



2007 AeA Oregon Council legislative agenda

AeA Oregon Council legislative approach in the 2007 session -- major themes

AeA will strive to be **aggressively bi-partisan** in its approach to the 2007 Legislature. Excessive partisanship has too often gotten in the way of sensible solutions to Oregon's challenges.

AeA will seek to educate lawmakers about the **continuing important role the high-tech industry** plays in Oregon in terms of jobs, high wages, community involvement, and support for educational excellence.

AeA will continue to help lawmakers understand the **changing global economy** and the need for strong action to promote American competitiveness.

AeA's most important focus will be continuing to improve the state's **higher education programs** in technology areas (engineering, computer science, materials science, and nanotechnology). We seek additional state investments in these areas that will leverage private sector and federal grant support. The goal is to provide greater access for Oregon students and a closer relationship between university research and commercialization of such research.

AeA will play a constructive role in discussions about the **state's tax structure**. While we will defend certain tax provisions that encourage business investment and retention in Oregon, we will also participate in broader discussions about the overall tax system with an eye toward making it more stable.

AeA will be a leader in discussions about regulation of the **internet and the digital economy**. We have national expertise to bring to these areas.

AeA will continue its long-standing role as a moderate voice for **environmental protections** consistent with sound science.

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SPECIFIC ISSUES:

Higher education and research advancements in technology

AeA will continue its successful drive to enhance the quality and capacity of our public university engineering and computer science programs. The Engineering and Technology Industry Council (ETIC) is the main focus of these efforts. ETIC requests \$34 million in new general fund support for 2007-09 to enhance the existing base budget of \$22 million. Funds will provide greater access for students, enhanced excellence, greater research, and substantial private sector matching funds. A key element of this initiative is outreach to young students to encourage them to enter the technology degree pipeline. AeA will continue the AeA Technology Scholarship program in 2007 for top ranked high school students wishing to stay home in Oregon to study engineering and other related disciplines.

AeA also supports continuing investment in the Oregon Nanoscience and Microtechnologies Institute (ONAMI), which has brought together academia, private industry, and federal support to advance nanotechnology research in Oregon.

Protecting the digital economy

AeA will work with state agencies, lawmakers, and other stakeholders to craft identify theft protection legislation covering such areas as notification of customers when a breach has occurred in digital records. Such legislation should be modeled after existing legislation already in place in many other states. AeA also will monitor closely any other proposals to regulate online transactions and communications (such as legislation regulating spyware, or “phishing”).\

State tax policy

AeA will defend key elements of the existing corporate tax structure in Oregon while being open to changes directed at enhancing stability of the system. Specifically, we will defend recent changes in multistate corporate apportionment (“single sales factor”) and the increased cap for the R&D tax credit. We also support the state policy of remaining connected to federal tax code provisions. AeA believes Oregon needs a larger reserve fund for future downturns that could be achieved by raising the cap on the educational stability fund to 10% from the current 5%, as well as discussing ways to more quickly capitalize the fund beyond the current dedication of a portion of lottery revenues.

Long-term, AeA believes that an overall examination of the state’s tax policy is warranted. Among the possible ideas to generate a better economic climate as well as increased stability include reductions in the capital gains tax, reductions in the state’s high marginal income tax rates, coupled with implementation of a consumption tax. AeA understands that any such discussion must be bi-partisan if it is to have any chance with Oregon voters.

In the short-term, AeA is open to discussions about the corporate kicker (with the possibility of dedicating it to a reserve fund) and reasonable increases in the corporate minimum tax.

Defending global sourcing

AeA will oppose legislation that would restrict the ability of a company to sell products to the state if the company does work outside the U.S. Procurement policies should be based upon the best functionality to the agency and the lowest cost to taxpayers, not the geography of the product's sourcing.

Science-based environmental regulations

AeA supports strong environmental protections that are grounded in science and provide clear and reasonable rules. AeA will support funding for the Oregon Department of Environmental Quality to allow the agency to perform its regulatory functions in air, water, and hazardous waste. AeA supports efforts to clean up the state's rivers and lakes, but will oppose unworkable and costly proposals to ban "mixing zone" water discharge permits for industrial and municipal permittees. AeA also opposes bans on the use of chemicals (e.g. certain flame retardants) that have not been shown to be an environmental threat. AeA will closely monitor proposals to address the issue of recycling used computer products ("E-waste").

State procurement regulations

AeA supports efforts to encourage the state to purchase IT products and software locally from Oregon vendors. But AeA opposes laws or regulations dictating purchasing preferences for specific software or hardware platforms. Functionality and price should be the controlling factors in such procurement.

A business-friendly legal system

AeA opposes proposals to relax rules on protective orders issued during civil litigation. AeA also opposes proposals to limit the use of noncompete agreements between employers and employees.

Oregon Innovation Council

AeA will work with the new Oregon Innovation Council to advance recommendations the Council makes to improve the innovation climate in the state.