

HOUSE COMMITTEE ON
COMMERCE
SUBCOMMITTEE ON
TRADE AND ECONOMIC DEVELOPMENT

March 9, 1995 Hearing Room H170
1:30 p.m. Tapes 25-27

MEMBERS PRESENT: Rep. Chuck Carpenter, Chair
Rep. Gail Shibley, Vice-Chair
Rep. Michael Fahey
Rep. Cynthia Wooten

MEMBERS EXCUSED:

STAFF PRESENT: Joseph Cortright, Executive Officer
Jeri Chase, Office Manager
Bobby Sullinger, Committee Assistant

WITNESSES: Jon Jaqua, Deputy Director, Oregon Economic Development
Department

Keith Leavitt, Ports Manager, Oregon Economic Development
Ken Armstrong, Executive Director, Oregon Public Ports Association
Greg Baker, Executive Director, Port of Hood River
Peter Williams, General Manager, Port of St. Helen
Janet Jones, Oregon Economic Development Department
Liz VanLeeuwen, Representative, District 37
Ken Maddox, Software Association of Oregon
Mike Derman, Aerospace Industry Association of Oregon
Jim Craven, American Electronics Association

MEASURES HEARD: HB 2141 -- Grants permanent authority for annual transfer of
funds from interest earnings of Oregon Port Revolving Fund to
and Marketing Fund to finance grant program for ports by repealing current
"sunset date" of July 1, 1995 -- PH & FWS

HB 2279 -- Requires Economic Development Department to establish
program to finance in part training programs operated by trade and industry
associations -- PH & FWS

HB 2464 -- Amends definition of "key industries" for purposes of
economic development statutes so that software and high technology
industries are one key industry rather than two -- PH & FWS

HB 2799 -- Requires Economic Development Department to perform
of key industries in Oregon -- PH & FWS

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These minutes contain materials which paraphrase and/or summarize
statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings,
please refer to the tapes.

TAPE 25, SIDE A

001 CHAIR CARPENTER: Brings the committee to order at 1:35 p.m.

HB 2141 -- Grants permanent authority for annual transfer of funds from
interest earnings of Oregon Port Revolving Fund to Port Planning and
Marketing Fund to finance grant program for ports by repealing current
"sunset date" of July 1, 1995 -- Public Hearing

006 CHAIR CARPENTER: Opens PUBLIC HEARING on HB 2141.

010 JON JAQUA: Presents testimony in favor of HB 2141.

013 KEITH LEAVITT: Presents testimony in favor of HB 2141.

035 LEAVITT: Continues to present testimony (Projects and Facilities Grants).

080 CHAIR CARPENTER: How much money will be transferred each year from the
Oregon Port Revolving Fund?

081 LEAVITT: About \$300,000 dollars per biennium.

082 CHAIR CARPENTER: Where has the money gone over the last biennium?

082 LEAVITT: I can provide you with a list of the projects.

086 CHAIR CARPENTER: How are you shipping products manufactured at the ports?

093 LEAVITT: Responds to committee discussion relating to shipping products.

105 CHAIR CARPENTER: Do you have any statistics relating to the number of
containers shipped out of each of the ports?

112 LEAVITT: Responds to committee discussion relating to the number of
containers shipped from each port.

128 CHAIR CARPENTER: Does it make sense to continue to put money into these
ports given the current Salmon crisis?

134 JAQUA: Responds to committee discussion relating to the transitions of ports as a result of the Salmon crisis.

155 REP. FAHEY Comments on amount of grain moved by ship as opposed to truck.

174 KEN ARMSTRONG: Presents written testimony in favor of HB 2141 [EXHIBIT A].

248 ARMSTRONG: Overviews Proposed Amendments to House Bill 2141 [EXHIBIT B].

277 CHAIR CARPENTER: How are the ports structured?

289 ARMSTRONG: Responds to committee discussion relating to the structure of ports.

295 CHAIR CARPENTER: Why, in the case of the St. Helen Port, did you spend \$25,000 to have a strategic plan done?

300 ARMSTRONG: Responds to committee discussion.

326 CHAIR CARPENTER: Is there a way to encourage higher education to do strategic planning projects instead of paying professionals \$25,000 to do the work?

330 ARMSTRONG: Responds to committee discussion relating to the type of talent and expertise needed to do strategic planning.

357 REP. FAHEY: Do you know of any ports that are paying the Bureau of Lands fees for dredged materials recovered? These funds are used for schools.

363 ARMSTRONG: Responds to committee discussion.

378 REP. FAHEY: I am concerned that some ports have not been paying into that fund.

386 ARMSTRONG: I can look into this problem and meet with you to discuss the possibility of some ports not paying into the fund for schools.

398 GREG BAKER: Presents testimony in favor of HB 2141 and the proposed amendments.

448 REP. FAHEY: Comments on the Port of Hood Rivers efforts in the past two years.

451 BAKER: Responds to committee discussion relating to adapting old facilities and properties near the Port of Hood River for new operations.

TAPE 26, SIDE A

033 PETER WILLIAMS: Presents testimony in favor of HB 2141.

103 WILLIAMS: Continues to present testimony relating to property planning.

148 CHAIR CARPENTER: Closed PUBLIC HEARING on HB 2141.

HB 2464 - Amends definition of "key industries" for purposes of certain economic development statutes so that software and high technology industries are one key industry rather than two - Public Hearing.

HB 2799 - Requires Economic Development Department to perform assessment of key industries in Oregon - Public Hearing

159 CHAIR CARPENTER: Opens PUBLIC HEARING on HB 2464 and HB 2799.

161 CORTRIGHT: Overviews Staff Measure Summary for HB 2464 [EXHIBIT C].

180 CORTRIGHT: Overviews Staff Measure Summary for HB 2799 [EXHIBIT D].

191 REP. WOOTEN: Overviews House Bill 3115 [EXHIBIT E].

203 JAQUA: Presents testimony in favor of HB 2799.

248 JANET JONES: Presents testimony in favor of HB 2799.

289 CHAIR CARPENTER: Do you think changes need to be made to the list of key industries?

290 JONES: Yes, it is a good time to review the list of key industries. The list has been in place since 1989.

307 REP. WOOTEN: Were Professional Services added to the list in 1993 as a key industry?

311 JONES: Yes.

312 REP. WOOTEN: How do Professional Services advance their employment or profile in relation to the overall economy as a key industry?

333 JONES: Responds to committee discussion relating to Professional Services.

339: REP. WOOTEN: What groups make-up the Professional Services industry?

345 JONES: Responds to committee discussion.

365 REP. WOOTEN: Was this industry identified in 1989?

366 JONES: Yes.

384 REP. WOOTEN: How much lottery money has been dedicated to the evolution of Professional Services Coordinating Council?

388 JONES: \$25,000 has been spent organizing the council.

393 REP. SHIBLEY: Is it advisable to have reports on all the councils associated with key industries and what time period would be appropriate for these assessments?

424 JAQUA: Responds to committee discussion relating to the possibility of evaluating the key industries every 5 years.

TAPE 25, SIDE B

035 REP. SHIBLEY: How often does the Progress Board update the Benchmarks?

036 JAQUA: Responds to committee discussion.

037 REP. SHIBLEY: When we consider the criteria for becoming a key industry I would like to see compatibility with the Benchmarks.

049 CORTRIGHT: There are benchmarks for each of the key industries.

055 REP. SHIBLEY: Benchmarks and key industries should be more closely related.

065 CHAIR CARPENTER: What is the fiscal impact of OEDD implementing HB 2799.

067 JAQUA: I believe it will cost between \$75,000 and \$100,000 dollars depending on how comprehensive the evaluation.

082 CHAIR CARPENTER: Why does the legislature need to direct OEDD to do a review of its programs when OEDD should already be doing evaluations.

094 JAQUA: Responds to committee discussion relating to the processes involved in spending funding allocated for a specific purpose.

120 REP. VANLEEUMEN: Presents testimony in favor of HB 2464.

181 REP. SHIBLEY: Do you have recommendations relating to the consolidation of other key industries?

189 REP. VANLEEUMEN: How did we arrive at the current list of key industries?

196 CORTRIGHT: Overviews origin of the key industries list.

205 REP. VANLEEUMEN: Continues to present testimony relating to the Oregon Benchmarks.

210 REP. SHIBLEY: How do you feel about keeping forestry and agriculture separate?

241 REP. VANLEEUMEN: Responds to committee discussion relating to the differences between forestry and agriculture products.

262 REP. SHIBLEY: Do you feel forestry and agriculture should be combined?

263 REP. VANLEEUMEN: I do not think they should be combined.

293 REP. WOOTEN: Did any region select agricultural products as one of their three priorities as it relates to key industries?

303 JAQUA: I believe 8 regions selected agriculture.

316 REP. WOOTEN: Can you describe the way key industry efforts are funded.

318 JAQUA: Responds to committee discussion relating to funding.

329 REP. WOOTEN: My overall concern relates to accountability or assessment of how the key industries spend the state funding received.

367 JAQUA: Responds to committee discussion relating to key industries accountability.

TAPE 26, SIDE B

013 REP. WOOTEN: Continues to overview concerns relating to key industries.

016 REP. WOOTEN: Are TouriSMand Professional Services traded sector industries?

017 JAQUA: Responds to committee discussion.

017 REP. WOOTEN: The statute requires key industries to be traded sector industries.

019 JAQUA: Responds to committee discussion relating to traded sector industries.

025 JAQUA: Presents testimony relating to HB 2464.

038 REP. SHIBLEY: Do you think forestry and agriculture could be combined?

040 JAQUA: Responds to committee discussion.

060 KEN MADDOX: Presents testimony in favor of HB 2799.

105 MADDIX: Presents testimony relating to HB 2464.

114 MIKE DERMAN: Presents testimony in favor of HB 2799.

131 DERMAN: Presents testimony relating to HB 2464 and HB 3115.

132 REP. WOOTEN: Do the industries you represent still need subsidized by the state.

145 MADDIX: No, they do not.

185 DERMAN: Presents written testimony relating to HB 2279, HB 2464, HB 2799, and HB 3115 [EXHIBIT F].

222 REP. WOOTEN: Overviews HB 3209 relating to the consolidating efforts and eliminating duplication in employment training.

238 REP. FAHEY: How do you determine who gets the training and which association gets the funding?

255 DERMAN: Responds to committee discussion relating to how training dollars are utilized.

314 REP. FAHEY: I am not opposed to training. My concern is that industries that might not need financial assistance may qualify because they are a key industry.

322 DERMAN: Responds to committee discussion relating to Work Force Training Programs.

341 DERMAN: Presents a letter from Ray Daffner supporting HB 2799 and not supporting HB 2464 and HB 3115 [EXHIBIT G], and a letter from Ray Daffner supporting HB 2279 [EXHIBIT H].

385 JIM CRAVEN: Presents testimony against HB 2464.

TAPE 27, SIDE A

012 CRAVEN: Continues to presents testimony relating to the differences between the Software Association and American Electronics Association.

040 DERMAN: Continues to present testimony relating to the aerospace industry.

059 CHAIR CARPENTER: Closed PUBLIC HEARING on HB 2799 and HB 2464.

065 CHAIR CARPENTER: I will not hold a work session on HB 2464.

HB 2279 - Requires Economic Development Department to establish grant program to finance in part training programs operated by trade and industry associations - Public Hearing

071 CHAIR CARPENTER: Opens PUBLIC HEARING on HB 2279.

080 JAQUA: Presents testimony in favor of HB 2279.

128 REP. FAHEY: Will this measure circumvent some of the funding that would go to community college training programs?

134 JAQUA: Responds to committee discussion relating to training programs.

168 REP. FAHEY: I am concerned about the duplication in training programs between OEDD and the community colleges.

186 JAQUA: Responds to committee discussion.

212 MADDIX: Presents testimony relating to training in the software industry.

245 REP. FAHEY: This bill does not specifically say which key industry will benefit from training programs. Some industries have a surplus of workers and do not need assistance with training.

258 DERMAN: Presents testimony relating to Workforce Education Training Committees.

281 CHAIR CARPENTER: Closed PUBLIC HEARING on HB 2279.

285 CHAIR CARPENTER: Adjourns committee meeting at 3:50 p.m.

Submitted by

Bobby Sullinger
EXHIBIT LOG

EXHIBIT A - Written testimony in favor of HB 2141, Presented by Ken Armstrong, 2 pages.

EXHIBIT B - Proposed Amendments to House Bill 2141, Presented by Ken Armstrong, 4 pages.

EXHIBIT C - Staff Measure Summary for HB 2464, Presented by Joseph Cortright, 1 page.

EXHIBIT D - Staff Measure Summary for HB 2799, Presented by Joseph Cortright, 1 page.

EXHIBIT E - House Bill 3115, Presented by Representative Cynthia Wooten, 1 page.

EXHIBIT F - Written testimony relating to HB 2279, HB 2464, HB 2799, and HB 3115, Presented by Michael Derman, 2 pages.

EXHIBIT G - A letter from Ray Daffner supporting HB 2799 and not supporting HB 2464 and HB 3115, Presented by Michael Derman, 2 pages.

EXHIBIT H - A letter from Ray Daffner supporting HB 2279, Presented by Michael Derman, 1 page.