



STATE OF OREGON

INTEROFFICE MEMO

TO: Governor

FROM: Gerry

SUBJECT: 4/13 Cabinet

DATE: April 13, 1984

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~~AGovernor 1984~~
Governor Atiyeh

Ross - continuing to move forward on destination resorts through amendment to Goal 8.

Miller - City of Springfield and Lane County arguing over proposed logging district-land use issue. Zoning does not indicate logging as a primary use. Now in court for restraining order. City in process of issuing new ordinance that would allow no more than 5 trees logged from private property per year. Appears city will gain authority to regulate.

Hemmingway - has been in D.C. testifying on BPA budget. Oregon delegation becoming interested in ACS (average cost system). More and more talk about the possibility of Peter Johnson leaving.

Hansen- illegal dump site being investigated in the Trask River area. Miller raised some concerns about the Regional Haze Study as it will relate to prescribed burning, i.e. slash burn.

Maudlin - An aid to Johnson to all PUC commissions has written and asked for meeting about ACS. However, still not willing to consult as is required by law. Oregon will not attend; Montana won't; Idaho will go to protest process; Washington will go to argue.

Peter Johnson's statement that he will get into Ec. Dev. by attracting industry through "surplus power." Doesn't appear there is any grand plan.

John Hayes, reporter, has resigned from the Oregonian.

Frank - session yesterday on co-generation. Coming closer together. Choices for decision will be outlined to Gov. next Tuesday by Thompson and Frank.

Some Trojan operators tested by NRC and several failed test. NRC is now arguing the PGE's annual tests have been too easy. Previously, Trojan's operators tested by PGE have consistently had the highest test passage of any in nation. NRC suspicious PGE's test too easy. There may be some public discussion.

Water Resources - arguments still continue on Deschutes Dam.
Throop maintains legislative council says would be illegal;
Water Resources maintains would be legal. Local irrigation
district maintains would be legal. Throop may ask for formal
AG's opinion.

Hull - nothing

Talbot - being asked to pay some back taxes for some property
which had agriculture deferral (EFU Zone) in Wheatland
Ferry area. Property had been leased. May ask for
legislation to correct.

Guides and Packers having trouble again on the Rogue
because of regulated traffic. Looks like resolved
locally but may go to public hearing.

Anderson - Mideast report in by 5:00 o'clock this p.m.

Commission hearings going well.

In Eugene, Brian Obie reported to have been angry at
Governor and state government. Next hearing May 9th in
Portland, then May 15 in Salem. Invited agencies to
participate.

Analysis: Portland's economical performance at par with
U.S. and ahead of all other NW system. All other cities
declining or, at best, holding. Same trend in state of
Washington. Ending with absolute distinction -- the have's
in Portland and the have not's everywhere else. Trans-
portation is the most significant factor. Also, large
labor force.

Alexander Grant report drops Oregon from 43rd to 47th.

Alot of frustration out there because local economic
development efforts not working, so fingers being pointed
at the state as the scapegoat. Mike Miller said Lane
County has been repeatedly warned about their timber
based economy and the waning resource supply. De-
regulation of airlines has hurt air transportation down-state
but has distinctly advantaged Portland area. Mike Miller
feels balance between environment and economy is lost in
Oregon -- says Fish & Wildlife would agree. Need to look
at NEPA, Wilderness Act, etc. This is exactly why Willamette
Industries is no longer acquiring land in Oregon & moving
to the south.

Economic Development (cont.)

We may need to move toward regional targeted incentives.

Talbot questioned what seems to be lack of support to tourism industry. Anderson feels should be viewed as number one alternative. Oregon is not competing and should be on a worldwide basis.

Hemmingway asked why state is reluctant to admit there is a problem, that economy is moving toward service-based industry and deal up-front with local down-state communities.

GT:ds