

SB 85 - WKS SB 84 - PH SB 284 - PH SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

February 23, 1993 HRB, State Capitol 8:30 a.m. Salem, OR

Tapes 34-37

International Division Fees Industrial Modernization Manufacturing Technology Centers Manufacturing Technology Centers Presentation Informational Testimony - Capital Access Needs of Wood Products Firms

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

MEMBERS EXCUSED: SEN. JEANNETTE HAMBY

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

WITNESSES: GLENN FORD, MANAGER, INTERNATIONAL TRADE DIVISION, ECONOMIC DEVELOPMENT DEPARTMENT BOB BAUGH, MANAGER OF PARTNERSHIP DIVISION, ECONOMIC DEVELOPMENT DEPARTMENT JACK RUSSELL, PRESIDENT, MODERNIZATION FORUM, DETROIT, MICHIGAN STEVE GAGE, CLEVELAND ADVANCED MANUFACTURING PROGRAM, OHIO DAVID SWANSON, INDUSTRIAL EXTENSION PROGRAM, GEORGIA GAIL MORSE, ASSOCIATE DIRECTOR, STATE TECHNOLOGY EXTENSION PROGRAM, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY JERRIE MORELOCK, MORELOCK WOOD PRODUCTS/ OREGON WOOD PRODUCTS COMPETITIVENESS CORPORATION

RAY DAFFNER, EXECUTIVE DIRECTOR, OREGON WOOD PRODUCTS COMPETITIVENESS CORPORATION STAN PROVUS, STAN PROVUS & ASSOCIATES INC.

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 34, SIDE A

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

SB 85 - International Trade Division Fees - Work Session

020 CORTRIGHT: Overviews the "Proposed -1 Amendments to SB 85" (EXHIBIT A).

024 MOTION: SEN. S. BUNN MOVES the adoption of the Proposed -1 Amendments to SB 85.

031 VOTE: There being no objection, the Proposed -1 Amendments

are adopted.

034 CORTRIGHT: Another issue that the Committee should address is lines 15 and 16 (of SB 85). This sentence refers to imposing a maximum limit of fees collected and currently this limit is unspecified and there is a blank in the bill. This needs to either be specified or the sentence needs to be deleted, indicating that there will be no maximum limit to fees collected.

040 GLENN FORD: Our fees will be based on hourly charges accrued to particular clients. We would like to start with 10 percent of hourly costs

be shifted to the client. As time goes on, we would like the ability to escalate that charge.

045 CHAIR COHEN: You would rather the sentence was deleted?

047 FORD: Yes.

049 MOTION: CHAIR COHEN MOVES the deletion of a portion of line 15 (of the printed bill) and line 16. This deletion would start on line 15, with the words "However, a fee . . ." and continue with deletion of line 16.

093 VOTE: There being no objection, the above motion is adopted.

095 MOTION: SEN. S. BUNN MOVES SB 85, as amended by the -1 Amendments and the additional motion (above), to the Senate Floor with a Do Pass recommendation.

100 VOTE: Passes, 6-0. All members present voting AYE.
EXCUSED: SEN. HAMBY, and KENNEMER. NOTE: SEN. GOLD originally
EXCUSED; later cast vote as AYE - see TAPE 36, SIDE A, TAPE COUNT 185.

SB 84 - Industrial Modernization - Public Hearing SB 284 - Manufacturing
Tech. Center Feasibility - Public Hearing Invited Testimony -
Manufacturing Technology Center Presentation

107 CORTRIGHT: Presents Technology Transfer Overview sheet (EXHIBIT B).

158 CORTRIGHT: Overviews SB 84 (EXHIBIT C) and SB 284 (EXHIBIT D). Fiscal impacts received and submitted for each (EXHIBITS E and F).

208 BOB BAUGH: Testifies as to EDD's position on SB 84 and 284. SB 84 is a bill submitted by EDD that is tied to a budget line item and went through the benchmarking process in making the Governor's Budget.

290 JACK RUSSELL: Begins testimony on industrial modernization. Submits graph "Lower Productivity Holds Down Wages of Manufacturing Workforce" (EXHIBIT G) and map of "Small and Medium U.S. Manufacturing Establishments by County" (EXHIBIT H).

TAPE 35, SIDE A

030 RUSSELL: Continues presentation.

235 SEN. JOLIN: Workers in my district are worse off than they were

10 years ago, yet productivity is better than ever. How can we right the wrong without government interference?

245 RUSSELL: The role of government is to support manufacturers so that they can make good business decisions, so they can improve productivity, capture more market share, and provide more employment at greater wages than before. If done correctly, technology will not replace people, but, rather, it will broaden the markets and increase American firms' business, bringing more wealth to our regions.

281 Committee discussion.

330 STEVE GAGE: Begins presentation on industrial modernization. Submits graphs (starting with "Comparison of Manufacturing Demographics"), (EXHIBIT I); "Camp Success Story" (EXHIBIT J), Newsletter "Conveyor" (EXHIBIT K), and "CAMP" information (EXHIBIT L). Begins presentation of overheads (EXHIBIT L).

TAPE 34, SIDE B

030 GAGE: Continues presentation.

119 SEN. KENNEMER: You seem to be leveraging about 9-1 from funds invested. What do you think of that as a standard?

125 GAGE: We are pleased with it. But that can vary and I don't know where it will eventually level out since this is still a relatively young program.

Committee discussion.

322 DAVID SWANSON: Begins presentation on the industrial extensive service at Georgia Tech.

TAPE 35, SIDE B

030 SWANSON: Continues presentation.

Committee discussion.

311 GAIL MORSE: Begins presentation on NIST and their role in industrial modernization. Presents overheads (EXHIBIT M.)

TAPE 36, SIDE A

030 MORSE: Continues presentation.

100 Conclusion of industrial modernization presentation. Committee discussion.

SB 85 -International Trade Division Fees - Work Session

182 MOTION: CHAIR COHEN requests that the Committee allow for a return to a work session on SB 85 in order that SEN. GOLD can vote on this bill. Without objection, the Committee returns to work session.

185 VOTE: SEN. GOLD votes AYE on SB 85 (see TAPE 34, SIDE A, TAPE COUNT 100).

Informational Meeting - Capital Access Needs of Wood Products Firms

207 JERRIE MORELOCK: Overviews recent activities of the OWPCC including information on a recent wood manufacturers' buyers' conference held in Portland. This conference is leading to true networking between wood products manufacturers.

271 MORELOCK: We have also held a bankers' conference wherein manufacturers and bankers met to discuss each other's need.

268 RAY DAFFNER: We have been working very closely with the Oregon Bankers Association to solve some of the capital problems of small, wood products manufacturers. OBA co-hosted the conference that we just held on capital access. Three primary responses came from that: 1) develop programs to facilitate the placement of private bank loans to the industry; 2) improve communication between the two industries through local activities; and 3) develop information so that bankers can better make loan decisions. We will be working with OBA on all three of those issues. OWPCC and EDD have jointly funded a study of the capital access needs of wood products funds in Oregon which is ready for presentation.

321 STAN PROVUS: Begins presentation of capital access needs. Submits list of Interview Participants (EXHIBIT N) and Executive Summary of Capital Access Study (EXHIBIT O).

TAPE 37, SIDE A

030 PROVUS: Continues presentation.

Committee discussion.

190 CHAIR COHEN: Adjourns meeting at 11:15 a.m.

Submitted by,

Jeri Chase

EXHIBIT SUMMARY

EXHIBIT A - Proposed -1 Amendments to SB 85, submitted by Joe Cortright, 1 page

EXHIBIT B - Technology Transfer Definition Sheet, submitted by Joe Cortright, 1 page

EXHIBIT C - SB 84, submitted by Joe Cortright, 2 pages

EXHIBIT D - SB 284, submitted by Joe Cortright, 2 pages

EXHIBIT E - Fiscal Impact Statement on SB 84, submitted by Joe Cortright, 1 page

EXHIBIT F - Fiscal Impact Statement on SB 284, submitted by Joe Cortright, 1 page

EXHIBIT G - Chart, submitted by Jack Russell, 1 page

EXHIBIT H - Map, submitted by Jack Russell, 1 page

- EXHIBIT I - Graphs, submitted by Steve Gage, 3 pages
- EXHIBIT J - CAMP promotional material, submitted by Steve Gage, 1 page
- EXHIBIT K - CAMP Newsletter, submitted by Steve Gage, 8 pages
- EXHIBIT L - CAMP Overhead Presentation, submitted by Steve Gage, 16 pages
- EXHIBIT M - NIST Overhead Presentation, submitted by Gail Morse
- EXHIBIT N - Capital Access Study Interview Participants, submitted by Stan Provus, 1 page
- EXHIBIT O - Executive Summary of Capital Access Study, submitted by Stan Provus, 3 pages