



Governor Atiyeh

TO: Denny Miles
Larry Sturholm

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FROM:  Jim Russell

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SUBJECT: The Atiyeh Administration after one year.

Governor Atiyeh

First, a general observation: the word "administration" is the key term. In highlighting the first year, administrative appointments must be recognized. For example, I have worked with Department of General Services directors over the years, and Darrell Ralls, even in his short tenure, is far and away the best I have seen. Jane Huston has revitalized the Department of Commerce. Bill Gwinn, Jane's appointee as Real Estate Commissioner, has brought a common sense approach to his job by repealing numerous constricting regulations dealing with such things as the size and wording of real estate salesman calling cards.

Agencies are working better together. For example, Agriculture and Economic Development have resolved difficulties relating to overlapping authority in international trade matters. DEQ and the Aeronautics Division of the Department of Transportation have worked out acceptable regulations governing airport noise emissions.

The Oregon State Fair Commission is no longer merely an advisory body, but instead has been vested with substantial approval authority over expenditures, contracts and activities conducted at the fair.

In specific activity areas:

WORKERS' COMPENSATION: Passage of SB 255 allows us to begin the process of changing SAIF from a state agency to a public corporation, to operate competitively with private enterprise and more efficiently under a board of directors. An extremely qualified board has been appointed. Substantial cost savings are anticipated through removal of state agency constraints and through operation of SAIF as, in essence, a private-sector insurance company.

The Governor's Task Force on Workers' Compensation is rounding out the first year of its in-depth analysis of all aspects of the workers' compensation system, to provide the Governor with recommendations for providing satisfactory benefits to injured workers and their families at a reasonable cost to the employers.

TRANSPORTATION: Although many other factors were involved, the Governor's statements were substantial contributing factors in the Carter Administration's failure to eliminate certain Amtrak runs in Oregon.

Since the March 19, 1979 announcement of the \$39.2 million program to rehabilitate Oregon's deteriorating road system, the Transportation Department has



emphasized preservation and rehabilitation of the present highway system rather than new construction. This emphasis is notable in the Department's Preliminary Six-Year Highway Improvement Program announced in September, 1979.

SJR 7 will be before the voters next year. This proposed constitutional amendment would ~~limit highway fund revenues~~ to highway and rest area expenditures, eliminating expenditures for law enforcement, parks, and other activities only tangentially related to highways.

The Willamette Rail Study Project may, if certain labor and trackage matters are resolved, be implemented for eighteen months to determine if a "Willamette Valley Amtrak" system is feasible.

The Banfield Transit Way Project will be implemented. This unified highway improvement/light rail project should ease the traffic problems between Portland and east Multnomah County.

The Governor has personally intervened in the Civil Aeronautics Board proceedings on behalf of the City of Salem to require retention of service by United Airlines until essential air service can be provided by another air carrier. CAB has acceded to our combined requests. Based on recent news reports it appears that Air Oregon may eventually provide such essential air service, although CAB has not included direct traffic to San Francisco within such essential air service, as we urged.

ECONOMIC DEVELOPMENT: The Governor throughout the year has personally assisted the Department of Economic Development in expanding Oregon's business base. He telephoned the president of Miller's Brewery regarding the hop plant in Woodburn and met with the president of Maruman concerning location of the silicon wafer manufacturing plant in Gresham. He was also involved in the location of Siltek in Salem.

The importance of the Forbes Magazine layout must be recognized.

In the area of international trade, the Governor participated in the trade mission to Taiwan, Japan, and Korea; co-hosted the NGA/Federal International Trade Conference in Seattle; and has participated, both in behalf of the Department of Economic Development and the Department of Agriculture, in welcoming trade missions to Oregon.

PNRC: As state-cochairman the Governor has been instrumental in providing funding for the following projects of interest to Oregonians:

- (1) Completion of remodeling of a Goodwill Industries building in Medford, thereby making this organization fully operational after the main facility had been destroyed by fire.
- (2) Granting of funds to determine the commercial feasibility of

growing large fresh-water Malaysian shrimp in the warm geothermal waters in Klamath County.

- (3) Development of a lower Columbia salmon resource facility at Young's Bay.
- (4) Determination of costs to business of government regulation in Oregon.
- (5) Provision for assistance to low income families for weatherization of residences.
- (6) A project to inventory gravel and allied rock resources in the Willamette Valley area. This resource is currently in scarce supply. The inventory is also important at this time because comprehensive land-use plans are now being developed that could put future constraints on mining of this mineral resource.

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