

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

May 1, 1997 Hearing Room 343

1:00PM Tapes 60 - 61

**MEMBERS PRESENT:**

Sen. John Lim, Chair

Sen. Joan Dukes, Vice-Chair

Sen. Bill Fisher

Sen. Gary George

Sen. Avel Gordly

Sen. Veral Tarno

**MEMBER EXCUSED:**

**STAFF PRESENT:**

Jim Stembridge, Administrator

Julie Havel, Administrative Support

**MEASURE/ISSUES HEARD:**

SB 766 Public Hearing and Work Session

SCR 4 Work Session

**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>TAPE 60, A</b>		
005	Chair Lim	Calls meeting to order at 1:22 pm and opens work session on SB 766.
<b><u>SB 766 - PUBLIC HEARING</u></b>		
014	Jim Stembridge	Reviews provisions of SB 766, and explains intent of proposed -1 amendments ( <b>EXHIBIT A</b> ).
		Legislative Aide to Sen. Jeannette Hamby, testifies in favor of SB 766, and

020	Jessica Harris	proposes conceptual amendment to move the completion date to January 1, 1998.
047	Sen. Dukes	Asks for clarification on whether Sen. Hamby supports the -1 amendment before them.
049	Harris	States they would be in support of the -1 amendments.
050	Stembridge	Adds the -1 amendment comes from Sen. Timms.
052	Chair Lim	Asks if she knows what is holding up the construction.
054	Harris	States she does not know the answer to that question.
060	David Hooper	Public Affairs Manager, Oregon State Lottery, introduces Lou McCanna, Department of Administrative Services (DAS), and Cloy Bettinger, Oregon Economic Development Department (OEDD). States the lottery is in support of the proposed -1 amendments to this bill <b>(EXHIBIT B)</b> .
082	Lou McCanna	Department of Administrative Services, testifies in favor of the proposed amendments and gives history of the proposed computer data storage center.
132	McCanna	Continues explaining evolution of the Salem Interim Archives Center, and their strategy for getting the facility up and running in Burns.
150	Chair Lim	Asks what the costs are for the facility.
156	McCanna	Explains they are developing requests for proposals (RFP) involving several agencies, so it will depend on the response they get.
178	McCanna	Continues explaining dates for construction, and states they will be reporting back to the Legislature with a better idea of the costs as soon as they have completed the evaluation.
199	Sen. Gordly	Asks if the report they bring back will go to the Joint Committee on Technology.
201	McCanna	States that is correct.
202	Sen. Gordly	Asks if they are giving preference to Oregon vendors when it comes to considering criteria for selecting the proposal.
206	McCanna	States the RFP does not give any particular preference clauses. Explains it is a very complex undertaking, and to their knowledge, no one has ever done it before. States they sent the RFP to companies all over the world, and are eager to have proposals from any qualified vendor.
220	Chair Lim	Asks what the total projected cost of the construction will be.
221	McCanna	States he cannot say exactly, because it depends on the proposals they get, but construction costs will be approximately \$125.00-\$175.00 per square foot for the building, and states the Bonneville Power Administration had initially expressed an interest in supplying the fiber optic cable component of the project at an initial cost of \$10-million. States the other component would be the service provider, which would include the cost of the computer hardware, the computer software licenses, and the staffing. Adds they want a vendor to give them a price per gigabyte of data, which will include construction costs for the fiber and the building, hardware,

		software, and staffing for the entire operation.
255	Sen. Gordly	Shares her concerns about this project and the similar fiasco experienced with the decision-making process regarding the Driver and Motor Vehicle Services Division (DMV) new computerized operation. Asks if there are any lessons they learned from that experience that they can do differently to avoid a similar outcome with this project.
280	McCanna	States his recollection of that incident, and explains one of the commitments the lottery, OEDD and DAS have made so far regarding this project, is that even though they've been tempted to rush ahead with it, because you cannot set unrealistic deadlines for a project of this magnitude.
302	Sen. Gordly	Asks what agency will be the key coordinator for this project.
307	McCanna	Explains DAS has taken the lead role, but they have also been working closely with the lottery and with the OEDD and Eastern Oregon University.
319	Sen. Gordly	States she has just been informed that a similar project like this has been undertaken in British Columbia, and asks if he is familiar with that.
327	McCanna	Explains he is familiar with it, and states the company is Database File Tech in British Columbia. Clarifies that through SB 887, the government is trying to bring the private sector parties together in a specified location, within 10 miles of Burns. States Database File Tech is a good example of such a facility, but this is different in that it is not located in a big city or urban area where the customer base lies.
362	Sen. Dukes	Asks if the money is already set aside for this project.
365	Hooper	Explains this was an unfunded mandate to the Oregon Lottery and no appropriation has been made. States it would have cost \$20-40 million on their own, so now they are now a partner in this project instead of the lead proponent of it.
431	Cloy Bettinger	OEDD, states he only wants to emphasize their support for the proposed -1 amendments, especially because of the short construction season due to the area's harsh winters. States SB 887 also clearly identifies the economic development benefits this project brings to this part of the state.
<b>TAPE 61, A</b>		
008	Chair Lim	Asks if we are investing a lot of money for nothing if the people of Oregon decide to vote out video poker in the future, or if they can use this facility for something else.
012	Bettinger	Explains a loss of the video poker will place a large impact on the amount of band width required to support that facility, so it would hinder their ability to build the facility in Burns.
017	Hooper	Adds that video poker accounts for about 70 percent of the band width that they would need, and without it, their usage would drop considerably, but states the long term vision of this center is not to be strictly for the lottery.

		States at some point it will be a much bigger operation, such as a back-up center for insurance companies, finance companies and other private sector businesses with sensitive data that they can't afford to lose.
030	Chair Lim	Asks about the results of studies done on the Burns area and if it is indeed considered safer than other parts of the state in terms of earthquakes and other natural disasters.
034	Hooper	States he believes the studies have been done by the Department of Geology and Mineral Industries, and they show the Burns area is probably one of the most secure in terms of seismic activity than the western region of the state.
042	Sen. Tarno	Asks about the electromagnetic pulse issue.
045	Bettinger	States he is not really up to speed on that issue.
048	Sen. Tarno	Explains its mainly a concern when it comes to the threat of a nuclear war, and explains his concerns that data which is stored electronically could be erased by an electromagnetic pulse.
050	Sen. Tarno	Asks how big this facility will be.
054	Hooper	Explains it will be about 7,000 - 10,000 square feet, plus some shared space and the archive portion, which would be an additional 5,000 - 7,000 square feet.
069	Chair Lim	Closes public hearing on SB 766 and opens work session on SB 766.
<b><u>SB 766</u></b> <b><u>WORK</u></b> <b><u>SESSION</u></b>		
075	Sen. Dukes	<b>MOTION: Moves to ADOPT SB 766-1 amendments dated 5/1/97.</b>
	Chair Lim	<b>Hearing no objection, declares the motion CARRIED.</b>
078	Sen. Dukes	<b>MOTION: Moves SB 766 to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 6-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b>
	Chair Lim	<b>The motion CARRIES.</b> <b>SEN. HAMBY will lead discussion on the floor.</b>
088	Chair Lim	States if Sen. Hamby does not want to carry the bill, Sen. Tarno will carry it.
090	Chair Lim	Closes work session on SB 766 and opens work session on SCR 4.
<b><u>SCR 4 -</u></b> <b><u>WORK</u></b> <b><u>SESSION</u></b>		
094	Jim Stembridge	Committee Administrator, explains proposed revisions to SCR 4 which

		stemmed from the April 22, 1997 work session ( <b>EXHIBIT C</b> ).
111	Sen. FISHER:	<b>MOTION: Moves SCR 4 be sent to the floor with a BE ADOPTED AS CONCEPTUALLY AMENDED recommendation (SEE EXHIBIT C).</b>
112	Sen. Dukes	States her opposition to SCR 4 because of lack of language dealing with joint efforts to locate soldiers missing in action (MIAs) and prisoners of war (POWs). States the only way they can make true progress toward peace is to negotiate things where both sides gain, and she only sees one side "gaining" in this. States again that she does not understand why they are including energy supplies in this resolution.
137	Sen. Gordly	States she will be supporting this resolution this afternoon, because we are part of an international community, although she is not totally comfortable with the language in this, she wants to move it to the floor to continue the debate at that level.
153		<b>VOTE: 5-1</b>  <b>AYE: 5 - Fisher, George, Gordly, Tarno, Lim</b>  <b>NAY: 1 - Dukes</b>
	Chair Lim	<b>The motion CARRIES.</b>  <b>SEN. LIM will lead discussion on the floor.</b>
149	Chair Lim	Closes work session on SCR 4.
157	Sen. Tarno	States he agrees with Sen. Dukes on the issue of POWs and MIAs, and is also concerned about the issue.
163	Chair Lim	States he wants to take the politics out of it, and focus on the humanitarian portion of it, and he too, believes the debate should be held on the floor. States it is time to mend our wounds, and try to work out our differences because people are starving.
185	Sen. Dukes	States she assumes the Chair is drafting another similar resolution suggesting humanitarian aid to Zaire.
190	Chair Lim	States if she would like to draft such a resolution, she can do so.
195	Sen. Dukes	States she does not believe the state of Oregon should be telling Congress how to run their International Relations, but she assumes from his words earlier about people starving to death, that he intends to craft a similar resolution for Zaire, because people are starving to death there, too.
198	Chair Lim	Adjourns meeting at 2:05 pm.

Submitted By, Reviewed By,

Julie Havel, Jim Stembridge,

Administrative Support Administrator

**EXHIBIT SUMMARY**

**A - SB 766, proposed -1 amendments, staff, 1p.**

**B - SB 766, written testimony, David Hooper, 1p.**

**C - SCR 4, conceptually revised resolution, staff, 1p.**

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