SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

January 23, 1997 Hearing Room 343

1:00 PM Tapes 3,4

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: Agency Overviews

Oregon Economice Development

Oregon Department of Agriculture

These minutes are in compliance with Senate and House Rules. <u>Only text enclosed in quotation</u> marks reports a speaker's exact words. For complete contents, please refer to the tapes.

Tape/#	Speaker	Comments
TAPE 3, A]	
005	Chair Lim	Calls meeting to order at 1: 10pm.
INFORMATIONAL OVERVIEWS		
020	William C. Scott	Director, Oregon Economic Development Department. Begins presentation. (EXHIBIT A)
042	Scott	Gives brief history of department and its evolution.
076	Scott	Describes status of Oregon's overall economy.

085	Scott	Explains that Oregon continues to be challenged by many of the same problems that face other states; the need for strong economies in rural areas, the importance of education, and the need for expanding workers' knowledge of current technology.
150	Scott	Continues presentation.
159	Chair Lim	Asks for clarification on Oregon's need for a primary focus on getting business from out of state.
170	Scott	Explains.
190	Sen. Fisher	Shares concern about smaller businesses trying to relocate to Oregon but are unable to because of the many regulatory obstacles.
240	Sen. Fisher	States additional concerns.
246	Scott	Explains Senator Fisher's concerns are well founded and are exactly what his department hopes to focus on. Explains his department's changing "thrust" is to focus on the smaller entities and try to ease their frustrations.
293	Sen. Fisher	Continues with questions and discussion.
303	Sen. Dukes	Asks what has happened to the practice of one-stop permitting.
333	Scott	Explains there has been no formal effort to create a one-stop system, but compared to the other states, Oregon is known to be less difficult when it comes to obtaining the necessary permits.
374	Sen. Lim	Urges the committee to wait and re-visit the issue after Scott concludes his presentation.
387	Sen. George	Shares his daughter's experience with the process in Canada, and states that Canada is generally perceived as much more "user-friendly" than Oregon.
TAPE 4, A		·
024	Scott	Continues discussion with Sen. George, and explains there are on-going meetings with the Governor and other department leaders on the Community Solutions Team, which is actively discussing similar ideas.
043	Scott	Continues presentation and summarizes mission statement. Invites questions from committee.
055	Sen. Gordly	Asks about Oregon's global opportunities and process for deciding the department's mission. Follows with question about how legislators have been involved with that process.
067	Scott	Explains overseas targets have been identified largely on an informal basis through the Ways and Means process and the standing joint Committee on Trade and Economic Development, but there is currently no systematic process. Adds that the International Trade Advisory Council would be the resource in this area.
098	Sen. Gordly	Asks Chair if committee will be hearing from International

		Trade Advisory Council.
100	Chair Lim	Answers yes.
118	Scott	Continues answering follow up questions from members.
145	Scott	Explains hierarchy and structure of Economic Development Commission, referring to the Organization Chart in exhibit.
195	Scott	Explains the organizational structure of the different development divisions.
245	Scott	Continues presentation and highlights the Governor's recommended budget.
302	Scott	Continues overview of Oregon Economic Development Department Budget and Staff.
324	Sen. Gordly	Asks question regarding port budgets.
334	Scott	Comments he does not have the answer to that but he will find out.
341	Sen. Fisher	Asks about 1991 jump in funds.
361	Scott	Explains funds were appropriated in two different biennium, but only allocates it once.
TAPE 3, B		
001	Sen. Fisher	Continues with follow-up questions.
041	Sen. Dukes	Asks where the five jobs that were cut are coming from.
053	Scott	Explains the department has not cut any actual program delivery people as a part of the 95 reductionnobody has been actually laid off, because they have been able to place them elsewhere.
072	Sen. Dukes	Continues with follow up questions regarding ports.
097	Chair Lim	Shares concern about the high dollar value compared to yen and whether that makes the U.S. less desirable to locate in than Japan.
121	Scott	Explains and discusses analysis of return on investment, emphasizing that the data in handout is very general.
166	Scott	Continues presentation on 1997-99 lottery funds distribution in the Governor's recommended budget.
179	Scott	Summarizes the department's proposed legislation for the 1997 session and its intended results.
229	Scott	Concludes presentation.
231	Sen. Dukes	Asks for information on program reductions.
238	Scott	Explains he will get that information for her.
271	Bruce Andrews	Director, Oregon Department of Agriculture. Begins presentation. Explains the Department's impact on Oregon's economy and introduces handouts. (EXHIBITS B AND C)
309	Andrews	Introduces Dalton Hobbs, Seafood Marketing Manager.

315	Andrews	Introduces package of pasta product as example of marketing division's purpose. (EXHIBIT D)
325	Andrews	Begins slide presentation.
369	Andrews	Continues presentation on importance of canned foods to the industry.
Tape 4, B		
016	Andrews	Discusses goals for improving, expanding, and recruiting for program with regards to trade barriers.
066	Andrews	Explains how the department works to "sell" Oregon's rugged rural rancher/cowboy/farmer image.
109	Andrews	Explains significance of food safety.
117	Andrews	Explains importance of taking "old" products and introducing them in "new" markets. Uses cabbage example.
138	Andrews	Explains how Oregon could have seized an opportunity during the mad cow crisis in Europe had it been set up to supply beef to this region.
173	Andrews	Conludes slide presentation.
178	Sen. Gordly	Ask about barriers to Caribbean market and market possibilities in South Africa.
186	Andrews	Explains how limitations of Jones Act and/or the width of the Panama Canal has affected trade in the Carribean.
212	Andrews	Explains department's method of setting "priority by Nations", based on demand, and many opportunities are now starting to spring up in South Africa, Brazil and India.
241	Chair Lim	Asks how department could improve.
248	Andrews	Explains traditionally Oregon has been a net exporting area, but over time we've begun to understand our competition has started to ship value-added products, while we're just dealing with products such as raw wheat.
284	Chair Lim	Commends Andrews for success with Korea.
296	Chair Lim	Announces upcoming public hearing.
302	Jim Stembridge	Committee Administrator, announces he has distributed copies of the adopted committee rules to each member. (EXHIBIT E)
307	Chair Lim	Adjourns meeting at 2:50pm.

Submitted By, Reviewed By,

Julie Havel, Jim Stembridge,

Administrative Support Administrator

EXHIBIT SUMMARY

A - Oregon Economic Development Department overview, William C. Scott (13pp.)

B- Agricultural Development and Marketing Division overview, Bruce Andrews (3 pp.)

C- Oregon Department of Agriculture 1996-97 Marketing Plan, Bruce Andrews (45 pp.)

D- Photocopy of pasta package, Bruce Andrews (2 pp.)

E- Senate Committee on Trade and Economic Development Adopted Rules for 1997 session, staff (2 pp.)