

HOUSE LEGISLATIVE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

May 13, 1991Hearing Room B 8:00 A.M.State Capitol Salem, OR

Tapes 188 - 189 Key Industries Professional-Technical Education

MEMBERS PRESENT: REP. RAY BAUM 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: SENATOR WAYNE FAWBUSH, DISTRICT 43 DAVID HARRISON, EXECUTIVE DIRECTOR, NORTHWEST POLICY CENTER NIELS CHRISTIAN NIELSEN, DANISH TECHNOLOGICAL INSTITUTE, AARHUS, DENMARK JOHN MITCHELL, CHIEF ECONOMIST, U.S. NATIONAL BANK

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 188, SIDE A

000 CHAIR BAUM convenes the meeting at 8:30 a.m.

004 CORTRIGHT: The Board of Directors for the Northwest Policy Center are here today. They have been involved in debate and research on a number of policies of interest to this Committee including rural development, workforce development, and industries strategies. The Center sponsored the visit of Ira Magaziner to the Oregon Legislature in March and this morning have brought NIELS CHRISTIAN NIELSEN, one of the principal architects of Denmark's networking program. SB 997, the Key Industries legislation before this Committee this morning, incorporates some of their concepts. SB 364 applies those concepts specifically to the wood products industry.

SB 997 (Key Industries) - Public Hearing

023 CORTRIGHT: Presents Twelve Innovative Ideas (EXHIBIT A). Presents Staff Measure Summary on SB 997A (EXHIBIT B). Presents newspaper article, Workers Play Big Role in Management of Warn Industries, Inc. (EXHIBIT C)

083 SENATOR WAYNE FAWBUSH: This is the result of an effort to bring a different focus to economic development in this state. The major economic development policy of a lot of states is one of recruitment. It has been found that one of the most important things to do is to look at an industry sector, not just a single business. The concepts of this

legislation is something we are very interested in. One problem is that we now have too many expectations for this concept and EDD is concerned that they will not be able to meet all of them. That is the position they should be in. They have initiated this development and I am confident they can meet our expectations.

129 DAVID HARRISON: Several members of our regional Board are here (from Montana, Idaho, Alaska, Washington, and Oregon) and they share with our staff the outlook that the Northwest needs to ask questions about its economic future and specific strategies for long term economic vitality. We are facing fundamental changes in our economics. If we are to have a vital economy, we need to double our efforts. That is what our organization is about. We serve as staff counsel to the Pacific Northwest Economic Region - a group of Pacific Northwest policymakers concerned with strategies for economic vitality in the Pacific Northwest. In our search for information, we refuse to let borders become barriers, and go anyplace in the world that there is information we can use. SENATOR FAWBUSH, REPRESENTATIVE CARTER, and JOE CORTRIGHT participated in a study tour to Europe last fall. This tour included a visit to the Danish Technological Institute (DTI) in Aarhus, Denmark, where we met NIELS CHRISTIAN NIELSEN, the world's leading proponent and analyst of network strategies. He is an incisive analyst of how we can have small businesses that can compete in the international economy. We have fewer major companies to pin our prospects on, and if we are going to have a healthy economy we need to figure out how to make our small businesses more competitive. Strategies that we refer to as flexible network strategies are nothing more than one way in which we could position small businesses to accomplish this task. NIELSEN is a senior manager of DTI, which has fashioned a new program funded by the Danish government to help small groups of companies maintain their competitiveness, especially in light of EC '92.

200 NIELS CHRISTIAN NIELSEN: Begins testimony. Verbatim testimony and Committee Members' comments and questions transcribed and included as EXHIBIT D.

TAPE 189, SIDE A

021 NIELSEN: Continues testimony (EXHIBIT D).

TAPE 188, SIDE B

030 NIELSEN: Continues testimony (EXHIBIT D).

HB 3474 (Professional-Technical Education) - Work Session

186 MOTION: VICE-CHAIR CARTER MOVES to suspend the rules to permit reconsideration of HB 3474, which was voted out of Committee at its previous meeting.

188 VOTE: There being no objection, the rules are suspended.

191 MOTION: VICE-CHAIR CARTER MOVES to rescind the subsequent referral to the Committee on Ways and Means on HB 3474 and that it be passed directly to the House Floor with a Do Pass recommendation.

194 REP. KATZ: I will support this bill even though I think this sets a bad precedent.

199 CHAIR BAUM: We just want to do this in a manner that pleases those who are invested in this bill, the powers to be, and our own committee.

203 VOTE: Passes, 7-0. All members present and voting AYE.

SB 997 (Key Industries) - Public Hearing

215 Testimony continues (EXHIBIT D).

477 CHAIR BAUM adjourns the meeting at 9:57 a.m.

Submitted by,

Jeri Chase Office Manager

EXHIBIT SUMMARY

EXHIBIT A -Twelve Innovative Ideas for Economic Development 1990, submitted by Joe Cortright, 34 pages

EXHIBIT B - Staff Measure Summary on SB 997A, submitted by Joe Cortright, 2 pages

EXHIBIT C -Article from The Oregonian entitled "Workers Play Big Role in Management of Warn Industries, Inc., submitted by Joe Cortright, 2 pages

EXHIBIT D - Verbatim testimony, presented by Niels Christian Nielsen, 14 pages