

# HOUSE COMMITTEE ON AGRICULTURE & FORESTRY

May 15, 2001  
3:30 PM

Hearing Room 50  
Tapes 97 - 102

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

**MEMBER EXCUSED:** Rep. Robert Ackerman

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

**MEASURE/ISSUES HEARD:** SB 212A – Public Hearing and Work Session  
Informational Hearing  
North American Free Trade Agreement—General Agreement on  
Tariffs and Trade (NAFTA-GATT)

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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 97, A</b>		
005	Chair Kropf	Calls meeting to order at 3:35 p.m. Opens public hearing on SB 212A.
<b><u>SB 212A – PUBLIC HEARING</u></b>		
014	Ray Kelly	Committee Administrator. Explains SB 212A and –A8 amendments ( <b>EXHIBIT A</b> ).
067	Willie Tiffany	League of Oregon Cities (LOC). Submits and summarizes prepared testimony in support of SB 212A and the –A8 amendments ( <b>EXHIBIT B</b> ).
071	Don Schellenberg	Oregon Farm Bureau (OFB). States that if the –A8 amendments include all that was agreed to, then OFB supports them as well.
088	Roger Wood	Governor's Office. States that the amendments are satisfactory.
097	Rep. Doyle	Asks if Mr. Schellenberg has read the –A8 amendments.
098	Schellenberg	Answers that he read the –A7 amendments and has had the changes between –A7 and –A8 briefly explained to him.
102	Chair Kropf	Notes that the –A8 is essentially the –A7 with some minor textual changes.
106	Rep. Doyle	Asks if the OFB is amenable to the changes.
111	Tiffany	Explains –A8 amendments.
154	Kelly	Clarifies farm use statutes.
162	Tiffany	Continues explanation of amendment changes.
188	Richard Whitman	Oregon Department of Justice. Explains the language in SB

		212A regarding “tract, lot and parcel.” Submits and summarizes prepared testimony ( <b>EXHIBIT C</b> ).
411	Chair Kropf	Asks who will pay for the study and who will accomplish it.
413	Wood	Answers that the study has been designed for the Oregon Department of Agriculture (ODA), Department of Environmental Quality (DEQ), and assistance and coordination from the Governor’s Office.
427	Schellenberg	Explains concerns and intent about SB 212A that were addressed by the –A8 amendments.
<b>TAPE 98, A</b>		
008	Whitman	Notes that all interested parties have agreed with the amendments.
019	Rep. Doyle	Clarifies that Mr. Whitman’s and Mr. Schellenberg’s statements do not conflict.
021	Whitman	Answers that they do not conflict.
023	Rep. Doyle	Asks for an explanation of how SB 212A would help Oregon cities.
026	Tiffany	Explains how it would help cities.
045	Rep. Doyle	Asks OFB how it would help farms.
046	Schellenberg	Answers that OFB wants cities evaluate other alternatives before buying farmland to apply wastewater. Explains how SB 212A addresses the issue.
083	Calvin Martin	Medford. Testifies against SB 212A. Explains problems with SB 212A.
172	Chair Kropf	States that in the food processing industry sewage sludge is not used.
177	Martin	Explains biosolids and their classification and uses.
191	Chair Kropf	Asks if the rinse water that is being irrigated is the same as sewage.
195	Martin	Answers no and explains the classifications of rinse water and sewage sludge.
225	Chair Kropf	Clarifies that Mr. Martin does not have a problem with using food processed rinsewater, but has a problem with the verbiage of the bill that states that biosolids can include sewage sludge and the cities are trying to find a less expensive way to get rid of their wastewater.
234	Martin	Concurs.
265	Tiffany	Responds to Mr. Martin’s testimony regarding wastewater and its application.
284	Lauri Aunan	DEQ. Describes DEQ’s commitment to public health. Explains the process for permitting wastewater to be land applied.
312	Whitman	Clarifies distinctions between sewage sludge and biosolids and explains how SB 212A addresses each.
325	Martin	Argues that biosolids are sewage sludge. Expresses concern that the oversight for biosolid application is inadequate.
400	Rep. King	Describes the permitting process and how SB 212A addresses it.
427	Aunan	Describes the application process and the responsibility DEQ takes in it.
450	Rep. Doyle	Asks if DEQ disputes that biosolids are sewage sludge.
457	Aunan	Answers that biosolids are sewage sludge that has been treated to ensure that pathogens have been killed.
466	Martin	Explains the difference between Class A and Class B biosolids.
<b>TAPE 97, B</b>		
032	Kathryn VanNatta	Governmental Affairs Manager, Northwest Pulp and Paper

047	Brian Thompson	Association. Testifies in support of SB 212A. Grants Pass. Testifies against SB 212A. Contends that there are different standards for municipalities and private companies to apply biosolids.
157	Chair Kropf	Asks what Mr. Thompson's main argument is.
158	Thompson	Answers that he wants to see land rights retained and ensure that biosolids that are being land applied are safe.
188	Rep. Doyle	Asks if Grants Pass is under a mandate from DEQ to safely get rid of their sewage.
192	Thompson	Responds that there was an impression that land-applying biosolids are cheap and safe.
201	Rep. Krieger	Asks if Mr. Thompson testified before the Senate committee on SB 212A.
202	Thompson	Answers no, that he only learned of SB 212A recently.
208	Jim Elliott	Ashland. Submits and summarizes testimony against SB 212A <b>(EXHIBIT D)</b> .
259	Chair Kropf	Clarifies intent of SB 212A. Notes that the focus is on food processing, not municipal waste.
273	Elliott	Restates his concerns about SB 212A.
323	Penny Cox	Rickreall. Submits and summarizes prepared testimony <b>(EXHIBIT E)</b> .
<b>TAPE 98, B</b>		
082	Chair Kropf	Asks for clarification about the statement of intent.
091	Whitman	Answers that both biosolids and septage are addressed in SB 212A.
094	Chair Kropf	Asks about the intent of ORS 454.800.
095	Whitman	Answers that it is a statute that deals with solid waste and sewage disposal administered by DEQ. Explains statute.
106	Chair Kropf	Asks if any facility that could be sited under SB 212A would be subject to a permit process that DEQ would require.
113	Whitman	Answers yes. Notes that the process requires notice and an opportunity for comment. Explains that Oregon has two processes for dealing with such facilities: DEQ process and the land use system.
125	Chair Kropf	Asks if SB 212A is legal in terms of trucking provisions and municipalities and ownership.
130	Whitman	Answers that any state law that conflicts with federal law will be pre-empted by the federal law.
141	Chair Kropf	Asks SB 212A conflicts with federal statute.
142	Whitman	Answers no.
154	Rep. Nelson	Asks if Mr. Whitman has a clear definition of "biosolid."
163	Whitman	Explains that biosolid is not defined in SB 212A, so a court would either use the dictionary or statute for a definition. Explains that the work group that worked on SB 212A used the definition in DEQ statute.
180	Rep. Nelson	Asks if human sewage is included in the definition.
181	Whitman	Answers yes, if it is under permit.
185	Rep. Nelson	Asks if there is a way to narrow the focus of SB 212A to address the issue of food processor wastewater and eliminate potential interpretation problems with applications.
195	Whitman	Answers that there may be a way, but it could be difficult.
205	Kelly	Reads definition of biosolid under Oregon Administrative Rules (OAR) 340-050-0010.
242	Rep. Nelson	Asks if it would be appropriate to determine what type of waste

is being dealt with.

249 Whitman Answers that it is a policy decision for the legislature to make not a legal issue. Notes that if biosolids are not addressed, there could be potential problems.

272 Chair Kropf Asks if SB 212A sets forth that a permit must approve land applications of biosolids.

280 Whitman Answers yes.

285 Chair Kropf Clarifies that there is a process by which citizens can have their objections heard during the permitting process.

288 Whitman Answers yes.

298 Rep. Doyle Asks for clarification about allowing cities to buy farmland.

319 Whitman Explains how the law affects cities' abilities to obtain and apply on farmland.

345 Rep. King Asks for clarification about public input.

371 Whitman Explains that the issue is defined by case law and clarifies the process.

Written testimony submitted by Robert Wells, City Manager Pro Tem, in support of SB 212A (**EXHIBIT F**).

410 Chair Kropf Closes public hearing on SB 212A. Opens work session on SB 212A.

**SB 212A – WORK SESSION**

**414 Rep. T. Smith MOTION: Moves to ADOPT SB 212A-A8 amendments dated 5/15/01.**

418 Rep. Krieger States that he supports the SB 212A based on the land use portion, but he still has reservations about SB 212A.

427 Rep. Doyle Declares potential conflict of interest. Speaks against SB 212A. Explains his objections to SB 212A.

**TAPE 99, A**

020 Rep. Nelson Speaks against SB 212A.

049 Rep. King Speaks in favor of SB 212A.

062 Rep. Nolan Speaks in favor of SB 212A.

066 Rep. Hopson Speaks in favor of SB 212A.

074 Chair Kropf Speaks in favor of SB 212A. Explains its necessity.

**VOTE: 6-2**

**AYE: 6 - Hopson, King, Krieger, Nolan, Smith T, Kropf**

**NAY: 2 - Doyle, Nelson**

**EXCUSED: 1 – Ackerman**

**100 Chair Kropf The motion CARRIES.**

**103 Rep. T. Smith MOTION: Moves SB 212A to the floor with a DO PASS AS AMENDED recommendation.**

**VOTE: 6-2**

**AYE: 6 - Hopson, King, Krieger, Nolan, Smith T, Kropf**

**NAY: 2 - Doyle, Nelson**

**EXCUSED: 1 – Ackerman**

**110 Chair Kropf The motion CARRIES.**

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

113 Chair Kropf Declares potential conflict of interest. Closes work session on SB 212A. Opens informational hearing on NAFTA-GATT.

**INFORMATIONAL HEARING**

128 Dalton Hobbs Administrator, Agricultural Development and Marketing Division, ODA. Submits and reads prepared testimony regarding NAFTA-GATT (**EXHIBIT G**).

366	Chair Kropf	Clarifies that Guatemala taking over Mexican broccoli has nothing to do with NAFTA.
372	Hobbs	Answers that Guatemala is not part of NAFTA. Continues prepared testimony.
<b>TAPE 100, A</b>		
028	Chair Kropf	Asks if the US has protested unfair trade practices under NAFTA.
034	Hobbs	Explains how the federal government handles trade issues.
054	Chair Kropf	Recesses meeting for break. Reconvenes meeting.
075	Paul Iverson	Clackamas County Farm Bureau. Testifies about inequities between United States conditions and other producing countries.
154	Chair Kropf	Asks what crops Mr. Iverson grows.
155	Iverson	Answers cut flowers, green beans, potatoes, sweet corn, blueberries among others.
158	Chair Kropf	Asks if the federal government should defend minor crop producers.
165	Iverson	Answers yes, since the federal government negotiated the agreements that are affecting producers.
178	Glen Stonebrink	Oregon Cattlemen's Association. Speaks against NAFTA. Explains how other countries' subsidies relate to the US.
267	Rep. T. Smith	Asks how poorer nations can afford to subsidize their products.
273	Chair Kropf	Suspects that many World Bank loans go for subsidies.
282	Stonebrink	Uses visual aid of France subsidizing wheat to explain how subsidies operate.
333	Chair Kropf	Asks if US Cattlemen are suffering from imported meat.
334	Stonebrink	Answers "absolutely." Explains country-of-origin meat labeling and its effect on US meat safety.
360	Coy Cowart	OCA. Reads prepared testimony regarding NAFTA. Explains world agricultural trade.
<b>TAPE 99, B</b>		
080	Camille Hukari	Tractor Coalition and Hood River Grower Shipper Association. Submits and reads prepared testimony against NAFTA <b>(EXHIBIT H)</b> .
154	Chair Kropf	Asks if federal government has done anything to help growers.
155	Hukari	Answers no. Continues prepared testimony.
204	Kevin Moffitt	Executive Vice-President, Pear Bureau Northwest. Submits and reads prepared testimony <b>(EXHIBIT I)</b> .
323	Rep. Nelson	Asks where the imported pears come from.
325	Moffitt	Answers Argentina, Chile, South Africa, New Zealand, and China.
330	Rep. Nelson	Asks about standards for production.
344	Hukari	Answers that the US is not facing a level playing field.
360	Rep. Nelson	Asks who direct contact is regarding NAFTA.
364	Hukari	Answers that growers can contact congressional representatives or trade representatives.
371	Rep. T. Smith	Asks if Ms. Hukari feels that China will "play fair."
372	Hukari	Answers no.
374	Rep. T. Smith	States that support should come from the US federal government.
377	Hukari	Responds that the government should provide support in the form of tariffs or duties that allow US products to be of the same value as other countries'. Points out need for education of consumers.
396	Rep. T. Smith	Asks if American consumers were educated, would they buy

		American.
400	Hukari	Answers that “some will and some won’t.”
403	Rep. T. Smith	States that they wouldn’t since the US consumer is fickle. Argues that the best course of action is to obtain support and work through the federal government.
424	Hukari	Responds that the way other countries are treating US products is “incomprehensible.”
433	Chair Kropf	Asks if the increase in imported pears is directly due to NAFTA.
441	Moffitt	Answers that that conclusion could not necessarily be drawn.
<b>TAPE 100, B</b>		
014	Hukari	Explains that there has been a consolidation of grocery stores that has resulted in cheaper produce, but much of it has come from abroad.
025	Chair Kropf	Notes that subsidies play a role. Asks if the difficulty that the US faces with other countries is that they have different value systems.
029	Hukari	Answers that the European Union (EU) has subsidies to maintain their lifestyle.
037	James Mast	Oregon Family Farm Association. Explains how Canadian imports have affected the US producers.
136	Howard Ropp	Autumn Seed Company. Explains how NAFTA and Chinese imports have affected the pumpkinseed market. Explains how the pistachio industry has protected themselves from imports through the establishment of duties on imports.
230	Rep. Nelson	Asserts that there should be trade representatives locally for producers to deal with.
243	Ropp	Concurs. Explains that pumpkinseeds are a minor crop and their influence is relatively minor.
275	Robert Klinger	Testifies and explains issues with regard to NAFTA and world trade.
420	Jack Hay	Farmer, The Dalles. Submits and reads prepared testimony <b>(EXHIBIT J)</b> .
<b>TAPE 101, A</b>		
060	Rep. Nelson	Asks how to get appointed to the Agricultural Advisory Committee to World Trade Organization (WTO).
062	Hay	Answers that it is done through the Secretary of Agriculture.
064	Rep. Nelson	States that every commodity should have a representative from the northwest on the committee.
066	Hay	Notes that agriculture was “systematically traded off” during the Clinton administration. Explains the agricultural role in the WTO.
373	Rep. Nelson	Asks which trade agreement was first.
380	Kelly	Notes that Uruguay Rounds have existed since the 1950’s and NAFTA was passed in 1994. Gives history of trade barriers in the 20 <sup>th</sup> century.
426	Roeland Kapsenberg	President/CEO Barenbrug USA. Submits and reads prepared testimony <b>(EXHIBIT K)</b> .
<b>TAPE 102, A</b>		
107	Chair Kropf	Asks what will happen when small countries join EU.
110	Kapsenberg	Answers that the subsidy levels are going down.
147	Rep. Nelson	Asks how to deal with tests to meet US standards to be able to join the EU.
149	Kapsenberg	Answers that the varieties of product are put through government

		trials and upon passage, it is eligible for EU consideration. Continues prepared testimony.
172	Chair Kropf	Asks how Barenbrug has penetrated EU under criteria.
182	Kapsenberg	Answers no. Explains the work being done to attempt to get into the EU.
188	Chair Kropf	Asks if the EU market is a large, desirable one to get into.
191	Kapsenberg	Answers that it is a substantial market, but it is considerably smaller than the US market. Continues prepared testimony.
258	Chair Kropf	Asks how Mr. Kapsenberg views the dumping of orchard grass seed.
273	Kapsenberg	Answers that it is subsidized production that ends up in the US. Notes that the strong dollar had a greater impact than the dumping.
309	Chair Kropf	Asks what will happen to grass seed growers in Oregon.
315	Kapsenberg	Answers that it is important to determine what happens with other agricultural crops in Oregon and their competitiveness with grass seed.
331	Chair Kropf	Clarifies that overproduction may kill the grass seed industry in Oregon.
363	Phil Olson	Berry grower, Yamhill County. Submits and reads prepared testimony ( <b>EXHIBIT L</b> ).
<b>TAPE 101, B</b>		
064	Mike Townsend	Townsend Farms. Describes the Townsend Farms operation. Explains problems that Oregon berry farmers are facing.
154	Chair Kropf	Notes that Mr. Townsend does not sound optimistic about the berry industry in Oregon.
156	Townsend	Explains his pessimism.
205	Chair Kropf	Concurs. Explains that the trade issue needs to be dealt with “in every statehouse in the nation.” Closes informational hearing. Adjourns meeting at 8:36 p.m.

Submitted By,

Reviewed By,

Michael Reiley,  
Committee Assistant

Ray Kelly,  
Committee Administrator

**EXHIBIT SUMMARY**

- A – SB 212A, -A8 amendments, staff, 33 pp.**
- B – SB 212A, Statement of Intent, Willie Tiffany, 4 pp.**
- C – SB 212A, Statement of Intent, Richard Whitman, 4 pp.**
- D – SB 212A, written testimony, Jim Elliott, 6 pp.**
- E – SB 212A, written testimony, Penny Cox, 11 pp.**
- F – SB 212A, written testimony, Robert Wells, 2 pp.**
- G – NAFTA-GATT, written testimony, Dalton Hobbs, 4 pp.**
- H – NAFTA-GATT, written testimony, Camille Hukari, 3 pp.**
- I – NAFTA-GATT, written testimony, Kevin Moffitt, 3 pp.**
- J – NAFTA-GATT, written testimony, Jack Hay, 3 pp.**
- K – NAFTA-GATT, written testimony, Roeland Kapsenberg, 25 pp.**
- L – NAFTA-GATT, written testimony, Phil Olson, 2 pp.**