

**SENATE COMMITTEE ON  
TRANSPORTATION AND ECONOMIC DEVELOPMENT**

January 22, 2003  
8:00 AM

Hearing Room C  
Tapes 2 - 3

**MEMBERS PRESENT:**      **Sen. Rick Metsger, Chair**  
   **Sen. Bruce Starr, Vice-Chair**  
   **Sen. Ryan Deckert**  
   **Sen. David Nelson**

**STAFF PRESENT:**            **Amy Joyce, Committee Administrator**  
   **Annastasia Suess, Committee Assistant**

**MEASURE/ISSUES HEARD:**      **Informational Meeting**  
   Economic Development Issues  
   Economic Projections

---

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.

---

<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b><u>Tape 2, A</u></b>		
005	Chair Metsger	Calls meeting to order at 8:00 am. and opens an informational meeting.
<b><u>INFORMATIONAL MEETING</u></b>		
010	Tom Potiowsky	Office of Economic Analysis, State Economist. Presents slide show. Submits written material ( <b>EXHIBIT A</b> ).
060	Potiowsky	Continues and highlights weak economy concerns as of 9/11/2001.
060	Potiowsky	Discusses economic issues: <ul style="list-style-type: none"><li>• Weak economy concerns as of 9/11/2001</li><li>• Technology Employment in Oregon from 1972 to 2001</li><li>• Employment sector comparisons to neighboring states</li></ul>
220	Sen. Starr	Asks about the remarkable jumps in the recession graph.
225	Potiowsky	Explains the graph tracks changes by quarters.
230	Sen. Starr	Comments on the quarterly bounces in percentages.
235	Potiowsky	Continues discussing economic issues: <ul style="list-style-type: none"><li>• Unemployment rates compared to several states in the US</li><li>• Employment growth in Oregon</li><li>• Technology forecasts in Oregon</li><li>• Construction job forecasts in Oregon</li></ul>
<b><u>TAPE 3, A</u></b>		
010	Potiowsky	Continues discussing economic issues: <ul style="list-style-type: none"><li>• Risk factors to the 2003-2005 forecast in Oregon</li><li>• Potential impact of war with Iraq including change in oil prices.</li></ul>
050	Chair Metsger	Asks about the forecasted drop in oil prices.
055	Potiowsky	Explains the risk factor of increasing/decreasing oil prices.

065	Chair Metsger	Asks in the event of a war with Iraq, how will Oregon differ from other states in the US with our current economic situation.
075	Potiowsky	Answers and provides further information.
110	Potiowsky	Continues and discusses risk factors in energy prices forecasts for 2003-2005.
115	Sen. Deckert	Asks about the long-term prognosis of energy prices if weather patterns hold and water is abundant.
120	Potiowsky	Explains the future of energy prices with comparable outcomes.
140	Sen. Deckert	Asks for confirmation of the ability to assure high-energy users that the fundamentals should return and the competitive advantage should return.
150	Potiowsky	Responds.
160	Potiowsky	Continues discussing economic issues: <ul style="list-style-type: none"> <li>• Risk factors to the stock market forecast for 2003-2005 in Oregon</li> <li>• State and Local government risk factors to the 2003-2005 forecast in Oregon</li> </ul>
210	Sen. Deckert	Asks about ways to quantify a relatively progressive tax increase.
225	Potiowsky	Describes opposing standpoints.
245	Sen. Starr	Comments on the views presented by Potiowsky.
250	Potiowsky	Offers further explanation on dollar-for-dollar spending.
300	Sen. Nelson	Cites a Union County study regarding rural county wage reductions if Measure 28 fails.
340	Potiowsky	Continues presentation: <ul style="list-style-type: none"> <li>• High technology industry risk factors to the forecast 2003-2005 in Oregon</li> </ul>
390	Potiowsky	Concludes.
400	Chair Metsger	Asks for possible projections on which economic sectors will have the most growth in Oregon by 2010.

**TAPE 2, B**

010	Potiowsky	Explains.
030	Chair Metsger	Asks if Oregon has competitive advantages in growth over other states.
040	Potiowsky	Responds that several larger distributors have entered the Eastern Oregon areas, and continue to provide positive advantages.
045	Sen. Deckert	Comments on simplified e-commerce sales tax nationally, and how that will negatively affect Oregon.
050	Potiowsky	Agrees that the growth that may have occurred may be affected by a simplified sales tax. Explains some effects of a possible national e-commerce sales tax.
060	Chair Metsger	Comments on statement provided by Potiowsky.
090	Chair Metsger	Outlines coming meetings in the next two weeks.
120	Chair Metsger	Closes informational meeting. Adjourns meeting at 9:10 a.m.

**EXHIBIT SUMMARY**

**A – Informational, presentation materials, Tom Potiowsky, 15 pp**