Jane Myers	Oregon Dental Association. Clarifies SB 818 does not include dentists as manufacturers when using dental amalgam in dental treatment.
040	Chair Shields	Asks about health problems due to use of mercury in dental

		fillings.
045	Dr. Dan Saucy	Dentist, Salem. Discusses dental treatment and possibility of allergy to silver fillings in some patients.
080	Myers	Offers to return additional information to the Committee.
090	Dr. Saucy	Explains mercury is vital to treating cavities in some areas, and there is no substitute for the treatment.
105	Dr. Andy Harris	Physician, Salem. Testifies in support of SB 818. Submits written testimony (EXHIBIT F). Discusses health hazards of mercury and methylmercury.
135	Chair Shields	Asks how mercury is consumed by humans.
138	Dr. Harris	Explains it is often through eating fish. Continues and explains that consumers need information of how many products contain mercury. Discusses need to recycle products and monitor industrial emissions.
170	Sen. Fisher	Asks about screening newborns.
175	Shibley	Offers to return information to the Committee.
185	Sen. Fisher	Suggests newborn screening would be a reasonable way to discover how serious the problem is.
200	Shibley	Affirms.
205	Bob Danko	Department of Environmental Quality (DEQ). Testifies as neutral on SB 818. Submits mercury fact sheet (EXHIBIT G). Discusses DEQ efforts to reduce mercury in the environment. Suggests calling stakeholders together to plan implementation.
280	Chair Shields	Closes public hearing on SB 818. Opens public hearing on HB 2158.

HB 2158 – PUBLIC HEARING

290	Judith Callens	Committee Administrator. Presents overview of HB 2158, which revises the intent of the Legislative Assembly regarding state recycling programs.
310	Chair Shields	Seeing no requests for public testimony, closes public hearing on HB 2158. Opens work session on HB 2158.

HB 2158 – WORK SESSION

315	Sen. Beyer	MOTION: Moves HB 2158 to the floor with a DO PASS recommendation.
320		VOTE: 3-0
		AYE: In a roll call vote, all members present vote Aye.
		EXCUSED: 1 - Corcoran
	Chair Shields	The motion CARRIES.
		SEN. BEYER will lead discussion on the floor.
330	Chair Shields	Closes work session on HB 2158. Opens public hearing on HB 2546.

HB 2546 – PUBLIC HEARING

350	Judith Callens	Committee Administrator. Presents overview of HB 2546, which deletes the requirement that government fleet vehicles annually certify compliance with pollution control equipment requirements.
355	Chair Shields	Asks about less frequent need for inspections due to more careful motor pool maintenance.
360	Susan Schneider	Government Relations, City of Portland. Testifies in support of HB 2546. Submits written testimony (EXHIBIT H). Discusses maintenance and repair of fleet vehicles. Points out that with 1450 city vehicles, to cut inspections from annually to every two years would provide greater availability of vehicles and save

440	Sen. Fisher	taxpayer money. Advises DEQ supports the measure.
445	Schneider	Asks about requirements for private or non-profit fleets.
450	Sen. Beyer	Responds they are not required to perform annual inspections.
455	Roger Johnson	Asks about savings on maintenance costs.
		Director of Vehicle Services, City of Portland. Responds it is not maintenance as such, but the testing requires time and certification.
TAPE 41, A		
005	Schneider	Clarifies the savings is in not creating and storing information and transmitting to DEQ; there is no less maintenance, only less testing.
030	Sen. Fisher	Asks about total savings.
035	Johnson	Discusses.
040	Sen. Beyer	Asks who tests the city vehicles.
045	Johnson	Explains city employees trained as testers perform the tests and certify the vehicles every year under current requirements.
050	Chair Shields	Inquires whether the city would they still test its own vehicles if only required every other year.
055	Johnson	Confirms.
060	Sen. Fisher	Asks about specific cost savings.
065	Schneider	Explains she doesn't have the state's numbers.
070	Sen. Beyer	Asks if other fleets can certify their own vehicles in DEQ test areas.
080	Schneider	Defers to DEQ to answer.
082	Sen. Beyer	Asks about city exemption while state vehicles must go through DEQ.
085	Johnson	Explains DEQ provides the exemption for public fleets.
090	Schneider	Explains other fleets may have the same exemption.
100	Sen. Beyer	Suggests making requirements equivalent for all large fleets.
105	Schneider	Advises the city does not have a special exemption.
115	Sen. Fisher	Points out that the Oregon Department of Transportation (ODOT) certifies its state vehicles in Medford.
130	Chair Shields	Closes public hearing on HB 2546. Notes written testimony on SB 818 from Ric Erdheim (EXHIBIT I).
135	Chair Shields	Adjourns the Committee at 10:22 a.m.

EXHIBIT SUMMARY

- A – SB 673, -1 amendments (3-14-03), staff, 1 p**
- B – SB 673, written testimony, Rod Moore, 6 pp**
- C – SB 673, written testimony, Rod Moore, 1 p**
- D – SB 818, written testimony, Laura Weiss, 3 pp**
- E – SB 818, written testimony, Rhett Lawrence, 2 pp**
- F – SB 818, written testimony, Dr. Andy Harris, 1 p**
- G – SB 818, DEQ fact sheet, Bob Danko, 1 p**
- H – HB 2546, written testimony, Susan Schneider, 1 p**
- I – SB 818, written testimony, Ric Erdheim, 16 pp**