

OBA Welcomes Louisiana Pacific

OBA Membership continues steady growth with the addition of LP, Three Mile Canyon Farms, Zero Waste Alliance, TREO, Inc. and others

The Oregon Business Association continues to develop a diverse state-wide membership that now includes Louisiana Pacific Corporation, an innovative leader in the competitive building products industry. Headquartered in

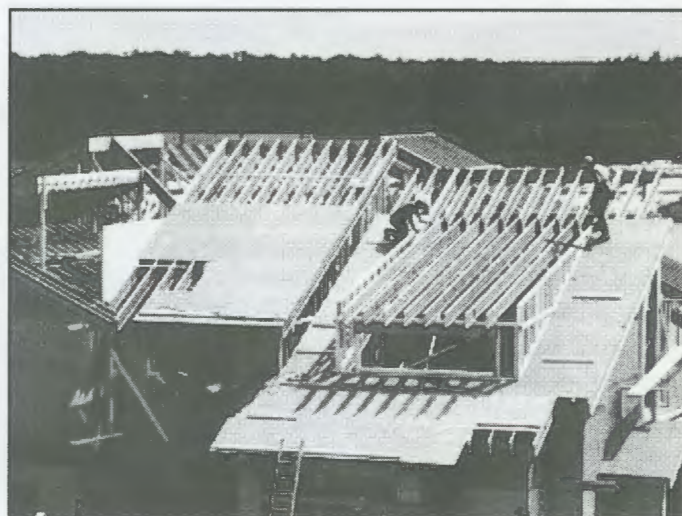
LP is very pleased to be headquartered in Oregon...and intends to pay an important role in the Oregon Business Association.

Ward Hubbell
Vice President of Corporate
Affairs, Louisiana Pacific

managed by LP, all are required to be third-party certified against the strict principles of the American Forest & Paper Association Sustainable Forest Initiative. LP is also an industry pioneer in developing and implementing mill level Environmental Management Systems. Their OSB mills are considered among the cleanest operating in the world. In Oregon, LP was the first to receive DEQ's "green permit" granted by the state for excellence in environmental performance. LP's Chairman and CEO is Mark A. Suwyn.

Oregon, LP is the world's leading supplier of "oriented strand board" (OSB), and North America's largest producer of exterior claddings, as well as the country's number one stud lumber manufacturer.

LP has instituted sweeping environmental changes and is now a recognized leader in sustainable forest practices. Of the 22 million acres of forestland owned or



LP's Goal: Be the premier supplier of building products to the retail, wholesale, homebuilding, and industrial markets.

Other new members of OBA include Zero Waste Alliance, an organization of public and private interests investigating zero waste strategies; TREO, Inc., a large hunting and game preserve in Heppner; Brooks Resources, a real estate development and property management firm based in Bend; and Cogan Owens Cogan LLP, a planning, development, public relations, and public affairs consulting firm located in Portland.

Initially founded by Oregon business leaders seeking a more balanced voice in Salem, the Oregon Business Association is committed to restoring Oregon's tradition of bipartisan collaboration. OBA's agenda focuses on key business issues, such as taxes, as well as education, environmental sustainability, and transportation. *For more information about OBA, please call 503/641-0990.*



Message from the Chairman of the Board

Like you, I have been riveted by the events of recent weeks. Never has New York seemed so close and yet so far. But now is the time to recommit to our personal and professional goals, to move, not just "back to normal", but to *better* than normal. I am more determined than ever to strengthen my business, my state, and my country. I am more dedicated than ever to the growth and development of the Oregon Business Association, and even more certain of the power of bipartisan cooperation in meeting challenge. We have a lot of work to do, friends, but we will be successful. I look forward to working with you.

Tom Kelly

September 11, 2001...8:48. Perspectives.

We asked some of the state's business and political leaders to share their personal perspectives on the events of September 11, 2001 with the members of the Oregon Business Association.



The days since the terrorist attacks of September 11 have been difficult. I am so proud of all the Oregonians who are showing their determination to preserve American democracy. I know many of the nation's businesses are feeling the aftershocks of our national tragedy. But I have no doubt that Oregon businesses will be as resilient as ever in the face of this crisis. I appreciate the time and resources so many of you have given to rescue and assistance efforts. Your generosity and your entrepreneurial spirit will maintain our economic success and contribute to our victory.

U.S. Senator Ron Wyden

My father served in World War II, as did many of our parents. They came home not only victorious, but determined to make that victory mean something. They did — by helping spread freedom and democracy across the globe — a job that remains unfinished. I ask of all of us to approach the coming struggle in the same vein.



In honor of the memory of those who have died, we must ensure that our response to their death not only changes the world but changes the world for the better.

Governor John Kitzhaber

A sense of helplessness is probably a common emotion in the aftermath of the September 11th terrorist attacks: helplessness as to how to comfort and support the families of victims, how to aid in rescue and recovery efforts, how to stop terrorism, and how to shore up a slumping economy. We cannot do it all, so perhaps focus on a seemingly small aspect of your business or profession to find a meaningful way to contribute. For example, my company---NIKE--- known primarily for its innovative athletic footwear, found that what rescue workers in Manhattan sorely needed were....socks; simple, everyday athletic socks to replace soaked, grimy socks when they took breaks in their exhausting work. So, we have sent 11,400 pairs of them for those rescue workers. So, focus and think simply, and just do it.

**Paul Kelly, General Counsel/
International Law & Government Affairs, NIKE**

Staggered by the vicious attack of Sept. 11th and its aftermath of dismay, grief and sorrow I noted with little enthusiasm that I was scheduled to speak on three separate occasions at customer invited seminars around the State. My state of shock and reluctance quickly changed to one of hope and pride as I witnessed our customer's patriotism and resolve that they will stand together in this time of tragedy. September 11th changed America, but it was obvious to me through the Oregonians I listened to that we will conquer this challenge as the "greatest generation" did theirs and we as a united people and as a united nation will be better for it.

Stu Hall, President/CEO, Liberty Northwest



During World War II, General George Marshall was asked if America had a "secret weapon" which would win the war. Marshall responded, "Our secret weapons are the best darned kids in the world." What was true a half a century ago is true today. America is blessed with the best darned kids in the world. Many of those "kids" serve in fire departments and police departments, and we saw their courage in the wake of the attacks on New York City and the Pentagon. And many, of course, wear the uniform of our country, and will be asked to put their life on the line to ensure victory in the war on terrorism. What can Oregon businessmen and women do in the months ahead? You can offer unqualified support to employees who are members of the Oregon National Guard. You can proudly fly the American flag. You can say thank you to the men and women of your local fire and police departments. You can contribute to charities like the American Red Cross. And you can take heart in the fact that despite the best efforts of terrorists, the American economy will survive, and our country will emerge from this battle stronger and more united than ever.

U.S. Senator Gordon Smith

As we move forward with courage in the months to come, the American spirit must be stronger than any hate. We must not allow the brush of a fanatic few to paint entire nations, religions, or ethnic groups with the stain of evil. We also must be ever mindful that, in our fight for freedom in the world, we do not lose it at home. The balance between our national security and our personal liberty is most precious and its preservation most critical.



Former Governor Victor Atiyeh

Tragedies, such as what occurred September 11, should never be forgotten, but rather should serve as reminders to the freedoms we hold in this country and how important it is to protect them. It is now in the best interest of our country and all of its citizens to resume the normal activities of our lives. Failure to do so only contributes to the objectives of the terrorists.

George Passadore, President, Wells Fargo (Oregon Region)

The events in New York and Washington prompt so many reactions; it's difficult to concentrate on the little things. As we focus on helping rebuild the damage back East, let's not lose sight of the growing needs in Oregon.

Fred Miller, Executive Vice President, PGE

I believe each one of us can assist the President, our military and law enforcement officials in defeating those who would wage war against us through terrorism by not living in fear and by not abandoning the pursuit of happiness in our lives.

Brian Gard, President & CEO, Gard & Gerber

Perspectives, cont.

I am confident that somehow, sometime, from the emotional and economic havoc being wreaked upon us, our business life will survive and thrive. While we have never seen the source of our woes instigated in such unfathomable manner, we have weathered mighty storms before from other fronts. *United we stand* has never had such clear meaning and mobilized our society so thoroughly. Whether our business is in rural or urban Oregon, we are truly *One Oregon*, a concept that has previously been banded about by some without benefit of a rally cry. Americans, all, we are resilient to the core; self-reliance and entrepreneurship that *are* democracy, will endure and gain strength from the ashes of this travesty and tragedy.

Gerry Frank, Gerry's Frankly Speaking

At Standard, we watched the tragic events in New York, Pennsylvania and Washington, D.C. with a heavy heart and deep sorrow. While we mourn with the nation, we are grateful that our employees on the East Coast are safe. To provide additional support to the people and communities impacted by the tragic events of September 11, we have established a special company relief fund to which our employees and the company are contributing. These contributions will be directed to The American Red Cross in Portland, to the September 11th Fund, and to relief funds in New York and Washington, D.C. This will allow all of us to make a meaningful contribution to those in need of our assistance.

*Kim Ledbetter, Senior Vice President
Standard Insurance*

The recent World Trade Center tragedy only underscores the importance of working toward a more sustainable world. As the shock and horror subside, our responses must be informed by great wisdom, addressing root causes, so that we can all be better off."

Darcy Hitchcock, President, AXIS Performance

OBA Activities

John W. Russell, President and CEO of Russell Development Company, Inc. has joined the OBA Board of Directors. Russell will head up the activities of the OBA-PAC.

OBA is now a member of the **Regional Business Alliance for Transportation** which is examining state transportation issues.

OBA co-sponsored the recent **Sustainability Northwest Conference** held in Portland, which brought business and environmental leaders together to discuss key Oregon sustainability issues.

Governor Kitzhaber has appointed OBA's President, Lynn Lundquist, to serve as a member of the **Quality Education Commission**, which will be making ongoing recommendations to the Legislature on education funding.

OBA Committees are currently being formed in the areas of **Education, Business, Sustainability, Transportation, and Member Services Development.**



SPOTLIGHT ON...

Three Mile Canyon Farms

The Sustainable Farm: Potatoes, Milk, and "Cow Power"

One of the nation's truly remarkable farms is growing on 93,000 acres near Boardman, Oregon. Threemile Canyon Farms, a member of the Oregon Business Association, is receiving national recognition as the "Farm of the Future". Using precision irrigation methods and energy conservation technology, this unique enterprise is providing milk, generating green power, and land for conservation.

Threemile Canyon Farms is an Oregon-based joint venture farming enterprise owned by R.D. Offutt Company-Northwest and Bos Family Oregon Farms, and managed by Marty Meyers. They are making big investments in state-of-the-art agricultural systems, modern dairy operations, and waste-to-energy facilities that are resulting in value-added farming and hundreds of new jobs for neighboring rural communities. "It's not easy being a farmer in today's economy but Threemile Canyon Farms is showing how smart business practices and smart environmental practices go hand in hand to create a formula for success," says Marty Myers, General Manager.

Here's part of what you'll find at Threemile Canyon Farms:

- 35,000 acres of precision irrigation fields – producing enough potatoes to feed 7 million people annually, while conserving water and energy.
- Automatic milking carousels – dairy operations that will produce 152,000 gallons of milk daily
- State-of-the-art waste management systems to handle 675 tons of manure each day in an environmentally safe manner. Construction begins this month on a new methane digester to produce 6 mw of "cow power".
- 23,000-acre Conservation Area to protect significant species and habitat of the Columbia Plateau region.

*Interested in learning more about Threemile Canyon Farms?
Contact Len Bergstein, 503/214-8383.*

EDITOR'S NOTES

Correction: In our last issue, the article entitled "OBA's Top 20 Lawmakers" listed Senator Ryan Deckert as a Representative. He is, in fact, a distinguished member of the Oregon State Senate.

Clarification: In the article entitled "Playing the Lawmaking Game", we reported that Representative Karen Minnis was opposed to using SAIF excess reserves for a state-wide rainy day fund. Representative Minnis wishes to clarify that her opposition was to using the federal "MUPL" money for the fund and that, while cautious, she did not specifically exclude other funding sources and is, in fact, "open to a host of ideas."

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Point of View

Fred Miller, Executive Vice President of Portland General Electric, oversees all of PGE's line operations including Distribution, Customer Service, Delivery System Planning, and Engineering, and also heads up PGE's Retail Services and Economic Development areas. He is a former Director of the Oregon Department of Energy as well as the Oregon Department of Transportation, and holds a Ph.D. in economics from Michigan State University. Fred is a member of OBA's Board of Directors.



Managing Your Way Through Change: Higher Electricity Prices

A decade ago, if you asked someone to provide an overview of electric utilities in the Northwest, they would likely respond with comments about abundant supplies, reliable services and low prices.

But today, the scenario is quite different. In a consumer survey earlier this year, Oregonians listed among chief concerns the price of electricity and the potential for power shortages. So what has changed?

Why Power Prices Are Rising. Our utilities have been affected by multiple regional events. They include a lack of new generation, increases in demand, a record drought in the Northwest, and California's failed deregulation attempt.

Utilities all over the West have struggled to keep costs down. They don't like to increase customers' prices. In the end, though, these regional events have resulted in higher power and fuel costs for many utilities, and higher prices for their consumers.

Consider Portland General Electric. We have not had to ask regulators for a significant price increase since 1985. In fact, despite rising energy costs, in January of this year we were able to cancel our request for a 16.5 percent price increase because of our success in dealing in the wholesale market. We've worked hard to hold off an increase for some time, but these continued high prices for wholesale power and fuel have made it necessary to pass them on to our customers.

Where Do We Go From Here? Given today's energy environment, PGE and other utilities believe it is more important than ever to work with customers in helping them manage their energy costs and giving them choices. We all need to focus on energy efficiency and new supplies—including renewable resources.

For instance, PGE offers solutions – such as free energy advice – to all customers. We have energy savings tips and programs at our Web site, www.portlandgeneral.com. Financial assistance, rebates and incentives are available for energy efficiency improvements. And, there will be many more products for managing energy needs in the future.

Additionally, under Oregon's restructuring law, business customers of investor-owned utilities will have the option to buy electricity from other suppliers beginning March 1, 2002.

Finally, as energy supplies increase and power and fuel costs go down, utilities will be able to decrease prices for their customers.

It's certainly more interesting today than ten years ago; however, "the good old days" don't seem too bad sometimes.