

SB 803 - WKS SB 755 - PH & WKS

SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

April 15, 1993 HRB, State Capitol 8:00 a.m. Salem, OR

Tapes 74 - 75

NOTE: TAPE 73 ACCIDENTALLY SKIPPED AND NOT USED

ORTDC Privatization Lottery Allocation

MEMBERS PRESENT: SEN. JOYCE COHEN, CHAIR SEN. BILL BRADBURY,
PRESIDENT OF THE SENATE SEN. SHIRLEY GOLD SEN. KARSTEN RASMUSSEN SEN.
JOHN LIM SEN. CATHERINE WEBBER

MEMBERS EXCUSED: SEN. STAN BUNN, VICE CHAIR SEN. JEANNETTE HAMBY SEN.
BILL KENNEMER

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

WITNESSES: WAYNE EMBREE, DEPUTY DIRECTOR, OREGON RESOURCE AND
TECHNOLOGY DEVELOPMENT CORPORATION WENDY ROBINSON, ASSISTANT ATTORNEY
GENERAL JIM HILL, LEGISLATIVE ASSISTANT TO SENATOR HAMBY OREN FLOYD,
UNITED TELEPHONE GINNY LANG, U.S. WEST COMMUNICATIONS STEVE RHODES, CITY
MANAGER, CITY OF TUALATIN KATHY POOLE, CITY ATTORNEY, CITY OF
INDEPENDENCE ROGER JORDAN, CITY MANAGER, CITY OF DALLAS DOUG WILSON,
LEGISLATIVE FISCAL OFFICE JON JAQUA, DEPUTY DIRECTOR, ECONOMIC
DEVELOPMENT 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 74, SIDE A

000 CHAIR COHEN: Convenes meeting at 8:20 a.m.

SB 803 - ORTDC Privatization - Work Session

027 WAYNE EMBREE: Overviews Proposed -5 Amendments (EXHIBIT A).
These are the same as the Proposed -3 Amendments with one change - the
first change on Page 1, "in accordance with the provisions of ORS
291.021". That is the statute that requires public agencies to comply
with public contracting rules - open and competitive bidding, with
contracting being approved by the Executive Department and Justice
Department.

043 WENDY ROBINSON: This change to the amendment addresses the issue of "price". The process itself is similar.

055 CHAIR COHEN: This amendment addresses the concerns of SENATOR HAMBY?

056 ROBINSON: The only difference is that there was a difficulty with the "lowest bidder" language (in the Proposed -4 Amendments) which is generally a concept that comes from purchase of supplies and equipment. This language is not as applicable to personal services; the previous amendments would allow for case law that is inapplicable to personal services.

061 CHAIR COHEN: Then the Proposed -5 Amendments are more appropriate than the Proposed -4 Amendments?

ROBINSON: Yes.

065 MOTION: SEN. BRADBURY MOVES adoption of the Proposed -5 Amendments.

070 VOTE: There being no objection, the Proposed -5 Amendments are adopted.

083 MOTION: SEN. BRADBURY MOVES SB 803, as amended above, to the Senate Floor with a Do Pass recommendation.

085 VOTE: Passes, 5-0. All members present voting AYE.
EXCUSED: SENATORS BUNN, HAMBY, and KENNEMER.

SB 755 - Lottery Allocation - Public Hearing and Work Session

105 JIM HILL: Testifies in support of funding for SB 926 from lottery allocation. Submits letter from SENATOR HAMBY (EXHIBIT B).

155 OREN FLOYD: Testifies in support of funding for SB 926 from lottery allocation. Submits Executive Summary of Oregon Connects telecommunications report (EXHIBIT C). This bill would allow for extension of work done during the 1991-92 interim.

CHAIR COHEN: Would the funds be used for another study to exchange awareness?

175 HILL: These dollars would be used for education and application - projects in rural Oregon to connect them to the University of Oregon, etc.

184 CHAIR COHEN: Do others confirm that?

185 GINNY LANG: Our understanding of this effort is to ensure that all interested parties in further telecommunications efforts have a forum and a place to discuss applications/trials that will be useful and who will participate. If a trial were being pursued the funds would not be used to put that trial project together, but to ensure that the people who need to assure the efforts' effectiveness in rural Oregon would be able to discuss those issues.

205 SEN. WEBBER: Are you talking about using telephone lines for interactive video?

209 LANG: That is one possible application, but not the only way. There is also cable television, etc.

Continued discussion.

240 CHAIR COHEN: We have had further discussion on the industrial lands development portion of the lottery funds allocation request and will hear testimony now on that issue.

259 STEVE RHODES: Testifies in support of funding in SB 755 for local planning grants.

270 CHAIR COHEN: This refers to the line item that we deleted from LCDC.

279 KATHY POOLE: Testifies in support of funding in SB 755 for local planning grants.

296 ROGER JORDAN: Testifies in support of funding in SB 755 for local planning grants.

322 SEN. BRADBURY: For clarification, this testimony is referring to Section 24 (on the information being presented) that the committee deleted \$750,000 from in prior action at its last meeting?

CHAIR COHEN: Yes.

334 JOSEPH CORTRIGHT: Submits chart summary of allocations (EXHIBIT D) and "Revised Allocations for Economic Development" (replacement of funds for industrial lands) (EXHIBIT E). These amendments would restore the DLCD allocation to \$2.1 million; further reduce EDD to \$575,000; and increase DSL allocation to \$963,000. Effectively, these amendments allow for the same reduction in the developable lands program, but it comes predominately from EDD, somewhat from DSL, and none from DLCD - the local pass-through.

363 MOTION: CHAIR COHEN MOVES adoption of EXHIBIT E as an amendment to SB 755 .

370 VOTE: PASSES, WITHOUT OBJECTION. EXCUSED: SENATORS BUNN, HAMBY, and KENNEMER.

374 CORTRIGHT: Presents "Proposed Draft Amendments to SB 755" (EXHIBIT F).

450 MOTION: CHAIR COHEN MOVES that an additional reserve of \$100,000 come from Rural Community Facilities Fund for historical sites.

464 VOTE: PASSES, WITHOUT OBJECTION. EXCUSED: SENATORS BUNN, HAMBY, and KENNEMER.

470 CORTRIGHT: Continues presentation of EXHIBIT F (Proposed new language on telecommunications - page 2).

TAPE 75, SIDE A

040 MOTION: SEN. LIM MOVES that the new section relating to telecommunications (from EXHIBIT F) be added to SB 755.

047 SEN. BRADBURY: There is a blank allocation amount that needs to be addressed.

050 JIM HILL: SEN. HAMBY has been discussing \$1 million.

056 CORTRIGHT: The total allocation to the Community Facilities Program is \$1.25 million, of which \$350,000 has been allocated. That leaves a balance of \$900,000.

060 CHAIR COHEN: I am still not clear what these funds would be used for, even after the testimony this morning. Some persons said programs, some said awareness.

065 HILL: It is education, in terms of the purpose of the Oregon Telecommunications Foundation.

071 MOTION: SEN. LIM MOVES a set-aside of \$600,000 for telecommunications.

075 SEN. WEBBER: I am interested in really moving forward with telecommunications, not just awareness.

076 HILL: This needs to be viewed with SB 926, because that establishes the public policy. That bill deals with applications, matching federal funds to get communities to use the services for community benefits.

080 SEN. WEBBER: Isn't private business marketing this?

HILL: The service delivery is very expensive to now the idea is to encourage people to use these services and then they will continue to be purchased.

SEN. LIM: Is there any definite timeframe for federal funding?

HILL: Senator Hatfield's office say that may happen next year. None of these funds would be expended without federal match.

SEN. GOLD: I am also interested in telecommunications, especially in relation to education and rural education. However, I am not interested in awareness any more, but service delivery of programs. That is what I would want the \$600,000 used for. I am not clear yet that would be the case.

HILL: We are relying on the work of the past interim committee that wrote the report, Oregon Connects. That committee established a need for education of the rural user in terms of use of telecommunications. That may be granting usage funds so that these services can be afforded - distance learning, etc.

130 Continued discussion.

165 VOTE: FAILS. SENATORS BRADBURY and RASMUSSEN object.
EXCUSED: SENATORS BUNN, HAMBY, and KENNEMER.

167 SEN. WEBBER: Would it be possible to fund a smaller amount for a direct service.

170 CHAIR COHEN: Perhaps we could have more specific language included that provides access to services.

171 CORTRIGHT: The language specifies that "funds . . . shall be used to provide access to advanced digital telecommunications services for rural areas."

182 SEN. LIM: Can we wait until SEN. HAMBY could be here?

183 CHAIR COHEN: This bill needs to be moved out of Committee today.

187 MOTION: SEN. WEBBER MOVES that \$250,000 be allocated for telecommunications.

VOTE: FAILS. SEN. LIM objects. EXCUSED: SENATORS BUNN, HAMBY, and KENNEMER.

193 SEN. LIM: I would like to see \$600,000 invested.

195 CHAIR COHEN: That amount has not be supported.

MOTION: SEN. GOLD MOVES that \$300,000 be allocated for telecommunications.

VOTE: FAILS, 4-2. VOTING AYE: SENATORS GOLD, LIM, WEBBER, and COHEN. Voting NAY: SENATORS BRADBURY and RASMUSSEN. EXCUSED: SENATORS BUNN, HAMBY, and KENNEMER.

247 CHAIR COHEN: Recesses committee at 9:05 a.m.

248 CHAIR COHEN: Reconvenes committee at 9:07 a.m.

249 RECONSIDERATION OF ABOVE VOTE. PASSES, 5-2. SENATOR BRADBURY changes vote to AYE.

256 CORTRIGHT: Continues overview of EXHIBIT F (Page 2, Allocation for Pacific Rim Conference).

270 MOTION: SEN. BRADBURY MOVES adoption of language from EXHIBIT F relating to Allocation for Pacific Rim Conference, and recommends an allocation of \$100,000.

274 CHAIR COHEN: I would like to see this conference linked with the health toxicology issues that are being researched at OHSU; the conference could include health technology besides just international trade issues.

300 SEN. LIM: Is \$100,000 enough to cover the costs of a conference like this with foreign nation presidents and cabinet members attending?

312 CHAIR COHEN: It is enough to start with; if the momentum is strong enough that more funds are needed, that issue can then be discussed with EDD.

319 SEN. BRADBURY: This is not money to pay for other people to come here; this is basically the planning, outreach funds - "seed money".

326 VOTE: PASSES, WITHOUT OBJECTION. EXCUSED: SENATORS BUNN, HAMBY, and KENNEMER.

328 CORTRIGHT: Continues overview of EXHIBIT F (Page 2, Priority for Wood Products MTC).

331 SEN. BRADBURY: At the recent forest conference in Portland there was interest from the Secretary of Commerce in establishing a Manufacturing Technology Center related to wood products somewhere in the Pacific Northwest.

362 MOTION: CHAIR COHEN MOVES adoption of language in EXHIBIT F relating to

Wood Products Manufacturing Technology Center.

VOTE: PASSES, WITHOUT OBJECTION. EXCUSED: SENATORS BUNN, HAMBY, and KENNEMER.

366 CORTRIGHT: Continues overview of EXHIBIT F (Salmonid Allocation) and Presents Proposed -2 Amendments (relating to Salmonids) (EXHIBIT G).

385 CHAIR COHEN: These amendments have already been adopted; this is for reference only.

389 CORTRIGHT: Presents "Restore Capital Construction Trust Fund; Contribute Overage" (EXHIBIT H).

420 MOTION: SEN. BRADBURY MOVES adoption of EXHIBIT H as an amendment to SB

755 .

VOTE: PASSES, WITHOUT OBJECTION. EXCUSED: SENATORS BUNN, HAMBY, and KENNEMER.

446 CORTRIGHT: Presents "Capital Access Program Funding" (EXHIBIT I).

MOTION: CHAIR COHEN MOVES adoption of EXHIBIT I as an amendment to SB 755.

VOTE: PASSES, WITHOUT OBJECTION. EXCUSED: SENATORS BUNN, HAMBY, and KENNEMER.

TAPE 74, SIDE B

037 CORTRIGHT: Overviews Proposed -1 Amendments (EXHIBIT J).

056 JAQUA: I am unclear where the business retention funds are reflected in these amendments.

CORTRIGHT: If the amounts on Page 1 of EXHIBIT J are changed (line 19 to \$2,641,400; line 23 to \$6,080,000) that should alleviate the concern.

JAQUA: Yes.

096 MOTION: CHAIR COHEN MOVES adoption of Page 1 of EXHIBIT J, with changes to line 19 (amount changed to \$2,641,400) and line 23 (amount changed to \$6,080,000).

VOTE: PASSES, WITHOUT OBJECTION. EXCUSED: SENATORS BUNN, HAMBY, and KENNEMER.

109 CORTRIGHT: Overviews blank percentage allocation (page 3, line 17, EXHIBIT J) for the reserve account.

124 CHAIR COHEN: I am unclear about this. Do we know anything about the flow of these funds and what is available to begin with?

125 CORTRIGHT: I understand that the carry-over from this budget will be approximately \$35 million.

131 MOTION: CHAIR COHEN MOVES that the blank on Line 17, Page 3 of EXHIBIT be filled in with 10 percent (as reflected in EXHIBIT J).

132 DOUG WILSON: There should be \$37 million available, according to the December forecast.

136 VOTE: PASSES, WITHOUT OBJECTION. EXCUSED SENATORS BUNN, HAMBY, and KENNEMER.

137 CORTRIGHT: Overviews blank dollar amount (Page 4, Line 20, EXHIBIT J) for loan guarantees for value-added wood products/agricultural funds. The Attorney General's Office has expressed concern that whatever amount is allocated here needs to be no less than the amount of funds that are actually available at any given time. We would like to work with the Attorney General's Office to draft language for this section to reflect that you don't want to guarantee any more money at any one time than you have available.

148 MOTION: CHAIR COHEN MOVES the conceptual adoption of the above language, with the final language circulated before the committee report is signed.

163 VOTE: PASSES, WITHOUT OBJECTION. EXCUSED: SENATORS BUNN, HAMBY, and KENNEMER.

165 CORTRIGHT: Overviews Further Amendments to SB 755 - regarding Watershed Enhancement Programs (EXHIBIT K).

200 MOTION: CHAIR COHEN MOVES the adoption of EXHIBIT K as an amendment to SB 755 .

211 VOTE: PASSES, WITHOUT OBJECTION. EXCUSED: SENATORS BUNN, HAMBY, and KENNEMER.

215 MOTION: SEN. BRADBURY MOVES SB 755, as amended, with a recommendation that a referral to the Senate Committee on Ways and Means be added.

VOTE: PASSES. All members present voting AYE. EXCUSED: SENATORS BUNN, HAMBY, and KENNEMER.

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

Submitted by,

Jeri Chase

EXHIBIT SUMMARY

EXHIBIT A - SB 803 - Proposed -5 Amendments, submitted by Wayne Embree, 2 pages

EXHIBIT B - SB 755 - Letter from Senator Jeannette Hamby, submitted by Jim Hill, 2 pages

EXHIBIT C - SB 755 - Executive Summary of Oregon Connects, submitted by Oren Floyd, 16 pages

EXHIBIT D - SB 755 - Summary of Allocations, submitted by Joseph Cortright, 2 pages

EXHIBIT E - SB 755 - Suggested Amendment Language "Revised Allocations for Economic Development", submitted by Joseph Cortright, 1 page

EXHIBIT F - SB 755 - Proposed Draft Amendments to SB 755 dated April 15, submitted by Joseph Cortright, 2 pages

EXHIBIT G - SB 755 - Proposed -2 Amendments to SB 755, submitted by Joseph Cortright, 1 page

EXHIBIT H - SB 755 - Suggested Amendment Language "Restore Capital Construction Trust Fund; Contribute Overages", submitted by Joseph Cortright, 1 page

EXHIBIT I - SB 755 - Suggested Amendment Language "Capital Access Program Funding", submitted by Joseph Cortright, 1 page

EXHIBIT J - SB 755 - Proposed -1 Amendments to SB 755, submitted by Joseph Cortright, 7 pages

EXHIBIT K - SB 755 - Further Amendments to SB 755, submitted by Joseph Cortright, 1 page