

Running Dialogue for the Governor
from Gerry

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APR 1 1984
Governor Atiyeh

April 2, 1984

Jon Yunker reported that interest rates are predicted to increase. Jon is worried. If the prediction is true, it could be devastating to Oregon.

I tend to agree with Jon. It seems as though Oregon's prosperity has been built in the past on inflation. Consequently, when inflation is down, our state continues to suffer and rebounds much, much more slowly than other states.

Further, in recent reports Oregon's rating as it relates to state and local taxes puts us at about 22nd or 23rd in ranking. Given all considerations, this really does not make the state of Oregon look as bad as those that would have us believe our taxation is out of control. Nevertheless, Oregon is only very slowly climbing out of the recession.

Jon's suggestion is that Oregon should send a team to Colorado and Texas. These two states seem to be recovering rapidly from the recession. They are enjoying a much improved economy and economic development is booming. Governor, you might want to give consideration to this suggestion.

April 3, 1984

I conducted a meeting with Fred Heard and Dan Smith, Director of the Building Codes Division. The meeting was a result of the call from Dick Groener. Dick Groener relayed a problem to me that affected his daughter's (or maybe son's) father-in-law Ron Miller. It seems as though Mr. Miller and his wife separated two to three years ago. Mr. Miller moved from his wife's home a year to a year and a half ago. Mr. Miller is an electrician and consequently must carry a valid license in order to practice his trade. A few weeks ago Mr. Miller enrolled in a continuing education class. In order to enter it, he needed to show his license as proof of his being an electrician. Upon presentation of his license, it was called to his attention that his license had been expired for some time. Upon contacting the necessary state officials he was advised he would have to retake the test in order to reinstate his license. Dick Groener feels this to be unfair because of the extenuating circumstances (separation from wife, not living at home). Apparently, in December of 1982 Mr. Miller was sent a notice of expiration and given 90 days to renew his license. The story is that he is no longer living at home and his wife assumed that because this notice was not on postcard form as usual, but contained within an envelope, that it was Mr. Miller's renewed license rather than notice of expiration. This piece of mail was ignored. Now, fifteen months later Mr. Miller finds himself in the position of having to ask for reinstatement and feels it unfair to be required to take the necessary test. Heard and Smith have fully researched the law and find that they have neither flexibility nor authority to waive any rule or statute that would indicate otherwise. This appears to be solely the decision of the Electrical Board.

I advised Dick Groener of the situation and suggested that if Mr. Miller does not wish to take the test for reinstatement that he can appeal this case before the Electrical Board. It would be my hope that they would be sympathetic to Mr. Miller's situation but no promises could be given.

It was fully my opinion that Dick Groener was looking for a favor and upon my advice that the rules could not be violated, he reluctantly accepted the decision. You may hear further from him, Governor.

UPDATE ON RAJNEESHPURAM

Attorney General Frohnmayer has resubmitted the court challenge to the Supreme Court. The 119 acres under question are still under the Building Codes Division jurisdiction. Until the case is settled in the courts, Dan Smith can issue no new permits for building based on the advise of the Attorney General. The Rajneeshees are currently in the process of challenging this action and the injunction on new building permits.

Marla Rae from the AG's office called to notify me that the federal government had "screwed up" again in the Fairview investigation. Apparently, Bradford Reynolds of the Civil Rights Division had recently released a report to Congress. In that report were listed nine institutions including Fairview Home with a lengthy list of allegations. Some of these allegations had not even been heard by us but Oregon was accused of stone-walling the Civil Rights Division.

Marla Rae, in reciting history, indicated that Reynolds had previously apologized for miscommunications when this matter had been called to his attention by the Attorney General back in December 1983. On February 2, 1984, the Attorney General's office contacted the Civil Rights Division again at which time they agreed to cooperate and would get back to the Attorney General's office with additional information. Nothing more was ever heard.

Marla Rae's concern was the story is now hitting the press and wanted us to be advised of the situation. Attached is a copy of the resulting clipping.

On April 5 Attorney General Frohnmayer called me to advise that he had once again visited with Bradford Reynolds who again apologized, indicated the report was outdated and that it should not have been released publicly but sometimes Congress will do that. Bradford Reynolds indicated that he would be releasing correcting information to the press. Our Attorney General is on his way to clarify this story with Oregon press.

April 4, 1984

Mayor Ivancie called late in the day with absolute panic in his voice. On the line with us was Jim Dolan, the Mayor's chief water engineer (ph. 796-7505). Mayor Ivancie was extremely upset because, as you know, he has recently launched a marketing program for Portland by selling and advertising bottled Bull Run water. Jim Boydston from our State Health Division six months ago had indicated to the Mayor's office that there was no problem with pending rule changes regarding corrosion in the water system. Yesterday, April 3, Jim Boydston called for a meeting with Mr. Dolan. At their meeting today Jim Boydston flashed new rules on corrosion in water systems. These rules caught the City of Portland completely off guard. Apparently there are rules being proposed for banning the use of lead solder for pipes, declaring the lead solder as a health hazard and instituting new incremental series of metals and their affect on the health hazard rules.

Furthermore, Boydston announced there would be formal hearings advertised in the newspaper today or tomorrow with the hearings being conducted on April 23rd.

The Mayor's most grave concern is the impact that would have on his marketing program of the pure water from the Bull Run. Dolan indicated there were "gross logic" errors from an engineering standpoint; that there had been no opportunity for sufficient input from the City of Portland; and that any public forum would refute claims currently being made by the City of Portland.

The Mayor and Dolan's specific requests were that we withhold any further public statements until there had been sufficient time to discuss the situation and that any hearings on rules be postponed for the same reason.

I immediately contacted Joe Murray of DHR. The bad news was that Boydston had already been interviewed on radio the day before and had also been taped for a presentation on television regarding water quality which was to run in the next week or week and a half. The good news was that Murray and the Division of Health had agreed to put a hold on the rules and rule hearings plus any further press releases. The problem seems to center around the disagreement on how to solve water corrosion statewide. There have been two alternatives proposed. One, dumping of lime into the water systems which would cost approximately \$5.00 per meter; or, two, a state ban on lead soldering for pipes which then would result in natural clean up of lead in water systems within the next ten to twelve years. The second is the alternative that the Mayor prefers. The Mayor's office in subsequent conversation also indicated to me that the Water Advisory Board had advised the state the best alternative would have been the second one also; and that the State Division of Health had chosen to literally fly in the face of their own board's advice.

Second disagreement seems to center around a number of parts per billion of lead allowed in water. The federal standards are fifty parts per billion in standing water. The state has indicated it should be twenty-five parts per billion in moving water. It could be that local health officials feel this to be too stringent a requirement. However, in subsequent conversations with the mayor's office it was indicated that the twenty-five parts per billion is on an incremental basis which then creates ⁱⁿequities in the standards.

The Health Division is under extreme pressure by the "Citizens for a Lead-Free Environment." Statistics indicate that 80% of ingested lead comes from autos. Furthermore, plumbers and manufacturers of pipe obviously would have a problem with the ban of lead soldering for copper tubing. Kris Gebbie is scheduled to return from out-of-state within the next week at which time we will conduct full discussions around the problem.

GT/dr
Attachment