

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.

HOUSE COMMITTEE ON AGRICULTURE, FORESTRY & NATURAL RESOURCES

May 7, 1991                      Hearing Room F 8:00 A.M.                      State Capitol Tapes  
88 - 90

MEMBERS PRESENT: REP. WALT SCHROEDER, Chair REP. LIZ VANLEEUWEN,  
Vice-Chair REP. SAM DOMINY REP. BILL DWYER REP. TIM JOSI REP. JOHN MEEK  
REP. CHUCK NORRIS

STAFF PRESENT:                      BETH PATRINO, Administrator EDWARD C. KLEIN,  
Assistant

MEASURES CONSIDERED: HB 3571 - PUBLIC HEARING HB 2672 - PUBLIC HEARING  
HB 2506 - WORK SESSION HB 2768 - WORK SESSION HJM26 - WORK SESSION

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TAPE 88, SIDE A

003 CHAIR SCHROEDER: Calls the meeting to order at 8:04 A.M.

PUBLIC HEARING ON HOUSE BILL 3571 -- EXHIBITS A to C

Witnesses: Bruce Andrews, Director, Department of Agriculture Claudette Olson, Administrator, Livestock Health and Identification Division, Department of Agriculture Gordon Cunningham, D.V.M., Oregon Veterinary Association Tom Keck, D.V.M., Oregon Veterinary Medical Examining Board John McCulley, Oregon Cattlemen's Association Roger Martin, Oregon Pet Industry Association

CHAIR SCHROEDER: Opens the Public Hearing.

017 BETH PATRINO: Describes the bill (EXHIBIT A).

CHAIR SCHROEDER: This is similar to HB 2280 with some changes.

032 BRUCE ANDREWS, Director, Department of Agriculture: Presents testimony in support of HB 3571 (EXHIBIT B).

059 CHAIR SCHROEDER: The bill includes some General Funds and fees?

ANDREWS: Explains.

067 CHAIR SCHROEDER: What if this doesn't pass.

ANDREWS: Our Animal Health Program would be cut in half.

CHAIR SCHROEDER: The General Fund would still be available?

ANDREWS: The current General Fund base, which is roughly half.

070 REP. JOSI: Why should we impose a tax on bulk packages? What are the merits of this outside of the budgetary picture?

ANDREWS: There are two parts:

-1. The philosophical issue on how you fund programs.

-2. This program is important to the industry, the economy and the well-being of the animal herds.

-This is best compromise we could get.

091 REP. DWYER: Aren't most of these pharmaceuticals registered by the U.S. Department of Agriculture?

-Do they sell pharmaceuticals that are not approved?

ANDREWS: Most veterinary drugs are registered by the Food and Drug Administration.

-This is purely a license head count to generate some funds.

REP. DWYER: You know my feelings on this.

112 REP. NORRIS: Will this help you get a handle on some products that shouldn't be coming in?

ANDREWS: This bill is not directed at any dubious activity.

-The intent is to help fund an important program.

REP. NORRIS: Is the amount generated a biennial figure?

124 CLAUDETTE OLSON, Administrator, Livestock Health and Identification Division, Department of Agriculture: That's an annual fee.

REP. NORRIS: Were looking at 4,800 separate products at \$75?

OLSON: At a cap of \$75.

CHAIR SCHROEDER: How many veterinary pharmaceuticals are sold?

OLSON: We estimate over 3,000.

CHAIR SCHROEDER: This is just on the manufacturer?

OLSON: Correct.

CHAIR SCHROEDER: What's the situation with brucellosis in Klamath Falls?

140 ANDREWS: Explains.

REP. JOSI: The only way he will support this is if we put a sunset on it.

REP. DWYER: Nothing ever sunsets.

170 GORDON CUNNINGHAM, D.V.M., Oregon Veterinary Association: Presents testimony in opposition to HB 3571 (EXHIBIT C).

-There have only been 450 reported cases of brucellosis in humans in the U.S.

-He is not implying that brucellosis is not a problem.

-We are not implying the State Veterinarian's office should be eliminated.

-We are asking for accountability.

-He refers to a letter from the State Veterinarian.

-He reads from some letters from veterinarians in opposition to the bill.

264 REP. JOSI: According to previous testimony, routine testing would be cut in half. Can the veterinarians and agricultural industry live with that?

277 TOM KECK, D.V.M., Oregon Veterinary Medical Examining Board: We have to do the testing, enforcement and regulation or the Federal Government will do it.

REP. JOSI: Who is we?

KECK: The Department of Agriculture. These are federally mandated programs.

REP. JOSI: The department can't cut the program?

KECK: Correct.

REP. JOSI: We can cut that part of their budget, because they'll do the testing anyway?

KECK: The Federal Government would present the state with the bill for testing.

300 REP. MEEK: You are saying the department can't cut the program?

KECK: Explains.

REP. NORRIS: There will be cuts if the money is not there.

KECK: There may be cuts, but not in this program.

REP. JOSI: Can this program be taken to the bare bones and still meet the federal mandates or is it already at the bare bones minimum?

KECK: Does not think it is at the minimum.

CHAIR SCHROEDER: What do you propose they cut?

326 CUNNINGHAM: Private practitioners are capable of testing and dealing with the problem. The state does not want to pay reasonable fees to these veterinarians.

-It costs money to bring a state veterinarian in.

-There are many alternatives we have not been allowed to explore.

360 CHAIR SCHROEDER: Do you have a comparison of the cost between a private practitioner and a state veterinarian?

CUNNINGHAM: A private veterinarian charges \$1.80 a mile.

-He is sure it costs significantly more to bring in a state veterinarian.

-He thinks it could cost around \$200 for a private practitioner to drive 100 miles.

-A rancher could bring the cow to the veterinarian.

CHAIR SCHROEDER: Do they need a state veterinarian in Pendleton?

CUNNINGHAM: He doesn't understand why they can't use private individuals.

-State veterinarians aren't licensed to practice in the state, we are.

398 REP. NORRIS: What do you hear about brucellosis from veterinarians dealing in large livestock?

CUNNINGHAM: We have had cattle coming into the state that have not been tested for brucellosis. He assumes that has happened in REP. NORRIS' area of the state.

-Previous State Veterinarians have allowed this to happen.

TAPE 89, SIDE A

007 KECK: Presents testimony in opposition to HB 3571.

077 JOHN MCCULLEY, Oregon Cattlemen's Association: The animal health program is critical to the industry.

-Without a strong animal health program the cattle industry in this state will be jeopardized.

-We do not oppose this fee.

-The Committee on Ways and Means opposed HB 2280.

-We hope the committee sends this to Ways and Means with the hope more General Fund money will be available for this program.

-We and other users of these products will pay for these fee increases and we will accept them if we have to.

131 REP. MEEK: What's your response that the small animal pharmaceutical manufacturers will be subsidizing this?

MCCULLEY: Wouldn't call it a subsidy. Our first priority should be to go to Ways and Means and attempt to get additional General Fund monies.

-He can't see how you can separate large animals from small animals and how the fee is paid.

REP. MEEK: Can think of a number of ways.

145 REP. NORRIS: The veterinary profession and cattlemen are far apart. Has there been any discussions between you?

MCCULLEY: We had discussions on HB 2280.

-This is a compromise that we don't oppose.

-He has not discussed this approach.

-We would not oppose the implementation of this fee.

REP. NORRIS: Is there any enthusiastic support for HB 3571?

MCCULLEY: No.

CHAIR SCHROEDER: He was told that HB 3571 was not opposed by veterinarians.

-What's your opinion on the combining of the diagnostic laboratories?

MCCULLEY: Can't answer.

179 REP. DOMINY: You would get the benefit of this bill, while the pet owners would pay the bill.

-What would you think if we separated this into two different categories?

MCCULLEY: Would strongly oppose that.

198 ROGER MARTIN, Oregon Pet Industry Association: Testifies in opposition to HB 3571.

-The Department of Agriculture was put into this position due to the cutbacks of the General Fund.

-Would like to see a definition that excludes the pet industry.

-He is concerned about pet wholesalers getting fined, because they repackaged something into a smaller container.

CHAIR SCHROEDER: Closes the Public Hearing.

PUBLIC HEARING ON HOUSE BILL 2672 -- EXHIBITS D to

Witnesses:Rep. Bill Dwyer, District 42 Rod Ingram, Chief of Wildlife, Department of Fish and Wildlife David Miller, Upland Bird Dog Association Rep. Bob Shiprack, District 23: Rep. Larry Sowa, District 26

CHAIR SCHROEDER: Opens the Public Hearing

262 BETH PATRINO: Describes the bill (EXHIBIT D).

266 REP. BILL DWYER, District 42: The intent is to create a pheasant stamp, which was the intent of the upland game stamp created last session.

-He objects to an upland game stamp when all the money goes to pheasant habitat.

-He discusses page 7 of the Department of Fish and Wildlife budget.

-People who hunt pheasants will buy the stamp.

-He doesn't think the effect on revenue will be nearly as much as is indicated in the Revenue Impact Statement (EXHIBIT D).

338 REP. NORRIS: Why just pheasants? How will this fee enhance the pheasant population?

REP. DWYER: The department is experimenting with a new breed of pheasants. There are also habitat improvement programs.

-The stamp was expanded to include all upland game birds, but the money goes to pheasants.

-The departments said that if the budget wasn't passed they would cut some of the bird programs.

CHAIR SCHROEDER: Is any work being done with chukars or huns?

REP. DWYER: No.

REP. NORRIS: Is part of this aimed at restoring pheasant farms?

REP. DWYER: That's a private activity.

-He discusses the Put and Take Program.

432 ROD INGRAM, Chief of Wildlife, Department of Fish and Wildlife: Presents testimony in opposition to HB 2672 (EXHIBIT E).

TAPE 88, SIDE B

028 INGRAM: Continues with page 2, paragraph 2 of his testimony.

053 REP. DWYER: What's the logic of your enforcement difficulty?

INGRAM: Some individuals will hunt pheasants without a stamp and say they are hunting an associated species.

REP. DWYER: You're assuming a good majority of the people are renegades.

INGRAM: No, he is just saying that it's a problem.

REP. DWYER: Why did you come to the conclusions that if we didn't pass your budget a variety of programs would suffer?

INGRAM: Was asked to cut \$2.5 million out of his budget by Ways and Means.

-He tried to protect the management budget and the animal damage programs.

-He selected wildlife areas that did not tie into damage and protected specific wildlife areas.

-He cut lower level priorities.

086 REP. DWYER: How do you account for spending almost as much as the Department of Forestry and yet you have twice as many administrators?

INGRAM: Doesn't know about the Department of Forestry.

-He discusses staffing.

CHAIR SCHROEDER: This is a better discussion for Ways and Means.

-Why are you sending the Sichuan pheasants back to Michigan?

-Doesn't the current program provide some of those operating costs?

INGRAM: Describes some of the bird programs.

CHAIR SCHROEDER: Are you phasing out the ring-necked pheasants?

INGRAM: We are not raising them any longer. He elaborates.

REP. DWYER: You get four birds for a \$10.50 stamp, the department paid \$11.50 per bird.

-You'd have better success with the redlegs if you didn't release so many of them.

-Why did you release birds that weren't acclimated to the conditions and expect them to survive?

INGRAM: We've released them in the spring and fall. The most success in Umatilla has been in the fall.

-He is not aware of what you referred to.

CHAIR SCHROEDER: How much damage has the opossum done to the pheasants?

154 INGRAM: We've removed a lot of the pheasants' winter habitat and made them vulnerable.

-We're not happy with the cost of the birds. He elaborates.

-We handle a lot of birds.

-He describes the juvenile hunts.

-He describes some of the problems they've had with birds they've received.

185 REP. VANLEEUEWEN: Do they wear fluorescent clothing on those hunts?

INGRAM: They are not required to.

-He describes a put and take program where they limit the number of hunters.

REP. DWYER: Discusses a private hunter reserve near Barnes.

-Raising money is a good way to kill the program.

-Ninety-five percent who hunt upland game birds wear bright colors.

212 DAVID MILLER, Upland Bird Dog Association: Presents a letter in opposition to HB 2672 (EXHIBIT F).

-He testifies in opposition to HB 2672.

273 REP. DWYER: Doesn't understand your logic.

-He hunts every upland game bird.

-Do you only want to pay 5 dollars and hunt everything?

MILLER: At one time we didn't have to pay anything.

REP. DWYER: If all these people hunt different things, wouldn't we have more money for habitat?

MILLER: Your bill does not create a separate stamp. It changes a general stamp to a specific stamp.

-Nobody is proposing a separate stamp for each species.

REP. DWYER: Would you support that?

MILLER: Has not thought about it.

-This bill would dilute the revenue by narrowing it to one species.

300 CHAIR SCHROEDER: When you're hunting pheasants do you also get a chance at a hun or chukar?

REP. DWYER: It depends where you are.

CHAIR SCHROEDER: If you have a pheasant stamp and see a chukar or quail and have to check to see if you have the proper stamp the bird would be gone.

REP. DWYER: People should know what they are doing when they're hunting.

318 REP. MEEK: Is there any concern how this money is being spent?

MILLER: There is a citizens advisory committee that participates in deciding how the money is spent.

REP. MEEK: There is research going on to develop a better adapted hybrid bird.

-There used to be a lot of pheasants. It's a habitat issue and not necessarily a breed of animal issue.

MILLER: A premise behind the original bill was that it address habitat.



-A significant amount of money is going to habitat enhancement.

381 CHAIR SCHROEDER: Recesses at 9:26 A.M.

-He reconvenes at 9:32 A.M.

392 REP. BOB SHIPRACK, District 23: Testifies in support of HB 2672.

-This bill takes us back to the original concept of the bill last session.

-He suspects a lot of the money for this program is federal funds. He is not sure how much is state funds.

-He would rather purchase one hunting and one fishing license.

-He asks the committee to dedicate the money for what it was originally intended.

TAPE 89, SIDE B

023 CHAIR SCHROEDER: Refers to the letter submitted by DAVID MILLER (EXHIBIT F), stating the intent of the bill.

-He refers to a letter from MICHAEL RICE, Chairman, Upland Bird Dog Association (EXHIBIT G), stating the intent of the original bill.

032 REP. JOSI: There is a \$240,000 Fiscal Impact. Did you say the majority would come from federal funds?

REP. SHIPRACK: It's his guess that some of the money expended for things other than pheasants is federal match money.

REP. DWYER: Had the same impression of the intent as REP. SHIPRACK.

-SEN. FAWBUSH insured him that the bill would be amended to include only pheasants.

060 REP. LARRY SOWA, District 26: Testifies in opposition to HB 2672 as written.

-The bill last session was first designed as an upland game stamp.

-He made a commitment to REP. DWYER that the Senate would sunset it or limit it to pheasants.

-He wanted to make sure the department would have a pool of money to maintain upland game birds.

-We've brought many species back from near extinction by targeting money for wildlife management.

-He has no objection to a grouse stamp and a pheasant stamp as long as we can count on a continual pool of money for necessary habitat projects.

-It's hard to get federal funds committed without state matching funds. We need to keep the money coming so we can match the federal funds.

134 REP. VANLEEuwEN: Would you be happy if we didn't do anything with this?

REP. SOWA: That would be my preference; unless you amend it to require them to justify the habitat work they did for the other upland birds.

REP. DWYER: How do you separate the budgets so you know what they are doing? They have the latitude to use the money any way they want.

REP. SOWA: That's the feeling many sportsmen have.

-They have to prove to us what they are doing with the additional money. If they can't we have to take a serious look at the upland game bird stamp funding.

159 REP. NORRIS: Where does most of the money for the basic license go?

REP. SOWA: Explains.

-The majority of the money goes to the biologists in the field, who make these programs work.

CHAIR SCHROEDER: Closes the Public Hearing.

WORK SESSION ON HOUSE BILL 2506 -- EXHIBIT H

Witnesses: Roger Martin, United Grocers Jim Black, Administrator, Food and Dairy Division, Department of Agriculture Mike Meredith, Oregon Trucking Association

CHAIR SCHROEDER: Opens the Work Session.

205 BETH PATRINO: Brings the committee up to date on the bill.

-She distributes information from REP. COURTNEY. (EXHIBIT H).

215 MOTION: REP. DOMINY: Moves House Bill 2506 to the Floor of the House with a do pass recommendation.

REP. VANLEEuwEN: Did we get anything that told us this actually happened?

REP. DWYER: Yes.

-The Department of Agriculture said only the federal rules were applicable.

REP. VANLEEuwEN: The department asked us to wait until we see what happens with the federal regulations.

235 REP. DOMINY: It wasn't clear whether or not we needed the bill, but it wouldn't hurt us if we had it.

-He doesn't recall any adverse testimony from the department.

REP. NORRIS: Refers to LORNA YOUNGS's testimony from April 23 and the department's recommendation to wait until the federal rule-making process is complete.

REP. DWYER: She said the bill would clarify the department's rule-making authority in regards to backfilling.

261 ROGER MARTIN, United Grocers: Does not want the department to tell us we can't transport groceries because we've been transporting empty cans and bottles.

-We see no need for this legislation.

-You can do what you want with tanker trucks and railroad cars.

290 REP. DWYER: Doesn't think it's the intent to prohibit you from transporting cans and bottles.

-The problem is with tankers that haul chemicals.

-The department indicated they'd like to see the federal rules before they adopt anything in regard to this bill.

MARTIN: If you want to limit it to tankers and trucks, on line 30 delete "any commercial vehicle" and insert "tankers and trucks".

REP. DWYER: Has no problem with that.

309 REP. VANLEEUEWEN: Supports food safety, but the bill is too broad and she does not support the bill.

330 REP. JOSI: Would like to amend the bill to specify tankers.

REP. VANLEEUEWEN: Are we also talking about those bags they haul glue in?

CHAIR SCHROEDER: JIM BLACK, do those trucks REP. VANLEEUEWEN referred to haul anything besides food?

JIM BLACK, Administrator, Food and Dairy Division, Department of Agriculture: Is not aware of any food products that are hauled in those rubber tubes.

CHAIR SCHROEDER: If we amend this to specify tankers, would that solve the problem or is food hauled in open trucks?

BLACK: The intent is to get after backhauling of non-food items in tanker trucks.

-In the east they backhaul garbage in trailers. He is not sure if the intent covers that situation.

388 REP. DWYER: How far along is the Federal Government in drafting their rules?

BLACK: The bill has passed Congress and the Department of Transportation is getting ready to take public testimony.

REP. DWYER: Would not be inclined to change the wording, because it may be less restrictive than what the Federal Government adopts.

414 REP. JOSI: We can encompass both concerns with a friendly amendment.

-On page 2, line 30 after includes insert "tankers, tanker trailers and tanker railroad cars and vehicles hauling garbage."

REP. DOMINY: We could restrict this bill to enclosed containers by adding "enclosed containers" on page 2, line 32.

-He is not sure he wants any amendments to restrict this.

-The intent is good.

-We could sunset this in two years.

-We need to make sure we have the machinery in place to stop the transportation of food and chemicals in the same vessel.

CHAIR SCHROEDER: Do we need this?

BLACK: Is not sure we need it.

-He refers to page 1, line 25.

CHAIR SCHROEDER: Does that give you all the authority you need?

BLACK: Yes.

-The Federal legislation mandates that tankers have to be identified they are for food only.

TAPE 90, SIDE A

039 REP. VANLEEUEWEN: Whether or not a tanker is sanitary depends upon how it was cleaned and the construction of the tanker.

050 REP. MEEK: It is not often departments say they don't need a law.

REP. DOMINY: You mentioned most transportation is covered by the ICC. He is not sure that is a good definition.

-A lot of carriers aren't covered by federal regulations.

-Milk trucks that only haul in this state do not need an ICC license do they?

BLACK: Milk is not a good example, because we regulate milk trucks.

REP. DOMINY: But they don't have an ICC license?

BLACK: It depends. Several haul out of state.

-You make a good point.

-We currently regulate and inspect trucks.

REP. NORRIS: Has there been any input from the Oregon Trucking Association?

085 MIKE MEREDITH, Oregon Trucking Association: The Department of Agriculture should implement the federal rules.

CHAIR SCHROEDER: There is no need for this bill at this time?

MEREDITH: Correct; unless there is concern the department doesn't have that authority.

REP. DWYER: We should pass it or put it to sleep.

101 VOTE: The motion fails 4 to 3.

AYE: REP. DOMINY, REP. DWYER, REP. JOSI.

NAY: REP. MEEK, REP. NORRIS, REP. VANLEEUEWEN, REP. SCHROEDER.

REP. DOMINY: Changes his vote to no and serves notice of possible reconsideration.

WORK SESSION ON HOUSE BILL 2768 -- EXHIBITS I to K

Witnesses: Richard Wasserman, Assistant Attorney General, Department of Justice Bill Street, Director of Research and Education, International Woodworkers of America AFL- CIO

CHAIR SCHROEDER: Opens the Work Session.

-He refers to an Attorney General's opinion on HB 2768 (EXHIBIT I).

125 REP. DOMINY: Describes HB 2768-1, Proposed Amendments to HB 2768, dated 4/12/91 (EXHIBIT J).

-He would like to know if this meets the constitutional problem?

140 RICHARD WASSERMAN, Assistant Attorney General, Department of Justice: Cannot answer whether the amendments would solve the problem. The amendments still wouldn't eliminate the fact that the refund is only available to forest products manufactured in Oregon.

-That's the key to the problem. It would make it harder to get the tax refund, because it would make the conditions tougher to meet.

163 REP. DOMINY: The intent of the amendment is: Once a tree is harvested if you add a 50 percent value, for example, you get a tax credit as long as the transaction is done in Oregon.

WASSERMAN: The problem is on page 9, lines 10 and 11, which restricts the tax refund to forest products manufactured in this state.

-The bill differentiates between manufacture in Oregon and outside of Oregon.

-You'd have to further amend the bill to eliminate that distinction.

197 REP. DWYER: That would change if Congress allowed states to regulate exports?

WASSERMAN: That would solve the problem.

-Congressional authorization is absent.

REP. DOMINY: What if there was no timber severance tax? Could we give a tax credit to industries that harvest and manufacture in Oregon?

WASSERMAN: Does not think there is a problem giving a direct subsidy to Oregon timber processors.

-You have to avoid directly taxing an interstate transaction and avoid creating a financial disincentive to engage in interstate or foreign commerce.

REP. DOMINY: You're saying we couldn't give a tax credit?

WASSERMAN: It would be hard to give that tax credit to in-state processors and not to out-of-state processors.

-You have to treat them both equally.

-You could give a direct subsidy to an in-state processor.

CHAIR SCHROEDER: HB 3410 provides a tax incentive if it's processed locally.

REP. DOMINY: Would that qualify?

WASSERMAN: Could not answer without seeing the bill.

REP. DOMINY: What if we taxed the industry in this bill and in another vehicle, like HB 3410, gave a tax credit to the industry? Would that take care of the constitutional problem?

WASSERMAN: He is not sure he understands what REP. SCHROEDER's bill was saying.

-You would not solve the problem if you took section 18 out of this bill and inserted it into another bill.

267 REP. DOMINY: What if we took out any reference to any kind of tax credit and in another bill we gave a subsidy to Oregon manufacturers?

WASSERMAN: That probably wouldn't be a problem if the subsidy was given to any company that does the work in Oregon whether or not they are incorporated out-of-state.

284 REP. VANLEEUEWEN: How does the bill put money in the Displaced Workers Assistance Fund? Where does the money come from?

BETH PATRINO: From the tax the bill creates.

REP. DOMINY: The tax generated.

REP. VANLEEUEWEN: The tax that's illegal.

REP. DOMINY: The tax isn't illegal, the tax credit is.

REP. VANLEEUEWEN: Isn't he saying we can't put a separate tax on those who export timber from their own property?

WASSERMAN: No. Any tax imposed or refund granted has to be granted uniformly.

-It has to be non-discriminatory with respect to the interstate component.

REP. VANLEEUEWEN: What about section 16?

WASSERMAN: That is a dedication provision that doesn't relate to the constitutional problem.

REP. VANLEEUEWEN: Which monies are we talking about? Aren't they dedicated to something else?

REP. DOMINY: We are talking about a new timber severance tax.

REP. VANLEEUEWEN: On all timber?

REP. DOMINY: Correct.

-We end up with a pool of money.

REP. VANLEEUEWEN: The Oregon manufacturers get part of the money back?

REP. DOMINY: The money we are talking about is what remains after the rebate is paid back.

-What if we eliminated the rebate and put in a severance tax? There's nothing unconstitutional about a severance tax?

WASSERMAN: Correct.

345 CHAIR SCHROEDER: People in my district are paying the same domestic price as the export price just to keep their mills going.

REP. DWYER: The money could go to the state which then gives it to a specific entity to subsidize mills that process logs in-state?

WASSERMAN: You are probably right, but he can't express an opinion without seeing the legislation.

REP. DWYER: The state uses its tax power and gives that money to a specific entity to promote the in-state manufacture of our product. Is there a constitutional problem?

WASSERMAN: As long as the law doesn't differentiate between mills owned by in-state companies and out- of-state companies.

REP. DWYER: That is happening all of the time.

WASSERMAN: As long as it is not discriminating between companies.

REP. DWYER: We care who works, not who owns it.

CHAIR SCHROEDER: HB 3410 gives a tax incentive to a landowner who sells logs to a domestic mill. If they ship the logs overseas they get no tax credit. Is that legal?

WASSERMAN: It sounds similar to this bill, because it prefers domestic to foreign commerce.

-States can't have foreign policy with respect to trade.

CHAIR SCHROEDER: We're talking about the producers of the product, not the mills.

WASSERMAN: Doesn't see a difference between the concepts.

419 REP. DWYER: We should memorialize Congress to change the law so we can level the playing field. Other countries give subsidies to promote their own industrial base.

WASSERMAN: Congress is the source of the state's authority.

CHAIR SCHROEDER: Can we do anything with this bill until we get Congressional approval?

REP. DOMINY: Would like BILL STREET have an opportunity to testify before we move the bill.

-He would move this to make it a tax bill so the Committee on Revenue and School Finance could look at this as a possible way to help dislocated workers.

-He would take out the reference to the tax credit.

CHAIR SCHROEDER: We couldn't do that today.

TAPE 91, SIDE A

021 REP. VANLEEUEWEN: You could offer possible amendments to a bill that is in the Revenue Committee.

-Where is HB 2746?

REP. DOMINY: It's in House Labor.

-BILL STREET can explain HB 2768.

042 BILL STREET, Director of Research and Education, International Woodworkers of America AFL-CIO: Presents testimony in support of HB 2768 (EXHIBIT K).

-If you eliminated the tax credit--at .75 a board foot, there would be \$7.7 million to assist dislocated woodworkers--a good and safe investment for Oregon.

116 CHAIR SCHROEDER: We need to find some way to retrain workers.

REP. VANLEEUEWEN: There will be less timber available and more foreign imports of manufactured wood products.

-Something needs to be done, but she is not sure this bill is the way to do it.

-You are taxing people who are already being impacted.

STREET: The owner of the timber isn't being taxed it's the purchaser.

-It's a sales tax.

CHAIR SCHROEDER: We've already raised the harvest tax. It's close to \$1.97.

STREET: Hopes you could compromise and give the industry half and the workers half of the 75 cents.



CHAIR SCHROEDER: It depends on how the tax is used. The Oregon Forest Resources Institute will hopefully promote more timber jobs.

150 REP. NORRIS: Is retraining timber workers a realistic way to go after this problem?

STREET: Refers to page 10 of his testimony on the success of retraining.

-The purpose of HB 2746 is to fill the gap around the JTPA monies to help them be more effective and leverage those dollars. It does not or cannot augment those dollars.

CHAIR SCHROEDER: Refers to work being done at Southwest Oregon Community College.

-JTPA has been doing good work.

REP. NORRIS: Do those who have been successful in retraining have to leave their community?

STREET: Did not ask that question of JTPA.

-We want to keep them in the areas they live.

REP. NORRIS: We don't know how this keeps them tied to their communities.

CHAIR SCHROEDER: That's one of our goals.

193 REP. VANLEEUEWEN: Before something goes to Revenue do we have to establish the policy?

-Could they take this to Revenue as an amendment for a bill that is there?

REP. DOMINY: We would have to have the proper vehicle.

-There is no vehicle that says we can use a severance tax for dislocated workers.

219 REP. NORRIS: This relating clause says nothing about the use of the money raised.

CHAIR SCHROEDER: We can't do anything with this today.

REP. DOMINY: He will use it as a vehicle for a tax and remove the tax credit proposal.

CHAIR SCHROEDER: We will have to have it next week.

-He closes the Work Session.

WORK SESSION ON HOUSE JOINT MEMORIAL 26

CHAIR SCHROEDER: Opens the Work Session.

BETH PATRINO: Updates the bill.

244 MOTION: REP. DOMINY: Moves to amend line 22 by deleting "or silvicultural".

REP. VANLEEUEWEN: Opposes the motion.

-Some timber products are only used out of the country.

REP. DWYER: Clear direction has to come from Congress.

-We are sending the opposite message to Congress in regards to agricultural commodities.

-We can have the opportunity and ability to export those things we deem to be in excess of our own domestic needs.

-REP. VANLEEUEWEN, if you're in favor of exporting logs, you should resist removing "silvicultural."

286 REP. VANLEEUEWEN: You are saying you would take away someone's opportunity to find the best market for their product.

-In the previous bill you are proposing to give an incentive for people to do a certain thing with their product.

REP. DWYER: We subsidize timber in all sorts of ways.

-He hopes we would have the ability to regulate those things in excess of our domestic needs.

308 REP. DOMINY: IRV FLETCHER testified that the biggest problem they were having in Washington D.C. was deciding what we want in the Pacific Northwest.

-We will send a mixed signal that it is alright to export logs off of private lands.

-The reason he made the motion is to send a clear signal to Washington D.C.

REP. VANLEEUEWEN: What do lines 22 and 26 say?

BETH PATRINO: Explains.

335 CHAIR SCHROEDER: We need to weigh whether or not to keep jobs locally or say that private property rights are not paramount.

REP. DWYER: Do we want to argue or pass this?

346 REP. NORRIS: This is a complex and emotionally upsetting issue.

-There are contradictions if we say we want the Federal Government to protect the timber, but we don't want restrictions on the harvest.

-Private property owners should be free to do what they want, but he has a problem with this memorial.

-He would not want to vote for something that says we will accept an embargo on wheat exports.

384 REP. DWYER: Could you support REP. DOMINY's motion?

REP. NORRIS: Would have to think about it.

REP. VANLEEUEWEN: Does not think we have the right to impose restrictions on growers.

-She has no problem if we offer incentives to growers to keep the jobs here.

-We're getting into an area she doesn't think we ought to be in.

415 REP. MEEK: Supports the memorial, but has concerns with its timing.

-He believes it's an issue that could have tremendous effect on this session.

-No one wants to ban foreign markets for our commodities.

REP. JOSI: This is a hard emotional issue.

-The wheat embargo penalized the wheat growers.

-The same concept can be carried over to the private timber owners.

-Do we have a social responsibility to our timber workers to keep their jobs? Yes.

-If we penalize our agricultural commodity producers by social policy we should look at reimbursing them.

TAPE 90, SIDE B

038 CHAIR SCHROEDER: This is a tough decision

REP. DWYER: He could move to table the bill.

-REP. DOMINY could remove his motion.

043 REP. DOMINY: He will withdraw the motion if we don't act on this bill today.

REP. MEEK: Concurr; he doesn't think we'll get anywhere.

REP. DOMINY: Will remove his motion with the intent we close the Work Session.

CHAIR SCHROEDER: Hearing no objection the motion is removed.

-He closes the Work Session.

REP. DWYER: What about the salmon bill?

CHAIR SCHROEDER: That's coming up tonight.

-He adjourns at 11:03 A.M.

Submitted by:      Reviewed by:

Edward C. Klein, Beth Patrino, Committee Assistant  
Administrator

Committee

EXHIBIT LOG:

A - SMS/Fiscal/Revenue impacts for HB 3571 - Staff - 3 pages  
B - Testimony on HB 3571 - Bruce Andrews - 1 page  
C - Testimony on HB 3571 - Gordon Cunningham - 1 page  
D-SMS/Fiscal/Revenue impacts for HB 2672 - Staff - 3 pages  
E-Testimony on HB 2672 - Rod Ingram - 12 pages  
F-Letter on HB 2672 - David Miller - 1 page  
G-Testimony on HB 2672 - Michael Rice - 2 pages  
H-Background information on HB 2506 - Rep. Courtney - 2 pages  
I-Attorney General's Opinion on HB 2768 - Rep. Schroeder - 5 pages  
J-Amendments to HB 2768 - Rep. Dominy - 1 page  
K-Testimony on HB 2768 - William Street - 14 pages

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.

HOUSE COMMITTEE ON AGRICULTURE, FORESTRY & NATURAL RESOURCES

May 7, 1991                      Hearing Room F 5:30 P.M.                      State Capitol Tapes  
92 - 94

MEMBERS PRESENT: REP. WALT SCHROEDER, Chair REP. SAM DOMINY REP. BILL DWYER REP. TIM JOSI REP. CHUCK NORRIS

MEMBERS EXCUSED: REP. LIZ VANLEEUEWEN, Vice-Chair REP. JOHN MEEK

STAFF PRESENT:                      BETH PATRINO, Administrator EVIE REDLER, Assistant

MEASURES CONSIDERED: HM1            - PUBLIC HEARING HB 2782 - PUBLIC HEARING HB 2880 - PUBLIC HEARING HB 3396 - PUBLIC HEARING HJM23 - PUBLIC HEARING

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

TAPE 92, SIDE A

001 CHAIR SCHROEDER: Calls the meeting to order at 5:30 P.M.

009 MOTION: REP. DOMINY: Moves to suspend the rules to open a Work Session on House Bill 250 6 to change his vote back to aye and allow the bill to die.

CHAIR SCHROEDER: Hearing no objection the motion passes.

VOTE: REP. DOMINY votes aye.

PUBLIC HEARING ON HOUSE MEMORIAL 1 -- EXHIBITS A & B

Witnesses: Rep. Tim Josi, District 3 Russ Hoeflich, State Director, The Nature Conservancy Paul Hanneman, Tillamook County Creamery Association

CHAIR SCHROEDER: Opens the Public Hearing.

026 REP. TIM JOSI, District 3: Presents testimony in support of HM1 (EXHIBIT A).

093 REP. NORRIS: Why do geese like marshes?

REP. JOSI: Geese like grass; they really don't like marshes.

-There are areas in the proposed refuge that have never been converted

to grass land and you don't find many geese or ducks there.

-The Corps of Engineers helped convert this land. If the land is converted back to marsh land, the geese won't live there any more.

CHAIR SCHROEDER: When was the land drained?

REP. JOSI: He thinks the 1930's and 1940's.

CHAIR SCHROEDER: How many acres is it?

REP. JOSI: Several hundred.

109 REP. NORRIS: Would the farmers put it into writing that they would always farm their land?

REP. JOSI: The farmers don't want to do anything besides farm that land and they are willing to put it in writing.

-They are willing to come to an agreement with the U.S. Fish and Wildlife Service.

132 CHAIR SCHROEDER: Is that zoned EFU?

REP. JOSI: Yes.

CHAIR SCHROEDER: If the farmer takes it out of farmland they have to pay 10 years back taxes at the rate it would be for highest and best use?

REP. JOSI: Yes.

REP. DWYER: What's the highest and best use for a marsh?

REP. JOSI: After looking at that land you can see that you can't do anything with it other than farming. It is truly a wetland.

REP. JOSI: At the Chair's request he proposed amendments that would add cattle and sheep.

-He presents HM1-1, Proposed Amendments to House Memorial 1 (EXHIBIT B).

147 CHAIR SCHROEDER: What would happen if someone wanted to get out of the dairy business and wanted to get into the beef or sheep business?

REP. JOSI: They would still have to maintain the land for grazing.

156 RUSS HOEFLICH, State Director, The Nature Conservancy: Testifies in opposition to HM1.

-The Nature Conservancy was asked to acquire the first piece of property in the proposed wildlife refuge.

-He describes the process of purchasing the property.

-We're talking about ensuring the stability of the water supply to this entire area as well as the wetlands themselves.

-The U.S. Fish and Wildlife Service and The Nature Conservancy want to define a unique alternative to a standard U.S. Fish and Wildlife Service

operation.

-The proposal ensures that the threats of developments are not threats to the community and we are going to ensure that the economy will be diversified.

-The property stays on the tax rolls under U.S. Fish and Wildlife Service ownership.

-No properties will be condemned.

-A House Memorial is not needed to protect the property.

-The partnerships and relationships between the community and the U.S. Fish and Wildlife Service need to be developed.

234 REP. NORRIS: How can the property be kept on the tax rolls if it belongs to the Federal Government?

HOEFLICH: The U.S. Fish and Wildlife Service, U.S. Forest Service and BLM pay in lieu taxes. In this case they pay 100 percent of the previous year's taxes.

-Under the U.S. Fish and Wildlife ownership the property will be taxed at a higher rate than the previous ownership, because the assessed rate was lower than the property's fair market value.

248 REP. JOSI: This memorial would not preclude you or any one from buying property.

-You have your model refuge in the heart of the area.

-The U.S. Fish and Wildlife Service told him they wouldn't get 100 percent of the taxes.

HOEFLICH: Their budgets haven't been finalized, but you should check with REP. LES AUCOIN or REP. PETER DEFAZIO on that.

278 CHAIR SCHROEDER: Does The Nature Conservancy buy the land and then sell the land to the Federal Government?

HOEFLICH: Describes The Nature Conservancy.

-We, in essence, loaned the money to the U.S. Fish and Wildlife Service to purchase this property until they were able to get a federal appropriation.

REP. DWYER: Do you allow hunting on property you acquire?

HOEFLICH: It depends on the property, but we allow fishing and hunting on most of our properties in Oregon.

308 REP. JOSI: How does the U.S. Fish and Wildlife Service plan to manage the property?

HOEFLICH: They plan to set up a model similar to one you are planning.

REP. JOSI: They will run the dairy farm?

HOEFLICH: Thinks they entered into the same arrangement we did--leasing

the property to a local dairyman.

-The proposal for the wildlife refuge would be to allow the local dairy farmers to lease the land.

308 REP. JOSI: Under those circumstances it should work.

CHAIR SCHROEDER: Explains why he asked for the amendments to be drafted.

REP. JOSI: It sounds like you support the bill.

HOEFLICH: No. He is encouraging modifications. The bill goes contrary of the wishes of The Nature Conservancy and U.S. Fish and Wildlife Service.

CHAIR SCHROEDER: Do have some wording?

HOEFLICH: Yes.

REP. JOSI: You need to get to the heart of my testimony. You bought that land without a refuge. What's to stop you from buying more land in the future, with or without a wildlife refuge?

357 HOEFLICH: There is a wildlife refuge there now.

REP. JOSI: Was the refuge there when you bought the property?

HOEFLICH: No.

REP. JOSI: The U.S. Fish and Wildlife Service has said that a refuge has been proposed. Those farmers are afraid they will be driven out of business.

388 HOEFLICH: This memorial will prevent the U.S. Fish and Wildlife Service from appropriating funds for further acquisitions in this area, which will impact the State of Oregon and is inappropriate at this time.

-Let the U.S. Fish and Wildlife Service prove that they can create and develop a creative partnership with the communities.

REP. JOSI: This memorial just shows Congress that we are concerned about the viability of the farmlands.

438 HOEFLICH: Amendments to the memorial can enhance the ability of the U.S. Fish and Wildlife Service to work with the local community.

-You need language that says all sales will be made by willing sellers only and that a management plan will be established between the U.S. Fish and Wildlife Service and the local community and that taxes will be continued to be paid for all lands in question within the wildlife boundary.

REP. JOSI: Would like to have a chance to review those amendments.

HOEFLICH: Would like to work with him.

CHAIR SCHROEDER: REP. DEFAZIO has just asked for \$1.5 million to purchase the New River property.



TAPE 93, SIDE A

022 HOEFLICH: The President has \$2.9 million in his budget for New River.

-The Nature Conservancy is negotiating for the \$1.5 million of property which is currently available.

CHAIR SCHROEDER: How did it get into the President's budget?

HOEFLICH: New River was found to be one of the most significant biological areas.

042 CHAIR SCHROEDER: You're getting taken for that property. The big operators aren't willing to sell.

HOEFLICH: We never pay above fair market value for the properties we buy.

-He discusses the properties they've acquired.

058 CHAIR SCHROEDER: The Storm Ranch and Hammond place aren't ranch land are they?

HOEFLICH: The bulk of the property isn't ranch land.

063 REP. NORRIS: What are the sources of your funds to purchase these lands?

HOEFLICH: From corporations and individuals.

REP. NORRIS: Are you a 501 C-3 Corporation?

HOEFLICH: Yes.

REP. NORRIS: So you are free of Federal Income Tax obligation?

HOEFLICH: Yes. We pay taxes as required.

REP. NORRIS: Do you disclose that you're acting on behalf of federal agencies?

HOEFLICH: That's required under state and federal law.

CHAIR SCHROEDER: You actually have a revolving fund.

HOEFLICH: We have established a \$100 million revolving fund.

-He describes what they've done for the State of Oregon and the federal agencies.

CHAIR SCHROEDER: He understands that there will be a \$20,000 tax loss for Coos and Curry counties.

HOEFLICH: That should not be. You may need representatives from the three federal agencies to speak on their tax policies.

096 PAUL HANNEMAN, Tillamook County Creamery Association: Has lived within this proposed refuge for 46 years.

-He is completely in favor of the memorial.

-Many misrepresentations have been made.

-There are no major landowners in the area that support the refuge.

-Tillamook County could lose up to 20 percent of its dairy production because of this.

-A report completed by the U.S. Fish and Wildlife Service suggests that if there are negative impacts and loses, the dairy farmers should import milk and dairy feed to sustain the remaining dairy farms if the lands are taken out of dairy production.

-The report also suggests our economy will be offset by tourism.

-Why are tourists more appropriate for the geese than the dairy farmers who maintain the geese's pasture lands?

-History shows in lieu taxes do not fairly compensate local governments.

-These people do not want a golf course or anything else. The land should stay the way it is.

-There won't be a creative partnership. The management plan won't be available until after the acquisition is made.

149 REP. JOSI: Thanks him for his testimony.

-He doesn't think that the farmers would be in favor of any other amendments. They just want to be left alone. We are creating a habitat for the geese. Let's pass this out tonight.

CHAIR SCHROEDER: Closes the Public hearing.

WORK SESSION ON HOUSE MEMORIAL 1

CHAIR SCHROEDER: Opens the Work Session.

172 MOTION: REP. NORRIS: Moves to adopt HM1-1, Proposed Amendments to House Memorial 1, dated 5/2/91.

CHAIR SCHROEDER: Hearing no objections the motion passes.

MOTION: REP. NORRIS: Moves House Memorial 1 as amended to the Floor of the House with a do pass recommendation.

VOTE: The motion passes 5 to 0.

EXCUSED: REP. MEEK, REP. VANLEEUEWEN.

CARRIER: REP. JOSI.

PUBLIC HEARING ON HOUSE BILL 2880

Witnesses:Rep. Bill Dwyer, District 42 Eric Weaver, Student at Oregon State University and Intern to REP. BILL DWYER John Powell, Oregon Seed Trade Association Dr. Bill Meyer, Grass Breeder, Pure Seed and Turf Seed Dave Nelson, Administrator, Tall Fescue Commission, the Fine Fescue Commission and the Oregon Seed Council Don Wirth, Grass Seed Producer

and Member, Tall Fescue Commission Jim Carnes, Founder and Former Owner of International Seeds, Inc.

CHAIR SCHROEDER: Opens the Public Hearing.

196 BETH PATRINO: Describes the bill (EXHIBIT C).

207 REP. BILL DWYER, District 42: Introduces ERIC WEAVER.

-He presents testimony in support of HB 2880.

235 ERIC WEAVER, Student at Oregon State University and Intern to REP. BILL DWYER: Testifies in support of HB 2880.

-He submits the Mississippi Pure Seed Law (EXHIBIT D) on which HB 2880 is modeled.

-HB 2880 would be a step toward ending endophytes in western Oregon.

-He describes horse and cattle reactions to endophytes.

289 REP. JOSI: Refers to an article in "Readers Digest" on endophytes. They did a study which showed that the animals know the difference between endophyte infected grass and non-infected grass. They go to the non-infected area and don't go back.

WEAVER: Some people say that animals know the difference, but experts disagree.

-He would believe the producers before any forage expert.

-Any infected plant will go to seed and permeate the field, increasing the infected percentage.

319 REP. NORRIS: How detectible is the endophyte?

WEAVER: Believes that it is easily detected.

-The producer should be able to go to any laboratory, not just the state laboratory. This would lower the fiscal impact.

332 REP. DOMINY: You commented on some of the effects of this on cattle. Is anyone checking this?

WEAVER: There have been some new studies and studies should be done. We don't know the sub-clinical effects.

354 JOHN POWELL, Oregon Seed Trade Association: Introduces DR. BILL MEYER.

-He testifies in opposition to HB 2880.

-While this is something we need to pay attention to and study, we felt that HB 2880 was not good policy at this time.

379 DR. BILL MEYER, Grass Breeder, Pure Seed and Turf Seed: He describes endophytes.

-The term "parasite" in HB 2880 is incorrect.

-The technology for proving this is detrimental to livestock while also providing excellent resistance to insects has only been know for the last 10 years.

-He describes a study in New Zealand.

-He describes a Rutgers University study.

-Grass with the endophyte removed is not surviving in the South.

-"Friendly" endophytes could control insects and not harm animals.

-This is a very complex issue and he is concerned with passing this legislation.

TAPE 92, SIDE B

041 REP. NORRIS: Would this technology have any transferability to wheat and potatoes?

DR. MEYER: Discusses plants in which endophytes exist.

-He discusses a committee he is working on to try and coordinate and gather information on this subject.

-We want to help the livestock industry, but are concerned with moving too rapidly.

067 REP. DWYER: Have you thought of compromise language?

POWELL: We need to work on this issue with the Department of Agriculture, Oregon State University and the committee DR. MEYER is working with.

REP. DWYER: Your compromise has nothing to do with legislation or an interim study?

POWELL: Would be willing to arrange for an agency to report the findings next session.

REP. DWYER: What if we direct the Department of Agriculture to report back to this committee?

POWELL: We would trust their ability to do that.

100 CHAIR SCHROEDER: Are endophytes primarily found in turf type grasses?

DR. MEYER: Explains.

-We should possibly be looking at crested wheat grass on the eastside of the mountains. Endophytes make them more drought tolerant.

-Our intention is to formalize our endophyte cooperative group.

-This is such an emerging technology, we are still in the infant stage.

REP. NORRIS: This bill seems to be more informative than prohibitive.

DR. MEYER: There is already a test for tall fescue and you can get a

label that says the seed contains five percent or less endophytes. The evidence indicates that five percent is a very safe level.

125 DAVE NELSON, Administrator, Tall Fescue Commission, the Fine Fescue Commission and the Oregon Seed Council: Testifies in opposition to HB 2880.

-As a horse breeder we have looked at the endophyte problem very closely.

-The Tall Fescue Commission has been the leading organization in dealing with endophytes.

155 DON WIRTH, Grass Seed Producer and Member, Tall Fescue Commission: Testifies in opposition to HB 2880.

-He was Chairman of the Tall Fescue Commission at the time the endophyte problem became a widely known issue.

-They sponsored the first worldwide endophyte symposium.

-He discusses what the commission has done involving endophytes.

-The commission opposes this legislation. We already have the green tag and there is not enough concrete data to prove anything less than five percent is detrimental to livestock.

207 REP. DWYER: Mississippi has passed legislation on this subject. If it is good enough for Mississippi, why isn't it good enough for Oregon?

NELSON: Mississippi is a principal user of tall fescue.

-All of the forage type tall fescue producers in the state produce seed with endophytes below five percent.

246 REP. DWYER: Why couldn't we develop some sort of policy to work with this committee?

NELSON: We are trying to keep research on this focused so that we are all heading in the same forward direction.

-The Department of Agriculture should report what needs to be done today and in the future regarding endophytes.

-We'd like to work with you.

REP. DWYER: Would you be willing to draft amendments?

NELSON: Yes.

288 JIM CARNES, Founder and Former Owner of International Seeds, Inc.: Presents testimony in opposition to HB 2880 (EXHIBIT D).

416 REP. NORRIS: Are you testifying from the side of the grass seed producer or the livestock producer?

CARNES: Is coming right down the middle.

-He compliments REP. DWYER for motivating the industry.

REP. DWYER: Would you be willing to work on amendments?

CARNES: Yes.

CHAIR SCHROEDER: Closes the Public Hearing.

-He asks REP. DWYER to get together a group to work on this.

REP. DWYER: Will ask JOHN POWELL to work on it.

TAPE 93, SIDE B

WORK SESSION ON HOUSE BILL 2782

Witnesses: Paul Hanneman, Oregon Salmon Commission Tom Robinson, Manager, Oregon Salmon Commission Jack Munro, Association of Oregon Food Industries

CHAIR SCHROEDER: Opens the Work Session.

017 BETH PATRINO: Updates the committee on the bill.

020 PAUL HANNEMAN, Oregon Salmon Commission: Submits proposed amendments, dated May 7, 1991 (EXHIBIT E).

033 TOM ROBINSON, Manager, Oregon Salmon Commission: Has questionnaires on which 1,525 citizens were in favor of salmon products being labeled with origin of species. Only 9 said they didn't care.

HANNEMAN: Our meeting with the industry didn't end in agreement, but we hope the amendments satisfy a portion of the problems.

-He discusses the amendments.

096 JACK MUNRO, Association of Oregon Food Industries: The amendments are a good effort to solve the problems.

-My personal reaction is that there will still be some apprehension on the requirements imposed by the amendments.

CHAIR SCHROEDER: Could you please react to the amendments.

121 MUNRO: It is more difficult to label perishable items.

-We are concerned about the cost of labeling.

-He questions whether consumers would like to know the origins of the fish if it affected the cost.

-He expresses further concerns about labeling.

-Much of this information is provided in advertising or elsewhere.

-If we make mistakes we are subject to Department of Agriculture sanction and unlawful trade practices.

-You need to consider whether these requirements are enforceable.

206 REP. JOSI: This bill only deals with imported products and farm or natural products?

HANNEMAN: It is the species of salmon and whether it was imported or farmed or natural.

CHAIR SCHROEDER: You only need three words on the label; species, imported or farmed.

MUNRO: Agrees that it would require more specifics in regards to species.

CHAIR SCHROEDER: Is it true it would only require three words?

HANNEMAN: It could only require two.

CHAIR SCHROEDER: The species and whether or not it was farmed?

HANNEMAN: The label could say "chinook natural", "chinook farmed", "imported farmed chinook".

CHAIR SCHROEDER: Is that a problem?

MUNRO: The amendments are an improvement and responsive to our concerns.

255 REP. NORRIS: The ultimate responsibility will be on the retailer. What evidence do they have whether the fish was imported, farmed or natural?

ROBINSON: That information is available, we need to get that information to the people at the retail level.

REP. NORRIS: Then there should be no problem for the retailers to label?

ROBINSON: It would be the retailers responsibility to pay attention to the paperwork.

-It would have to be intentionally mislabeled for a Class B misdemeanor.

291 MOTION: REP. JOSI: Moves the Proposed Amendments to House Bill 2782, dated May 7, 1991.

REP. NORRIS: Don't we need to have a Legislative Counsel draft?

CHAIR SCHROEDER: Subject to a Legislative Counsel draft, hearing no objections the motion passes.

310 MOTION: REP. JOSI: As long as there were no problems with the Legislative Counsel draft--he moves House Bill 2782 as amended to the Floor of the House with a do pass recommendation.

REP. NORRIS: Would prefer to wait for JACK MUNRO to check with his people.

REP. JOSI: Withdraws his motion.

CHAIR SCHROEDER: Closes the Work Session.

PUBLIC HEARING ON HOUSE BILL 3396 -- EXHIBIT

Witnesses:Rep. Rod Johnson, District 45 Jackie Lang, Oregon Lands Coalition Jeff Curtis, Oregon Department of Fish and Wildlife

REP. DWYER is excused.

CHAIR SCHROEDER: Opens the Public Hearing as a subcommittee.

331 REP. ROD JOHNSON, District 45: Testifies in support of HB 3396.

-Current law doesn't provide for the economic consequences.

-This is the last opportunity for the State of Oregon to show Congress that the Endangered Species Act should analyze the economic impacts of listing decisions.

384 REP. NORRIS: How does passage of an Oregon law have an effect on Congress?

REP. JOHNSON: We can show Congress that they should do the same with the federal act as we did with ours.

400 JACKIE LANG, Oregon Lands Coalition: Presents the coalition's support for the bill.

-This bill will set the stage for critical changes in the Federal Endangered Species Act.

-Our State Endangered Species Act does not reflect the critical balance of the needs of people and the needs of nature.

-We refuse to accept laws that put plants and animals above people without concerns for economic factors.

437 REP. JOSI: The Oregon Department of Fish and Wildlife seems to be driven by people primarily concerned by environmental needs.

-This bill would give the department direction on how it is to act.

462 REP. JOHNSON: Refers to HB 3398, which could be amended into this bill. It prevents any animal listed on the Federal Endangered Species from being listed automatically on the Oregon list.

TAPE 94, SIDE A

034 JEFF CURTIS, Oregon Department of Fish and Wildlife: Testifies in opposition to HB 3396.

-This bill would require us to do an economic analysis. We do a fiscal analysis on all our proposed rules.

-People are welcome to come before the commission and raise economic issues when rules are proposed.

-The Federal Government looks at other regulatory mechanisms to protect a species when they go to list a species.

-To the extent we weaken our endangered species laws, we give up control of our own future. We could end up with more federal endangered species rather than less.



-The U.S. Fish and Wildlife Service avoided listing the spotted owl for years because the Oregon Department of Fish and Wildlife listed the owl on the state list.

071 REP. NORRIS: Couldn't reaction to the endangered species issue make the whole thing could go down in flames?

CURTIS: That is something that could happen over time.

-He urges that we complete the recovery plan to provide certainty to the industry.

CHAIR SCHROEDER: An issue is not important until it affects a person directly.

-He closes the Public Hearing.

PUBLIC HEARING ON HOUSE JOINT MEMORIAL 23

Witnesses: Rep. Rod Johnson, District 45 Kris Golly, Polk County Communities for a Great Oregon Jackie Lang, Oregon Lands Coalition Ann Hanus, Assistant State Forester, Department of Forestry

CHAIR SCHROEDER: Opens the Public Hearing.

113 REP. ROD JOHNSON, District 45: Presents testimony in support of HJM23.

-This is somewhat of a wish list to Congress asking them to provide some relief to people working in the timber industry.

-He discusses the memorial.

166 KRIS GOLLY, Polk County Communities for a Greater Oregon: Testifies in favor of HJM23.

-She discusses forest and mill tours she is organizing in the Dallas School District.

-We need more money for planting and replanting on federal lands.

-We need areas identified specifically for timber uses.

201 JACKIE LANG, Oregon Lands Coalition: The coalition supports HJM23 for several reasons:

-1. We are three years into the owl debate and the economic impacts have yet to be addressed. Whole communities are withering because of this.

-2. We are not planting the number of trees we should be planting.

-3. Our timber sales appeals process is being abused. We need to change the system so legitimate appeals may be recognized and don't force frivolous appeals that needlessly tie up timber sales and cost tax payers hundreds of thousands of dollars.

242 ANN HANUS, Assistant State Forester, Department of Forestry: Submits written testimony (EXHIBIT F).

CHAIR SCHROEDER: Are you for or against the memorial?

HANUS: We have not taken a position on it.

CHAIR SCHROEDER: Closes the Public Hearing.

-He adjourns at 7:45 P.M.

Submitted by: Reviewed by:

Edward C. Klein, Beth Patrino, Committee Assistant                      Committee  
Administrator

EXHIBIT LOG:

A - Testimony on HM1 - Rep. Josi - 2 pages B- Amendments to  
HM1 - Rep. Josi - 1 page C - Mississippi Pure Seed Law - Eric  
Weaver - 3 pages D-Testimony on HB 2880 - Jim Carnes - 31 pages  
E-Amendments to HB 2782 - Paul Hanneman - 1 page F-Testimony on HJM23 -  
Ann Hanus - 1 page