

SB 169 - PPW

SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

January 28, 1993 HRB, State Capitol 8:30 a.m. Salem, OR

Tapes 8 - 11

Privatization of Oregon Wood Products Competitiveness Corporation
Governing for Results

MEMBERS PRESENT: SEN. JOYCE COHEN, CHAIR SEN. BILL BRADBURY,
PRESIDENT OF THE SENATE SEN. STAN BUNN SEN. SHIRLEY GOLD SEN. JEANNETTE
HAMBY SEN. PEG JOLIN SEN. BILL KENNEMER SEN. JOHN LIM SEN. CATHERINE
WEBBER

STAFF PRESENT: JOSEPH CORTRIGHT, EXECUTIVE OFFICER JERI CHASE,
OFFICE MANAGER

WITNESSES: RAY DAFFNER, EXECUTIVE DIRECTOR, OREGON WOOD
PRODUCTS COMPETITIVENESS CORPORATION RON LOE, BOARD MEMBER, OREGON WOOD
PRODUCTS COMPETITIVENESS CORPORATION JERRIE MORELOCK, BOARD MEMBER,
OREGON WOOD PRODUCTS COMPETITIVENESS CORPORATION KERRY BARNETT, LEGAL
COUNSEL TO GOVERNOR JON JAQUA, INTERIM DIRECTOR, ECONOMIC DEVELOPMENT
DEPARTMENT DUNCAN WYSE, EXECUTIVE DIRECTOR, OREGON PROGRESS BOARD MIKE
MARSH, BUDGET AND MANAGEMENT DIVISION, EXECUTIVE DEPARTMENT

NOTE: These minutes contain materials which paraphrases and/or
summarizes statements made during this meeting. Only text enclosed in
quotation marks reports a speaker's exact words. For complete contents
of the proceedings, please refer to the tapes.

TAPE 8, SIDE A

006 CHAIR COHEN: Convenes meeting at 8:35 a.m.

SB 169 - Privatization of Oregon Wood Products Competitiveness
Corporation - Public Hearing & Work Session RAY DAFFNER: Submits Wood
Products Corporation information packet (EXHIBIT A).

040 RON LOE: Presents SB 169 and why it's needed.

048 JERRIE MORELOCK: Gives history of situation and how bill was
developed.

069 LOE: Defines secondary wood products as things that require
more labor to process the wood. Describes how new industries such as
secondary wood products are beneficial to Oregon.

096 MORELOCK: One of our initial projects was the development of a
strategic plan. Meetings of industry persons, canvassing problems were

held throughout the state. The development of an implementation plan came from these meetings.

110 LOE: Discusses why this should be private, rather than a state agency.

122 CHAIR COHEN: Refers to newsletter in EXHIBIT A. This has been where some of your emphasis has been?

130 DAFFNER: Yes. The two most pressing problems that need to be addressed are the need to develop new market and the access to capital.

156 LOE: Discusses national conference. Buyers throughout the country come to Oregon to meet Oregon manufacturers.

168 DAFFNER: Reviews parts of packet, EXHIBIT A.

176 MORELOCK: A marketing manager is also meeting with these people prior to the conference. Discussion of hiring market manager.

209 DAFFNER: We're working to develop consortia. Discusses buyer/seller guide.

237 SEN. COHEN: What about workforce training?

241 LOE: Unskilled, untrained workers are a major problem. One of our five target areas is workforce preparedness. Our education system is failing.

285 MORELOCK: People are lacking very basic skills.

300 SEN. JOLIN: Gives observations on timber families and the lack of emphasis on education.

354 LOE: Discusses tour of North Carolina to see how they are training people to enter industry.

CHAIR COHEN: What about access to capital?

384 MORELOCK: That's a primary focus.

406 LOE: Communication between the bankers and the manufacturers is a beginning step.

446 SEN. BUNN: What is the best source of private capital? Are there characteristics of the industry that make bankers reluctant to loan?

462 LOE: The supply issue. EDD is playing a major role in assisting small manufacturers.

TAPE 9, SIDE A

040 DAFFNER: Need to educate the banking industry about opportunities in value-added manufacturing.

070 LOE: Describes the difference between small and medium secondary wood manufacturers. Discusses exporting to foreign countries.

090 MORELOCK: We also need to educate businesses about what bankers will need.

107 SEN. HAMBY: Will your organization be reaching out to high school students, providing apprenticeships, etc.?

MORELOCK: We would like to go in this direction but face state and federal obstacles.

SEN. BUNN: Discusses student-apprenticeship bill passed last session.

172 SEN. GOLD: Encourages contact with other interested parties, such as labor unions.

190 MORELOCK: Speaks to the buyer/seller database. Responds to questions on how they would do things differently.

270 LOE: "Had the Board of Directors, most of whom are business owners, known that we were going to become a public agency at the beginning, we would not have done this."

280 DAFFNER: The Board members were exposed to a broad array of national and international activities that worked. That's something that we want to replicate. Discusses strategic plan as a non-profit agency.

344 CORTRIGHT: Presents overview of SB 169 (EXHIBIT B), Staff Measure Summary on SB 169 (EXHIBIT C), and Fiscal Analysis on SB 169 (EXHIBIT D).

404 CORTRIGHT: Presents Proposed -1 Amendments to SB 169 (EXHIBIT E). -Discusses how board members are elected.

465 CHAIR COHEN: The non-profit organization could create their own bylaws.

TAPE 8, SIDE B

055 LOE: Discusses the industry's concerns.

065 SEN. BRADBURY: Involved in the creation of this last session. It's important to get this out in the way that was intended. Supports this effort.

136 KERRY BARNETT: We have been involved in the creation of these amendments in order to get this corporation truly independent. These amendments negotiate that. We are supportive. It is very important that the contract contain explicit safeguards. One of those EDD is successor entity able to enforce rights of corporation. Accountability issue.

163 JON JAQUA: Supportive.

MOTION: SEN. HAMBY MOVES the adoption of the Proposed -1 Amendments to SB 169.

VOTE: There being no objection, the Proposed -1 Amendments are adopted.

MOTION: SEN. HAMBY MOVES SB 169, as amended above, to the Senate Floor with a Do Pass recommendation.

VOTE: Passes, 9-0. All members present and voting AYE.

Governing for Results Presentation

225 DUNCAN WYSE: Begins presentation on Governing for Results (slide presentation; copies of slides submitted as EXHIBIT F).

WYSE: Submits Oregon Progress Board Materials (EXHIBIT G) and Oregon Benchmarks (EXHIBIT H).

TAPE 9, SIDE B

030 WYSE: Continues presentation of EXHIBIT F.

188 MIKE MARSH: Discusses budget's effect on restrictions and span of control.

270 WYSE: Discussion with committee on budgets and involvement of Ways and Means.

TAPE 10, SIDE A

030 WYSE: Continues presentation.

147 CORTRIGHT: Presents Pre-Session Filed Economic Development Legislation (EXHIBIT I).

TAPE 11, SIDE A

030 CORTRIGHT: Continues presentation of EXHIBIT I.

CHAIR COHEN: Adjourns meeting at 11:00 a.m.

Transcribed by,

Julie Muñiz

EXHIBIT SUMMARY

EXHIBIT A - SB 169, OWPCC Information Packet, submitted by Ray Daffner

EXHIBIT B - SB 169, submitted by Joe Cortright, 3 pages

EXHIBIT C - SB 169, Staff Measure Summary on SB 169, submitted by Joe Cortright, 2 pages

EXHIBIT D - SB 169, Fiscal Analysis of SB 169, submitted by Joe Cortright, 1 page

EXHIBIT E - SB 169, Proposed -1 Amendments to SB 169, submitted by Joe Cortright, 4 pages

EXHIBIT F - Governing For Results Slide Presentation, submitted by Duncan Wyse, 9 pages

EXHIBIT G - Oregon Benchmarks, submitted by Duncan Wyse, 96 pages

EXHIBIT H - Oregon Progress Board Materials, submitted by Duncan
Wyse, 2 pages

EXHIBIT I - Pre-Session Filed Economic Development Legislation,
submitted by Joe Cortright, 6 pages