

SENATE COMMITTEE ON  
AGRICULTURE, NATURAL RESOURCES AND THE ENVIRONMENT

April 28, 1995 Hearing Room  
1:00 P.M. Tapes 91, 92, 93,

MEMBERS PRESENT:

Sen. Bob Kintigh, Chair  
Sen. Brenda Brecke  
Sen. Bill Dwyer  
Sen. Tom Hartung  
Sen. Rod Johnson, Vice-Chair

MEMBER EXCUSED: Sen. Marilyn Shannon

STAFF PRESENT:

Bruce McIntosh, Committee Administrator  
Catrina Victor, Committee Assistant

MEASURES HEARD: HB 3094, PUBLIC HEARING  
SB 1119, WORK SESSION  
SB 1128, WORK SESSION  
SB 87, PUBLIC HEARING

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 91A,

01 Chair Kintigh: Meeting called to order at 1:10 P.M. Announces the carry  
over of HB 2612 and HCR10. SB 87 will be last as an informational meeting  
only with testimony limited to two people on each side of the Bill.

22 Opens PUBLIC HEARING on HB 3094

25 Rep. Tarno: Is in favor of HB 3094. States that this was one of the  
most contentious bills that he has had to deal with because it impacts  
small business owners and boat owners. One of the major problems that  
arose was the mandate put on Oregon by California Legislature last year  
that stated that California would not recognize Oregon crabbers. This  
presents a problem because Oregon has a limited entry program for crabbing  
and Oregon would have a difficult time meeting California's reciprocity  
requirements since some of the boats are under a two year window. Oregon  
is the only state that does not have a limited entry policy on crabbing.

59 NEIL CONAN, MARINE REGION SUPERVISOR, OREGON DEPARTMENT OF FISH AND  
WILDLIFE: Supports essential goals of the limited entry program aspect of  
HB 3094. Suggested possible amendments to bill. Described factual

overview of Oregon's crabbing businesses. Oregon has had a history of opening our waters to Washington and California crabbing businesses. Gave historical overview of Oregon's crab conservation program. [Exhibit A]

163 Sen. Brecke: Asked if the fluctuations in the number of crabs harvested were due to the actual number of crabs in the ocean.

171 CONAN: No. The catch per boat has declined steadily. One of the problems the ODFW had with HB 3049 was that Washington and California might be sending bigger boats to Oregon. That would decrease the profit to Oregon's smaller boat owners. [EXHIBIT B]

273 SEN. JOHNSON: Asked for clarification about ODFW testimony of number of crabs found three miles from shore.

282 CONAN: The number of crabs up and down the coast are highly variable.

303 SEN. JOHNSON: What percentage of the commercial crab grounds are within three miles off the Oregon Coast versus outside of three miles?

308 NEIL RICHMOND, OREGON FISH AND WILDLIFE DEPARTMENT: Highly variable from year to year. Tillamook Head North could be 25% and Tillamook Head South could easily be more than 50%.

318 SEN. JOHNSON: At what depths are crab found?

319 RICHMOND: Anywhere on the Continental Shelf. Crab are traditionally a shallow water species. Most of the fishery has occurred within 50 fathoms excluding a few areas off Newport and Astoria.

331 SEN. BRECKE: Do all of the boats have the capability of fishing at large depths?

335 RICHMOND: Weather determines whether boats can fish at large depths, not the size of the boats.

340 SEN. JOHNSON: Are the number of boats that had been registered as part of a fleet composition allowance increasing?

352 RICHMOND: There is no simple way to gather exact numbers of boats fishing. Averages from 1987 to 1992 and from 1992 to 1994 are being used.

380 Sen. Johnson: Of the various length categories of boats, is there one category or more that there is more new boats expected to show up?

386 RICHMOND: More boats in the 50'-60' category rather than the 30'-49'. There has been great difficulty in determining correct numbers in our research.

417 ALLEN RUMBAUGH, GENERAL MANAGER, OREGON INTERNATIONAL Port OF Coos Bay: In support of HB 3094. [EXHIBIT C]

448 SEN. JOHNSON: Do you know what the participation requirements have been in Washington and California?

457 RUMBAUGH: No.

Tape 92A,

26 PAUL HEIKKILA, OREGON STATE UNIVERSITY SEA GRANT EXTENSION AGENT,  
ORIGINAL PACIFIC STATES MARINE FISHERIES COMMISSION TRI-STATE COMMITTEE:  
He strongly supports HB 3094. Does believe, however, that HB 3094  
achieves work that the Tri-State Committee was trying to achieve. Explains

testimony. Reviews the over capitalization of the industry. Reviews the  
bill and the intent. Appeal and review process. Transferability discussed  
within HB 3094. Enclosed proposed amendments. [EXHIBIT D]

185 Nick Rusinovich, Oregon DUNGENESS Crab Owners: Against SB 3094.  
Suggested that the Committee should only consider HB 3094 with his proposed  
amendment which would allow for a 26% increase in a number of permits of  
the number of participants. [EXHIBIT E]

231 SEN. JOHNSON: If a vessel isn't licensed in California, Oregon or  
Washington, but wants to crab outside of three miles, that's legal, where  
does he take his crabs?

237 Rusinovich: There are larger vessels from Alaska that could process  
them on the boat. Continued his testimony.

311 SEN. BRECKE: Why did your boat not qualify this year?

315 RUSINOVICH: I do not have two years of Oregon landing.

324 Stan Schones, Crab Fisherman: Against HB 3094. Not against limited  
entry. Is against other fishermen being eliminated by HB 3094.

350 SCHONES: Continues.

391 Ray Monroe, PACIFIC CITY, Crab Fisherman: Against HB 3094. Has  
amendment A6 for small boats: "Subsection D: The vessel for which  
application is made was licensed pursuant to ORS 508.260, 1994, is less  
than 26 feet in length can lawfully land at least 100 pounds of Oregon  
Dungeness Crab into an Oregon Port in any single season between December 1,

1991 and December 31, 1994." We cannot support our families if we own a  
small boat. Only a few boats under HB 3094 would be covered. [EXHIBIT F]

469 SEN. JOHNSON: Does your amendment mean that we would exclude  
transferability to vessels 26 feet and under in length?

482 Monroe: No.

Tape 91B,

46 Nick Furman, DIRECTOR, Oregon Crab Commission: In favor of HB 3094.  
[EXHIBIT G]

77 Russel Smotherman, COLUMBIA RIVER PORTS OF ASTORIA, WARRENTON AND  
HAMMOND: In support of HB 3094. [EXHIBIT H]

111 Ken MartINson, PORT OF Newport: In favor of HB 3094. [EXHIBIT I]

149 Herb GoBlirsch, OREGON Crab Fisherman: Against HB 3094. Bulletin from  
the Pacific Coast Federation Fisherman's Association under the byline,  
"...Crab California Cleanup Legislation Progresses Washington State asks  
Federal Help. AB 666, designed to fix some of the limited entry problems  
in AB 337, including clarification that persons who personally qualified

for a permit or changed boats in the last three years will be able to qualify under new vessel for a permit. That urgency measure is scheduled for hearing before a water committee May 2, 1995, liberalizing even further

California's limited entry. According to Freeman, Washington Department of

Fisheries has no management authority over fishing activities in the EEZ 200 miles off the Oregon Coast which are not licensed by the state of Washington, (Washington Territorial boundaries are like Oregon's, three miles,) but recognizes the need to achieve a cooperative Dungeness Crab management plan in the EEZ from three miles out to 200 which incorporates all fisheries. At least two measures have been introduced to amend that state's limited entry program passed last year. [EXHIBIT J]

196 Tom Wraith, Commercial CRAB Fisherman: Against HB 3094 but supports limited entry. Lives on the border in Brookings and would be excluded for being such a small fisherman. Wants the bill amended so he may be included.

224 SEN. DWYER: Have you delivered crab in Oregon in the last 10 years?

225 Wraith: Yes. I delivered in '88, 70,000 pounds into Astoria. The following year I fished in Oregon off the Columbia River but my buyer changed and I fished on the other side and delivered them into Washington.

234 Dale Adams, L and c marine: Runs a 75 foot boat. Has crabbed since he was 13 and has crabbed for 15 years. Is uncertain whether his boat will qualify. Worries about the younger generation trying to branch out. Doesn't want to be a deck hand for the rest of his life. Against HB 3094.

258 Donna Papenfus: Is in favor of HB 3094. Representing her deceased husband and (December, 1994) in support of this bill. The protection should be

of those that are crabbing now. Is fearful that smaller boats may take chances in order to crab causing injury or death.

308 Terry Miller, Sea Toi Fisheries: Against HB 3094. Wants the bill amended or not passed because he, too, is left out if this bill is approved

as is. [EXHIBIT J]

356 Chair Kintigh: Wants both sides to get together and come to some sort of agreement then come back to the committee for a vote.

375 Sen. Dwyer: Wants this to be a fair panel and all individuals to be represented.

393 Closes PUBLIC HEARING on HB 3094

Tape 92B,

15 Opens WORK SESSION on SB 1119

20 Val Taronto, MANAGER, Umatilla Refuse: In support of SB 1119. Believes bill is essential for the rural and wood-working towns of Oregon. Reviews and submits amendments. [EXHIBIT L]

66 Closes WORK SESSION on SB 1119

67 Opens WORK SESSION on SB 1128

72 Bruce McIntosh, Committee Administrator: Reviews the SB 1128-2

Amendments that the committee came up with in a previous meeting. Explains briefly the letter submitted by Legislative Counsel and what can and cannot be done in relation to the relating clause. [EXHIBIT L]

127 CHAIR KINTIGH: "Our options are to fall on Legislative Counsel or not pass the bill."

130 Sen. Johnson: Asks for a little time to review the bill and for clarification.

149 Brad Swank: If you want to make the decision not to change the issue on infractions, on page one of the printed bill you would delete after four insert "major traffic and" so it would read on page one of the printed bill

Line 19 after infractions insert a "." and delete the rest of the line and then in Line 20 delete Section "and shall" and insert so you would leave part of the first two lines and that would take out the decision about offenses if that is what the committee would like to do.

160 Sen. Brecke: Why cannot we just delete "offenses?"

162 Swank: That would address the issue that we raised.

195 MOTION: SEN. JOHNSON: Moves to amend the SB 1128-2 amendments to delete lines one and two and that the dash 2 AMENDMENTS be inserted into the bill.

200 CHAIR KINTIGH: Hearing no objection the amendments are ADOPTED. SEN. SHANNON is EXCUSED.

201 MOTION: SEN. JOHNSON: Moves that SB 1128, AS AMENDED, be sent to the Floor with a DO PASS recommendation.

204 VOTE: In a roll call vote, all members present EXCLUDING SEN JOHNSON vote AYE. SEN. SHANNON is EXCUSED.

205 CHAIR KINTIGH: The motion CARRIES.

206 Sen. Johnson: Voted "No" to be consistent with his morning floor session vote. The wording in SB 1128 and the bill before him this morning were almost identical.

217 CHAIR KINTIGH will lead discussion on the Floor.

217 Closes WORK SESSION on SB 1128

223 Opens PUBLIC HEARING on SB 87

227 Frank BraWner, OREGON BANKER'S ASSOCIATION: New revised SB 87 deals with disclosure with notice. It provides that a notice go to the liens that exists when a supplier provides the product. Reads testimony. [EXHIBIT N]

483 SEN. DWYER: You used some examples of the loan officer who didn't know.

You mean to tell me you don't have a form that asks these questions?

TAPE 93A,

26 BraWner: When the loan is made, we have the financial statement of that  
borrower. We have the budget of the farm. We have investigated many other  
creditors. We know everything at that time. That is not the circumstance.

The day after that, the grower can begin the credit and we don't find out  
sometimes until after the crop is harvested. That is our concern. Under  
the new revised (SB 87) , the supplier would have 60 days to determine  
whether they are going to file a notice. This patterns after the  
construction lien.

39 SEN. DWYER: In the construction business, a notice is given over \$1,000.

40 BRAWNER: If there is an amount that we ought to make this over the  
current law says anything over \$20,000. Most people play by business  
rules. It only takes two or three people who do not play by the rules to  
cause banks problems.

54 Sen. Dwyer: How will this help you if they go to borrow more money the  
next day?

54 BRAWNER: These are growing loans typically made in the winter or early  
spring and updated on a monthly basis. Policy has been if the discrepancy  
does not show on this statement, the bank does not have to give notice.

62 Sen. Dwyer: Clarifies.

69 BraWner: This bill is to protect the grower. We want to increase the  
credit to the growers.

78 Sen. Brecke: Would this add to the collateral curve?

80 BraWner: No. Continues to review the steps that will be taken if this  
bill is not passed. This priority needs to be addressed.

111 Walter R. GOWELL, AttORnEy: Against SB 87. Explains the new amendments  
presented. Reviews the process of notifying individuals of the lien  
process and searches. Feels too little effort has been done in this area.  
Prior to this session the banking groups were not notified. [EXHIBIT O]

252 Vivian Barwell, CREDIT MANAGER, Land O'Lakes, INC, WESTERn FEED  
DIVISION: Against SB 87. Provides information of what the bill will do if  
passed and the effect it will have on the feed industry. We are able to  
help the farmer now, if this law takes effect all accounts by the farmers  
may have to be paid prior to giving credit. Please do not send this  
legislation any further. [EXHIBIT P]

319 CHAIR KINTIGH: Do you know of any banks losing out on this?

320 BARWELL: No.

321 BRAWNER: I have never had a bank coming to me with this problem,  
personally.

326 Closes PUBLIC HEARING on SB 87

326 Chair Kintigh: Meeting adjourned at 3:35 PM

Submitted by, Reviewed by,

Catrina Victor    Bruce McIntosh  
Committee Assistant      Committee Administrator

EXHIBIT SUMMARY:

A-      Testimony on HB 3094 - Oregon Department of Fish and Wildlife, Neil Conan  
- 11 pages  
B-      Testimony on HB 3094 - Oregon Department of Fish and Wildlife, Neil Conan  
- 7 pages  
C-      Testimony on HB 3094 - Oregon International Port of Coos Bay, Allen  
Rumbaugh - 1 page  
D-      Testimony on HB 3094 - Pacific States Marine Fisheries Commission  
original Tri-State Crab Committee, Paul Heikkila - 3 pages  
E-      Testimony on HB 3094 - Proposed amendments - Nick Rusinovich - 3 pages  
F-      Testimony on HB 3094 - Ray Monroe - 2 Pages  
G-      Testimony on HB 3094 - Oregon Dungeness Crab Commission, Nick Furman - 3  
pages  
H-      Testimony on HB 3094 - Columbia River Ports of Astoria, Warrenton and  
Hammond, Russel Smotherman - 2 pages  
I-      Testimony on HB 3094 - Ken Martinson - 1 page  
J-      Testimony on HB 3094 - Herb Gorbliirsch - 6 pages  
K-      Testimony on HB 3094 - Herb Gorbliirsch - 1 page  
L-      Testimony on HB 3094 - Terry Miller - 2 pages  
  
M-      Measure Summary for SB 1119 - Staff - 3 pages  
N-      Measure Summary on SB 1128 - Staff 4 pages  
O-      Testimony on SB 87 - Frank Brawner - 15 pages  
P-      Testimony on SB 87 - Walter R. Gowell - 8 pages  
Q-      Testimony on HB 3094 - Vivian Barwell - 2 pages  
R-      Testimony on HB 3094 - Al Cann - 1 page  
S-      Testimony on HB 3094 - Gary Ripka - 2 pages  
T-      Testimony on HB 3094 - The City of Astoria, Mayor Willis L. Van Dusen - 1  
page  
U-      Testimony on HB 3094 - Alan Pazar - 2 pages  
V-      Testimony on HB 3094 - West Coast Seafood Processors Association, Rod  
Moore - 5 pages  
W-      Testimony on HB 3094 - Jim Nichols  
X      Testimony on HB 3094 - Unknown - 1 page  
Y-      Testimony on HB 3094 - John Wilson - 1 page  
Z-      Testimony on HB 3094 - David J. Hardekopf - 1 page  
AA-      Testimony on SB 87 - Unknown - 1 page  
BB-      Testimony on SB 87 - Wilco Farmers, Annie Koenig - 4 pages  
CC-      Testimony on SB 87 - Pendleton Grain Growers, Inc., Richard Caplinger -  
1 page  
DD-      Testimony on SB 87 - Starr Agricultural Products, Stanley Starr - page 3  
EE-      Testimony on SB 87 - Dennis Hayes - 1 page  
FF-      Testimony on SB 87 - Willamette Seed Company, Royal Tarter - 2 pages  
GG-      Testimony on SB 87 - Walter R. Gowell - 3 pages  
HH-      Testimony on SB 87 - Walter R. Gowell - 23 pages  
II-      Testimony on SB 87 - Walter R. Gowell - 46 pages