

HOUSE LEGISLATIVE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

April 22, 1991 Hearing Room 343 8:00 A.M. State Capitol Salem, OR

Tapes 145 - 146 Dislocated Timber Workers Aid Duties of Foreign Trade Office Employees

MEMBERS PRESENT: REP. RAY BAUM, CHAIR REP. JERRY BARNES REP. MARGARET CARTER REP. CEDRIC HAYDEN REP. VERA KATZ REP. DAVE MC TEAGUE REP. BOB PICKARD

MEMBERS EXCUSED:

STAFF PRESENT: JOSEPH CORTRIGHT, EXECUTIVE OFFICER TAMIRA MILLER, POLICY ANALYST JERI CHASE, OFFICE MANAGER HOLLY BROWN, COMMITTEE ASSISTANT

WITNESSES: DORIS PENWELL, EXECUTIVE ASSISTANT, 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 145, SIDE A

000 CHAIR BAUM convenes the meeting at 8:29 a.m.

HB 2251 (Dislocated Timber Workers Aid) - Work Session

004 CORTRIGHT: Presents -4 amendments to HB 2251 (EXHIBIT A). The majority of the changes were made in section 11 where we changed the amounts of the loans.

065 CORTRIGHT: Presents Rep. Barnes suggested amendments (EXHIBIT B).

084 REP. KATZ: We talk about the applicant in the beginning of the bill and then we shift over to a business. I would be an applicant in the beginning circumstances but not a business.

107 CORTRIGHT: I think you could use either set of terms here.

114 MOTION: REP. KATZ moves to adopt REP. BARNES further amendments (EXHIBIT B) to the -4 amendment.

VOTE: Being no objection REP. BARNES amendments are adopted.

MOTION: REP. KATZ moves to adopt the -4 amendments as amended above.

VOTE: Being no objection the -4 amendments, as amended, are adopted.

SB 165 (Duties of Foreign Trade Officers) - Public Hearing and Work Session

146 MILLER: Presents Staff Measure Summary on SB 165 (EXHIBIT C).

185 DORIS PENWELL: If you look at case law the way we were working with those people may make us liable.

202 CHAIR BAUM: We are acting like independent contractors but we would be responsible for them in the case of an accident.

216 REP. CARTER: It costs more for the state to have them as employees then for them to be independent contractors.

231 MILLER: The department would like to treat these employees as unclassified and in addition to make an amendment to the PERS law to exclude them from retirement and that is what this bill does.

245 PENWELL: We would be allowed to negotiate the salary which includes benefits or lack of benefits. We could offer an IRA. The situation is that in a foreign trade office we often hirer expatriate or foreign nationals and the benefits offered state employees aren't of any use to them at all because they are health and dental benefits here in the state and not in a foreign country.

265 REP. KATZ: You are allowed to add additional people, how will that impact the budget?

272 PENWELL: We don't intend to increase staff.

281 REP. HAYDEN: The state seems to be saying that when someone is working in another country and they are pretty expensive and we don't want to pay for PERS so we are going to classify you so we don't have to pay these benefits. It seems that if we were a business we would have to pay but since we are the state we don't have to pay.

299 CHAIR BAUM: It doesn't do foreign nationals any good to have government benefits because the services aren't available in their own country. So, they want to negotiate a package that fits their own countries circumstances.

323 REP. BARNES: How many people are US citizens?

333 PENWELL: We only have 6.5 or 7 individuals. I believe a couple of those may be US citizens that are expatriates the others are foreign nationals. When we set up this arrangement we are still concerned about covering liability for the state and we will purchase a small liability policy.

349 REP. BARNES: Has the Attorney General looked at the international trade agreements to see if we are in compliance with them?

355 PENWELL: When we put this together the Attorney General was involved. The wording they put together was what we felt we could be covered with and still keep within the laws of those countries.

369 REP. CARTER: Some of the business people of Oregon think it is real presumptuous of the state to think we need an office in Europe. Yet, I see where the department wants to have an Eastern European office.

393 PENWELL: It is not in the budget right now to open a European office.

410 REP. CARTER: Would this bill allow you to do that?

415 MILLER: There is another bill that was sponsored by the Trade committee to provide the Economic Development Department with the authorization and funding to establish a European trade office.

TAPE 146, SIDE A

004 CHAIR BAUM: Is there anything in SB 165 that the department intends to use to fund an office in Eastern Europe?

007 PENWELL: This bill would allow us to have offices if we had a budget and FTE to staff those offices. However we could not operate those offices with this bill alone. There is not any intention of doing that starting an office.

015 MILLER: The bill does have an emergency clause.

018 MOTION: REP. CARTER moves to add an amendment that would keep the Economic Development Department from opening an office in Europe without the consent of the legislature.

026 PENWELL: I suspect that would not be a problem.

038 REP KATZ: I think there is probably a lot of opportunities in Europe right now and I don't want to preclude the opportunity to put an office there.

042 REP. HAYDEN: It seems with the common market coming on line there are a lot of opportunities in Europe and maybe we should be there. Maybe we should direct the state to put a trade officer there.

047 MILLER: There is this bill on the Senate side that would authorize the department to set up a trade office in Europe and the department doesn't think that this is the right time to do that. The discussion has leaned toward the possibility of leaving open the option of hiring a contractor in Europe and work out of someone elses foreign trade office.

059 MOTION: REP. CARTER withdraws her motion.

060 MOTION: REP. KATZ moves SB 165A to the floor with a Do Pass recommendation.

VOTE: By roll call vote (5-0) SB 165A passes to the floor with a Do Pass recommendation. Voting AYE: REPRESENTATIVES BARNES, CARTER, HAYDEN, KATZ and BAUM. EXCUSED: REPRESENTATIVES MC TEAGUE and PICKARD.

086 CHAIR BAUM adjourns the meeting at 9:06 am.

Submitted by,

Jeri Chase Office Manager

EXHIBIT SUMMARY

EXHIBIT A - -4 amendments to HB 2251, submitted by Joe Cortright, pgs. 8.

EXHIBIT B - Representative Barnes amendments to HB 2251, submitted by Rep. Jerry Barnes, pgs. 1.

EXHIBIT C - Staff Measure Summary on SB 165, submitted by Tami Miller, pgs. 2.