

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

March 4, 1997 Hearing Room 343

1:00PM Tapes 29-30

MEMBERS PRESENT:

Sen. John Lim, Chair

Sen. Joan Dukes, Vice-Chair

Sen. Bill Fisher

Sen. Gary George

Sen. Avel Gordly

Sen. Veral Tarno

STAFF PRESENT:

Jim Stembridge, Administrator

Julie Havel, Administrative Support

MEASURE/ISSUES HEARD:

Informational Meeting

Tourism Division

Oregon Ports Advisory Council and Ports Division

Port of Portland

Progress Board

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.

Tape/#	Speaker	Comments
TAPE 14, A		
005	Chair Lim	Calls meeting to order at 1:06pm.
<u>INFORMATIONAL</u>		

**MEETING - OREGON
TOURISM COMMISSION**

011	Amy Cuddy	Oregon Tourism Commission member, introduces Todd Davidson, Director, and states today she is here to simply state that "tourism is working for Oregon," (EXHIBIT A) .
061	Cuddy	Continues presentation, explaining the role of "mom and pop" sole proprietorships in Oregon.
116	Cuddy	Continues presentation, stating for every dollar spent on advertising tourism, \$25.00 are returned to the state. Explains the role of the commission in strategic planning.
149	Sen. Dukes	States she believes there is a discrepancy in the ad regarding beaches being public.
173	Chair Lim	Asks how they arrived at the 34% increase figure on international business.
185	Davidson	Explains they use data compiled from international flights coming into and going out of state and what country they originate in.
192	Sen. Gordly	Asks how they decide where to target their advertising.
197	Davidson	Explains it is a collaborative effort with the advertising agency and the help of focus groups, visitor profiles, and conversion ads.
205	Sen. Gordly	Asks who their ad agency is.
208	Davidson	States their agency is Wieden and Kennedy of Portland, Oregon.
220	Cuddy	Adds that most of the advertising they do is in the western part of this country, they do some international advertising and some that reaches beyond the western third of the country, but only a limited amount.
229	Sen. Gordly	Asks follow-up question about how they place the international advertising.
230	Davidson	Elaborates and explains their budget will not allow them to go after international consumer advertising, so they focus their efforts on the travel trade--the tour operators and the travel agents--who in turn, develop travel products such as catalogues and brochures which they bring to the consumers.
233	Sen. Gordly	Asks for clarification on information and who it was compiled by, and if there were other options explored, such as using universities.
249	Cuddy	Explains they submitted requests for proposals and believes

		universities were included in those who submitted bids.
274	Cuddy	Continues presentation, highlighting the increasing constraints of limited staff and loss of buying power for advertising and marketing programs. Highlights proposed budget for 1999.
300	Cuddy	Highlights six initiatives for 1997-99.
340	Davidson	Begins computer presentation on the "Official Oregon Tourism Website."
TAPE 30, A		
010	Davidson	Continues Website presentation, explaining how visitors to the site can link up to more detailed information provided by specific areas.
041	Sen. George	Asks about Parks' role in this Website, and whether potential visitors will be able to make reservations via the web.
050	Davidson	Explains they are close to that point, but are not on-line with them quite yet.
056	Sen. George	Asks for and receives clarification about point of entry into Oregon from the Southern border via Ashland.
065	Cuddy	Explains they have a temporary site, and are working toward a more permanent one.
075		Discussion continues on subject of installing internet connections in all of the welcome centers so tourists can interact with them.
088	Chair Lim	States the Commission is doing an excellent job, and receives confirmation on separate private funding account set up by last Legislative Assembly.
<u>OREGON PORTS ADVISORY COUNCIL</u>		
113	Keith Leavitt	Manager, Ports Division, introduces Alan Willis, Port of Portland Council Member. Gives overview of key issues facing the Advisory Council (EXHIBIT B).
183	Leavitt	Continues presentation, explaining the elimination of dredging would drastically affect every Coastal Port except Newport and Coos Bay.
230	Leavitt	Explains the Council hopes to come up with a specific contingency plan for maintenance dredging in the wake of anticipated Federal Cuts.
272	Willis	States he was happy with the legislation they passed the last time, and hopes they do some good work to bring forth a proposal to the next Legislature during the next session.
290	Chair Lim	States his concerns about dredging in the Columbia River and Coos Bay areas, and since federal government funding is involved, asks if he has any idea when it is going to

		happen. Also acknowledges that they are requesting five million dollars and asks if that is in matching funds.
	Willis	Explains he would like to explain that more in depth during the Port of Portland presentation.
311	Leavitt	Clarifies that the Marine Navigation Improvement Fund is a matching fund for corps navigation improvement projects.
307	Sen. Tarno	Asks what it would cost to maintain the dredging programs in our state in the event that we have to look at some other funding source.
320	Leavitt	Explains right now they are studying what it costs, they know what it costs the corps to do the dredging for all the projects in the state. States it's approximately 27 million dollars per year, but they are trying to determine how they could do it at a lower cost.
<u>PORT OF PORTLAND</u>		
348	Willis	Introduces Bob Hrdlicka, Marine Division, and John Brockley, Director of Aviation, and gives brief re-cap of Port of Portland's role in advancing Portland's trade and economic growth in the Northwest.
398	Willis	Continues presentation.
<u>TAPE 29, B</u>		
010	Brockley	Gives overview of Port's Aviation Division, and highlights statistics on the Portland International Airport (EXHIBIT C).
063	Brockley	Continues presentation, highlighting current expansion projects and explaining the master plan they hope to achieve in the future.
091	Sen. Gordly	Asks about shared meetings between them and other commercial airports--what are the nature of the discussions and what the outcome will be.
	Brockley	Common issues, such as funding is at the top of the list, and aviation security airfield certification, etc.
107	Sen. George	Asks if we will exceed the ability to mix cargo with passengers.
112	Brockley	States the short answer is that he thinks they are okay right now.
119	Chair Lim	Asks when Korean Airlines will start service.
125	Brockley	States they've been in service for a year now.
130	Chair Lim	Asks for and receives clarification about service to China.
140	Sen. Tarno	Asks what the need is for a new tower.

145	Brockley	States it is 30 years old and too small and in need of improvement.
153	Sen. Gordly	Asks if 300 million dollars is the total cost expected to meet the growth of the increased number of passengers
170	Brockley	States that will get us to 18 million people.
175	Sen. Tarno	Asks what airport's maximum capacity is in terms of passengers.
180	Brockley	States it is well past 20 or 25 years away.
182	Chair Lim	Asks about hidden charges on people going into places like China and if we charge similar fees.
190		Discussion continues on issue of charges for taxes.
198	Chair Lim	Shares concerns about congestion resulting from all the construction, and wonders why they couldn't have foreseen that years ago.
205	Brockley	Explains the are at the mercy of the contractors and historically they are always behind.
216	Hrdlicka	Gives overview of the Marine Division's responsibilities of managing five marine terminals and the structures that feed cargo to and from those terminals. Explains components of container liner business,
267	Hrdlicka	Continues presentation, explaining highlights of bulk container business.
317	Hrdlicka	Highlights status of products such as potash, grain, automobile and break bulk cargo (lumber, paper products, etc.) industries.
375	Hrdlicka	Continues presentation, explaining the role railroads play in keeping the products moving.
TAPE 30, B		
014	Hrdlicka	Continues presentation.
028	Sen. Tarno	Asks if they are looking at increasing the size of locks.
040		Explains they are not because they just increased the size of Bonneville Locks.
051	Sen. Tarno	Asks if we have looked at how we are doing compared with Washington.
053	Hrdlicka	Explains we are competitive with areas like Puget Sound in terms of rates, but not in number of sheer cargo.
069	Sen. Gordly	Asks to meet with Port of Portland officials within the next few weeks to get an update from them since the Port is in her district.
OREGON PROGRESS BOARD		

090	Jeffrey Tryens	Oregon Progress Board Executive Director, gives slide show overview of Progress Board and update on Oregon's Strategic Plan (EXHIBIT D).
161	Tryens	Continues presentation, explaining per capita incomes in Oregon are rising.
207	Gerald Kissler	University of Oregon Faculty member, explains the new technologies and global competition forces that are re-shaping Oregon.
257	Kissler	Continues presentation, explaining how Oregon has more good jobs, but Oregonians are not qualified for them, and that we must have the best educated and best trained workforce in order for Oregonians to qualify.
307	Kissler	Continues presentation. Refers to investment provisions in SB 696. Add more value, export, diversify.
346	Sen. Gordly	Informs Kissler that staff has scheduled hearing regarding SB 696 from the 1995 session.
366	Tryens	Explains key quality jobs benchmarks, and states that six of the nine are key ones that reside within this committee.
TAPE 31, A		
009	Sen. Dukes	Comments that the benchmarks were all characterized by many as a nice idea but no one ever thought it would accomplish anything, but she is pleased that they've managed to stay relevant and focused.
021	Chair Gordly	Adjourns meeting at 2:58pm

Submitted By, Reviewed By,

Julie Havel, Jim Stembridge,

Administrative Support Administrator

EXHIBIT SUMMARY

A- Oregon Tourism Commission packet, Amy Cuddy, 167pp.

B- Oregon Ports Advisory Council Biennial Report, Keith Leavitt, 18pp.

C - Port of Portland Aviation overview, John Brockley, 3pp.

D - Oregon Progress Board overview, Jeffrey Tryens, 7pp.
