

Senate Committee on Agriculture and Natural Resources January 23, 1991 -
Page

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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.

Measures Heard LC 2186 SB 2(PUB) SB 93(PUB) SB 94(PUB) SB 95(PUB)

SENATE COMMITTEE ON AGRICULTURE AND NATURAL RESOURCES

January 23, 1991Hearing Room C 08:30 a.m. Tapes 12 - 15

MEMBERS PRESENT:Sen. Dick Springer Sen. Joyce Cohen, Vice-Chair
Sen. John Brenneman Sen. Shirley Gold Sen. Bob Kintigh Sen. Eugene
Timms

MEMBER EXCUSED: Sen. Wayne Fawbush

STAFF PRESENT: Peter Green, Committee Administrator Chris Beck,
Research Associate Kus Soumie, Committee Assistant

WITNESSES: Joe Cortright, Joint Forest Products
Policy Committee Peter Green , Administrator Ag. and Natural Resources
Committee George Brown, Dean College of Forestry Oregon State University
Burt Vdell, Oregon Small Woodland Owners Association (OSWA) Mike
Grainey, Deputy Director Oregon Department of Energy Brian Boe, Oil Heat
Institute, Oregon Petroleum Marketers Assn. Terrie Heer, Administrator
Oil Heat Commission Chris Beck, Research Associate, Sen.Ag. and Natural
Resources Bill Jacobsen, Support Services Dammasch State Hospital Lisa
Strader, Department of Corrections George Hecht, Director of Fiscal
Plant University of Oregon

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TAPE 12 SIDE A

MEETING CALLED TO ORDER 8:36 AM

024 JOE CORTRIGHT, Joint Forest Products Policy Committee, gives
overview and introduces EXHIBIT A LC 2186

097 SEN COHEN: How were your forest products industry ideas received in
the private sector? Is there an understanding of the need to work
together? 104 CORTRIGHT: Support and receptivity to these
recommendations was apparent. - gives summary of process leading to
these recommendations

160 CORTRIGHT: gives overview: - SB 367 - SB 369 - SB 370 - SB 2

- focus is on bills which help dislocated workers and small woodlands (non-industrial private timber)

- HB 2317 - HB 2318 - HB 2319 - HB 2321 - HB 2322

326 CHAIR SPRINGER: What about those who have many small woodlands and in aggregate would not be 'mom and pop' any longer?

346 CORTRIGHT: For these bills there are different thresholds established for eligibility to different programs and benefits. There is a 2,000 acre limit.

TAPE 13 SIDE A

013 CHAIR SPRINGER:Speaks of talks with State Forester Jim Brown and his budget to expand service forestry and the Agency's ability to finance effective assistance.

023 CORTRIGHT: Incentives and technical assistance go must go together.

027 SEN TIMMS: - talks about natural resource agency cuts made in the 198 0's and never replaced when times got better.

034 KINTIGH: - speaks about possible elimination of the Small Tract Optional tax law.

044 CHAIR SPRINGER: Revenue, Trade and Economic Development will play the larger roles in these issues. We want to help. Is there an opportunity for other species of trees to be planted.

056 SEN KINTIGH: Small land owners do grow many other species and sell them to large and small owners.

070 PETER GREEN, Administrator of Senate Agriculture and Natural Resources Committee,

- INTRODUCES SB 2

075 GEORGE BROWN, Dean of the College of Forestry, and Director of the Forest Research Laboratory, Oregon State University,

- overview of Forestry Service Laboratory Advisory Committee and Members
- testifies in favor of SB 2.

TAPE 14 SIDE A

002 BURT VDELL, Oregon Small Woodland Owners Association (OSWA) gives testimony for small land owners, presents EXHIBIT B

054 CHAIR SPRINGER: requests written information about OSWA to be forwarded to the committee members.

061 VDELL: - requests a list of areas of interest sent to Gary Carlson.

125 SEN COHEN: What type of research have you been doing and what is the R and D pay off time do you generate?

130 BROWN: We have 5 major areas of research, most of which are very

fundamental, while others are applied, some short and some long term.

175 MIKE GRAINEY, Deputy Director of the Oregon Department of Energy, speaks on SB 95 presents overview of EXHIBIT H

214 BRIAN BOE, representing Oil Heat Institute and Oregon Petroleum Marketers Association, speaks in support of SB 95.

235 CHAIR SPRINGER: How does this interface with the Oil Heat Commission's activities?

239 BOE: Indirectly.

251 TERRIE HEER, Administrator of the Oil Heat Commission, presents testimony in favor of SB 95. EXHIBIT D

284 SEN COHEN: How much is collected annually for the Oil Heat Commissions use?

294 HEER: \$1.5 million which comes from 2 per cent assessment on the oil heat dealers put on themselves.

300 SEN COHEN: How are these funds used?

301 HEER: Environmental protection and education conservation.

304 SEN TIMMS: Please provide a list of those who receive this credit.

321 GRAINEY: - speaks about the Oil Heat Commission's relationship with the SHOW program and presents EXHIBIT E

335 SEN COHEN: Do these funds go to low income people?

336 GRAINEY: Low and lower middle. There are income requirements for the rebates but not for the loans. The program has been in effect since 1981, and we have marketed the program directly. I have a report that lists recipients of the program by county.

351 SEN KINTIGH: What is the source of the money that the state loans?

356 GRAINEY: Commercial lenders.

380 CHRIS BECK, Research Associate, Senate Committee on Agriculture and Natural Resources, gives staff measure summary for SB 94

395 GRAINEY: Presents EXHIBIT E This program is financed with tax exempt funds.

TAPE 15 SIDE A

021 GRAINEY: Continues testimony and overview of SB 94. The provisions in this bill would change criteria for State Agency loans to be the same as anyone else, and allow loans for energy generation projects.

038 SEN COHEN: Would this prevent an audit?

045 GRAINEY: It is our intent to make all information available to the auditors.

055 BILL JACOBSEN, Director of Support Services, Dammasch State

Hospital, gives testimony in favor of the Department of Energy's Small Scale Loan Program (SELP). SB 94

100 LISA STRADER, Assistant Construction Administrator, Department of Corrections, gives testimony in favor of SB 94 and SELP, EXHIBIT G

138 GEORGE HECHT, Director of Fiscal Plant University of Oregon, gives testimony in favor of SB 94 and SELP.

200 SEN KINTIGH: What percent of your fuel is hog Fuel?

202 HECHT: 100 per cent of our steam, with a savings of \$147,000.00 using hog fuel.

217 CHAIR SPRINGER: What are the payback provisions on this loan?

219 HECHT: 16-17 year payback. Some items were 3 year and some 19-20 year payback range.

236 SEN TIMMS: What percentage of the tax exempt bonds that are funded are being used? Are you using the total cap?

244 GRAINEY: Our cap is \$35 million per year.

254 SEN TIMMS: If government agencies use the largest share of funds, what will be left to implement other areas.

254 GRAINEY: Problems come from Federal restrictions on what can be done in the private sector. of restrictions. Estimate of loan volume with these changes in the law and we will be within the cap and Federal restrictions.

285 SEN TIMMS and GRAINEY: - questions about Federal restrictions and bonds

302 CHAIR SPRINGER: Who has received these loans in the past year?

314 GRAINEY: I will give your staff some documentation on this.

321 SB 93 OPENED FOR TESTIMONY

326 GRAINEY: Gives testimony and overview on SB 93 EXHIBIT C

TAPE 14 SIDE B

004 GRAINEY: continues testimony on SB 93

045 SEN COHEN: How often have you used the authority for civil penalties?

046 GRAINEY: Never.

060 SEN GOLD: What is the history leading to this procedure?

063 GRAINEY: Unknown. It has been in the statutes for a long time.

074 GRAINEY: We would like to drop the provision in SB 93 Section 7.

- Discussion with Pacific Power and Portland General Electric on the transmission line jurisdictional question so an agreement can be reached

on a bill approach.

087 SEN TIMMS: If a geothermal plant surpassed 25 megawatts, under the citing counsel, is it easier to site a facility?

100 GRAINEY: Citing counsel is not involved in resource exploration considerations. We clarify the process.

120 SEN TIMMS: You put citing in a process which cannot be stopped at each step?

124 GRAINEY: The process is meant to simplify and expedite as well as limit the types of appeal.

132 SEN COHEN: Question regarding deletion of section 7 and the cap of \$461,250.00 per year. What other arrangements have you made? How can you assure us that you will stay within those spending boundaries?

142 GRAINEY: Currently we are \$100,000.00 below that level. We have negotiated with PGE and other agencies we pass money through, and have determined we will not need that money. We had not yet made that determination when the bill was pre-session filed.

157 CHAIR SPRINGER: When will you be able to come back for a work session?

159 GRAINEY : On SB 95 we are ready at your request. For SB 94 I will reply within 2-3 days. SB 93 we will report our progress by the end of next week.

CHAIR SPRINGER ADJOURNS MEETING 10:18 AM

EXHIBIT LOG:

A - Testimony on LC 2186 - Joe Cortright - 1 page B - Testimony on SB 2 - Burt Vdell - 2 pages C- Testimony on SB 93 - Mike Graine - 5 pages D - Testimony on SB 95 - Terrie Heer - 1 page E - Testimony on SB 94 - Mike Graine - 4 pages F - Testimony on HELP - Mike Graine - 2 pages G- Testimony on SB 94 - Lisa Strader - 1 page H - Testimony on SB 95 - Mike Graine - 4 pages

Submitted by: Reviewed by:

Kus Soumie Peter Green Assistant Administrator