

# HOUSE COMMITTEE ON AGRICULTURE & FORESTRY

February 13, 2001  
3:30 PM

Hearing Room 50  
Tapes 29 - 30

**MEMBERS PRESENT:** Rep. Jeff Kropf, Chair  
Rep. Al King, Vice-Chair  
Rep. Donna Nelson, Vice-Chair  
Rep. Robert Ackerman  
Rep. Dan Doyle  
Rep. Elaine Hopson  
Rep. Wayne Krieger  
Rep. Mary Nolan

**MEMBER EXCUSED:** Rep. Tootie Smith

**STAFF PRESENT:** Ray Kelly, Committee Administrator  
Michael Reiley, Committee Assistant

**MEASURE/ISSUES HEARD:** Informational Meeting – Biotechnology in Agriculture  
HB 2208 – Public Hearing and Work Session

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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 29, A</b>		
003	Chair Kropf	Calls meeting to order at 3:35 p.m. Opens informational meeting on Biotechnology in Agriculture.
<b><u>INFORMATIONAL MEETING</u></b>		
009	Dr. Terri Lomax	Director, Program for the Analysis of Biotechnology Issues, Oregon State University (OSU). Submits and summarizes prepared testimony ( <b>EXHIBIT A</b> ).
052	Chair Kropf	Clarifies that Dr. Lomax is referring to genetically engineered soybean containing genes resistant to herbicides.
055	Lomax	Answers yes.
057	Chair Kropf	Asks for definition of "genetically modified."
060	Lomax	Explains the difference between genetic modification and genetic engineering.
068	Chair Kropf	Asks for an explanation of the difference between genetic engineering and plant selection.
071	Lomax	Defines genetic engineering. Discusses the uses of genetically engineered products. Stresses desire for accurate information about biotechnology.
157	Kropf	Asks if research is related to agricultural issues.
159	Lomax	Answers that the expertise at OSU is in agricultural field, so that is where most of the research will focus. Explains the costs associated with regulation. Describes curriculum changes at

192	Rep. Nelson	OSU to reflect biotechnology issues.
203	Lomax	Asks how ownership of research will be protected. Answers that OSU policy is to get plant variety protection of any genetically engineered organism to have control over what is done with it.
223	Rep. Nelson	Asks if private sector will be included in research.
228	Lomax	Answers that it is often industry that pioneers research and development in the first place. Addresses concerns people have about biotechnology. Discusses Oregon agricultural biotechnology issues.
311	Chair Kropf	Asks what process is gone through to determine what potential consequences may occur with biotechnology issues.
320	Lomax	Answers that research is conducted carefully. Explains the process.
341	Rep. Nelson	Asks about the effect of biotechnology on nutritional value.
345	Lomax	Answers that US Department of Agriculture (USDA) and Food and Drug Administration (FDA) monitor situation closely.
364	Chair Kropf	Asks Dr. Lomax how she resolves issue of “playing God.”
366	Lomax	Answers that it is complex issue and steps are taken to give people information about products so they can make ethical decisions for themselves.
381	Chair Kropf	Asks what assurance there is that research will be comprehensive enough to evaluate all potential risks.
386	Lomax	Answers that there would be close scrutiny by committees before it leaves OSU, then FDA would evaluate it.
406	Rep. Nelson	Asks about future of biotechnology.
<b>TAPE 30, A</b> 005	Lomax	Answers that technology has allowed research to move farther than ever before.
023	Rep. Ackerman	Asks for overview of regulatory process.
027	Lomax	Answers and explains that there are three agencies that are responsible for regulating products. Explains how Environmental Protection Agency (EPA), FDA and USDA work together to regulate.
040	Rep. Ackerman	Asks what timeline would be for regulation.
042	Lomax	Explains regulation timelines.
048	Representative Steve March	House District 15. Asks if OSU is currently working on wheat seed that would require farmers to purchase seed each year rather than replant.
054	Lomax	Answers that they are not working with wheat and they would not work with “terminator technology.” Points out that it is happening with poplar trees.
074	Rep. March	Clarifies that farmers would be able to replant crop rather than have to purchase it each year.
076	Lomax	Answers that OSU is not working on it, but she cannot speak for biotech companies. Reasserts that OSU has right of refusal if they do not like the way the product is being commercialized.
078	Rep. March	Asks if that could be part of their criteria for commercialization.
080	Lomax	Answers yes. Continues overview of presentation.
114	Rep. Nelson	Asks who owns the final product when working with other colleagues or industries.
118	Lomax	Answers that they are shared as research tools, but not patented. If product is commercialized, it depends on the commercialization agreement with company.

127	Rep. Krieger	Asks how much work is being done on forests using biotechnology.
130	Lomax	Answers that it is easy to do work on poplar trees.
135	Dr. Rick Meilan	Professor of Forest Science, OSU and Associate Director of Tree Genetic Engineering Research Cooperative. Explains that poplar trees are effective research tools.
157	Rep. Krieger	Asks if biotechnology can be applied to solve forest problems.
164	Meilan	Answers yes, that they are working on techniques that will probably be used more widely in the future to deal with forest problems.
180	Rep. Krieger	Suggests that technology is changing faster than information can get out about it.
185	Rep. Nelson	Asks if Oregon is the “leader in the world” in biotechnology.
193	Lomax	Answers that they are the leaders in biotechnology with regard to forest trees. Suggests that OSU will also be a leader in risk assessment.
209	Lomax	Addresses question of what kind of industry funding exists for genetic engineering research at OSU. Cites Tree Genetic Engineering Research Cooperative, National Science Foundation, USDA, Department of Energy (DOE). Discloses that this work brings approximately \$425,000 per year to OSU.
216	Chair Kropf	Asks if that is a cumulative figure.
226	Lomax	Answers that all groups have been brought into a cooperative to address concerns and goals of private companies and government agencies, so they all pay dues to belong to the cooperative.
232	Lomax	Explains that there is relatively little other funding. Talks about Newmark Potatoes, but explains they are nearly bankrupt since there is no market for genetically engineered potatoes.
241	Chair Kropf	Asks why.
245	Lomax	Suggests that companies will not buy them because for example, consumers are more aware of eating genetically engineered potatoes in the form of french fries, than engineered oils in cookies. Describes economic impact of genetic engineering.
256	Chair Kropf	Points out that it appears to be a public perception issue. Asks about the issue of Starlink corn and taco shell recall.
268	Lomax	Explains that problem came when corn was approved for animal consumption but not human consumption and they realized that it is difficult to keep them apart. Guarantees that regulators will never approve something for animal consumption and not for human consumption again in similar circumstances.
324	Chair Kropf	Clarifies that there will be industry issues for separation and maintaining product to avoid such problems.
332	Lomax	Concurs. Adds that issue will extend to labeling and testing to avoid problems.
343	Chair Kropf	Asks if Dr. Lomax is suggesting government regulation.
345	Lomax	Answers that she feels it will be self-regulating as it already is.
347	Rep. Nelson	Asks if there are state regulations that restrict research.
350	Lomax	Points out that before permit is issued to grow any crop, USDA confers with ODA to ensure that it is acceptable.
371	Chair Kropf	Asks why Lockheed Martin DOE has put money into research.
378	Lomax	Explains that it is actually a company that has been “gobbled up” by Lockheed Martin. Explains that it is for the creation of biofuels.

385	Chair Kropf	Asks for definition of biofuel.
392	Lomax	Defines biofuel.
402	Chair Kropf	Asks if crop could be generated that could be used to make fuel to burn cleaner and more efficiently.
408	Lomax	Answers that it is currently going on.
420	Chair Kropf	Closes informational meeting. Opens public hearing on HB 2208.

**TAPE 29, B**  
**HB 2208 – PUBLIC HEARING**

009	Ray Kelly	Committee Administrator. Reads summary of HB 2208.
023	John Phillips	Legislative Liaison, Property Tax Division, Oregon Department of Revenue. Submits and summarizes prepared testimony in support of HB 2208 ( <b>EXHIBIT B</b> ).
038	Chair Kropf	Asks Mr. Phillips to explain changes to HB 2208.
041	Phillips	Explains changes to HB 2208.
086	Chair Kropf	Asks if Deschutes County case compounded Measure 50 problem.
088	Phillips	Answers no, they are unrelated.
113	Rep. Nelson	Asks if there is reason to pre-pay taxes.
115	Phillips	Answers that it is only necessary in certain circumstances. Continues explanation of changes.
140	Chair Kropf	Asks why it is necessary to add equipment into the statute.
154	Phillips	Answers that this is not his area of expertise.
161	Hasina Squires	Special Districts Association of Oregon. Clarifies that the committee that met in the interim put in the issue in the statute.
184	Chair Kropf	Clarifies that language was not added, but only moved from one section to another to clarify.
186	Squires	Points out that there is other legislation to which changes were made along with HB 2208 to standardize language.
196	Rep. Nolan	Asks if committee needs to work with HB 2208 since it is already referred to Revenue.
212	Rep. King	Wonders if any work would be saved for the Revenue committee if committee works through it themselves.
220	Ray Kelly	Clarifies passing bill with or without recommendation.
226	Rep. Nelson	Questions language in Section 13 regarding dog kennels.
239	Phillips	Answers that he is unsure why language is as it is.
253	Rep. Nelson	Reasserts her objection to dog kennel references and placement in HB 2208.
261	Rep. King	Points out importance of statute.
266	Chair Kropf	Closes public hearing on HB 2208. Opens work session on HB 2208.

**HB 2208 – WORK SESSION**

274	<b>Rep. Nolan</b>	<b>MOTION: Moves HB 2208 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on School Funding &amp; Tax Fairness/Revenue by prior reference.</b>
		<b>VOTE: 8-0</b>
		<b>AYE: 8 - Ackerman, Doyle, Hopson, King, Krieger, Nelson, Nolan, Kropf</b>
		<b>EXCUSED: 1 - Smith T</b>
293	<b>Chair Kropf</b>	<b>The motion CARRIES.</b>
297	Chair Kropf	Adjourns meeting at 4:50 p.m.

Submitted By,

Reviewed By,

Michael Reiley,  
Committee Assistant

Ray Kelly,  
Committee Administrator

**EXHIBIT SUMMARY**

**A – Biotechnology in Agriculture information, Dr. Terri L. Lomax, 9 pp**

**B – HB 2208, Property Tax System Improvements, John Phillips, 7 pp**