

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

3039

2007 HOUSE POLITICAL SUBDIVISIONS

HCR 3039

2007 HOUSE STANDING COMMITTEE MINUTES

Resolution No. HCR 3039

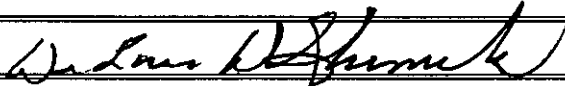
House Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: February 8, 2007

Recorder Job Number: 3107

Committee Clerk Signature



Minutes:

Chairman Herbel opened the hearing on HCR 3039.

Rep. O'Connell: Encouraging free trade between the US and Taiwan. They are really interested in organic farming.(see testimony #1)

Neal Fisher: (see testimony #2)

Rep. Lawrence Klemin What would it accomplish that is not already being done?

Neal Fisher: In wheat we have great competition with Australia and Canada and this is a jester of good faith to them.

Rep. Lee Kaldor This is one side of the bargaining. What do they want from us?

Neal Fisher: To be somewhat speculative for me to venture into that very far. We do know they have been very conscious of who they are; where they are trying to retain their own identify and their own business with the US and not be over shadowed by mainland China.

Chairman Herbel Senator O'Connell mentioned they are into health food, would that have any connection?

Sherrie Harms, Contract Employee with the ND Trade Office: I just want to express support of this trade agreement with Taiwain. There is tremendous opportunity for other

companies in Taiwan. Companies that went to Taiwan had great response after the trip and had a lot of trade agreement business.

Opposition: None

Chairman Herbel reopened the hearing on HCR 3039.

Rep. Nancy Johnson Made a Motion to Move the Amendment to say \$507,000 Seconded by

Rep. Kim Koppelman

Motion Carried By Voice Vote.

Do Pass As Amended Motion Made By Rep. Nancy Johnson Seconded By Rep. Kim

Koppelman

No Discussion:

Vote: 12 Yes 0 No 2 Absent Carrier: Rep. Nancy Johnson

Hearing closed.

Date: 2-8-07
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3039

House Political Subdivisions Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass An Amend

Motion Made By Rep. Johnson Seconded By Rep. Koppelman

Representatives	Yes	No	Representatives	Yes	No
Rep. Gil Herbel-Chairman	✓		Rep. Kari Conrad	✓	
Rep. Dwight Wrangham-V. Chair	✓		Rep. Chris Griffin	✓	
Rep. Donald Dietrich	✓		Rep. Lee Kaldor	✓	
Rep. Patrick Hatlestad	✓		Rep. Louis Pinkerton	✓	
Rep. Nancy Johnson	✓		Rep. Steve Zaiser	✓	
Rep. Lawrence Klemin	✓				
Rep. Kim Koppelman	✓				
Rep. William Kretschmar	✓				
Rep. Vonnie Pietsch	—				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Rep. Johnson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HCR 3039: Political Subdivisions Committee (Rep. Herbel, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HCR 3039 was placed on the Sixth order on the calendar.

Page 1, line 9, replace "4,042,000" with "585,000"

Renumber accordingly

2007 SENATE GOVERNMENT AND VETERANS AFFAIRS

HCR 3039

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 3039

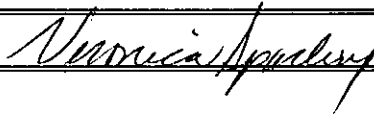
Senate Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 03/15/07

Recorder Job Number: 5150

Committee Clerk Signature



Minutes:

All members of the committee were present.

Senator Dever, Chairman, opened the hearing on HCR 3039.

Representative Jeff Delzer from District 8 introduced the resolution. He emphasized the importance of Taiwan as a trade partner of the US. Taiwan is one of the top five users of North Dakota products outside our border.

There was discussion about the fact that the resolution had a 0200 number. Senator Nelson said it was because a correction was made on the metric tons in line 9.

There was discussion about trading with Taiwan and the interrelationship with China-US trade and Taiwan-US trade.

Senator Judy Lee from District 13 spoke in favor of the resolution. She mentioned that the free government in Taiwan is more closely paralleled with the kind of government we have in the US. It is important for Taiwan in the business relationships they are establishing to have this kind of support from the state of North Dakota. They are a large consumer of agricultural products. This resolution recognized the importance of the trading relationship between Taiwan and the US.

Senator Nelson asked about the part of the resolution that would grant Taiwan observer status at the World Health Assembly.

Senator Lee said she understands that they have made significant advances in healthcare.

There is a struggle between China and Taiwan both vying for recognition in that area.

Senator Oehlke mentioned that some insurance carriers are encouraging people to get significant medical procedures done out of the country because they can get it done a lot cheaper.

Senator Lee said she has also seen information about people going overseas for organ transplants. She feels it is best to have it done here in our country. We do have very good medical care and people from all over come here. Another consideration is after a surgery it takes a lot of energy to fly back home and even after you get home there is always the chance that something may go wrong and then you would be so far from the care team that did the surgery. She is disappointed that some carriers are suggesting it.

Senator Marcellais said he heard on a national news report that the best medical care is with the Veteran's Administration.

Senator Lee said the VA is a champion in Health Information Technology and record keeping.

Senator Dave O'Connell from District 6 spoke in favor of the resolution. See attachment # 1.

He met with the leaders of Taiwan and toured their experiment farms. He said they are very into organic healthy food. They are very progressive. There are 36,000 Taiwanese students in the US going to our colleges right now. Most of their elected officials have been educated in the US. Taiwan is a very clean country and they have a good work ethic. Because fuel prices are getting so high they would like to set up warehouses over here in North Dakota so they could get it out to their consumers.

Senator Dever asked if we supply them with agricultural products what do they supply us with?

Senator O'Connell said they supply us with manufactured goods.

Lance Gaebe from the Governor's office with the agricultural and natural resource entry issues spoke in favor of the resolution. He said the Governor's office supports this resolution. The trade relationship with Taiwan has been good and longstanding. He mentioned that in addition to the agricultural products we trade with them the UND Aerospace Center set up training contracts for Taiwanese Airlines for pilot training and air traffic controllers. Cass County Aerotech also expanded their services by providing roller ramps to make facilities in Taiwan wheelchair accessible. He also mentioned that soybean production is up because of the consumption of tofu in Taiwan.

Senator Horne asked if we presently trade with Taiwan why we need a "free trade" agreement.

How would a free trade agreement be helpful?

Lance said we do trade with them now but some products have tariffs added both ways. This would help eliminate or reduce those tariffs.

Neil Fisher, Administrator of North Dakota Wheat Commission, spoke in favor of the resolution. He mentioned that the trading relationship with Taiwan has been very good. Taiwan is consistently one of our top five customers out of the 85 countries we sell spring wheat to each year. They import approximately 25 million bushels from North Dakota each year. It's a cash market for our state and a growing market. The Taiwanese are always interested in more products.

Senator Dever asked how the trade we presently have with Taiwan would be enhanced by the free trade agreement.

Neil said we need to make the overall trade relationship as friendly as possible. We need to maintain our market share that is being courted so hard by our competitors. The Australians

enjoy quite a logistical advantage over North Dakota wheat by the time we ship the wheat over a continent and over an ocean.

Senator Dever asked if there were some barriers that would come down.

Neil said nothing specific is looming but he just doesn't want to jeopardize the relationship. The 95% market we enjoy with our spring wheat is indeed rare. We don't want to lose that.

Support: -

Opposition: -

Neutral: -

A do pass motion was made by Senator Lee.

The motion was seconded by Senator Oehlke.

Roll Call Vote: Yes 6 No 0 Absent 0

Carrier: Oehlke

Date: 3-15-07
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 3039

Senate Government and Veterans Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken do pass

Motion Made By Lee Seconded By Oehlke

Senators	Yes	No	Senators	Yes	No
Senator Dick Dever - Chairman	✓		Senator Robert Horne	✓	
Senator Dave Oehlke - VC	✓		Senator Richard Marcellais	✓	
Senator Judy Lee	✓		Senator Carolyn Nelson	✓	

Total (Yes) 6 No 0

Absent 0

Floor Assignment Oehlke

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 15, 2007 12:12 p.m.

Module No: SR-49-5404
Carrier: Oehlke
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HCR 3039, as engrossed: Government and Veterans Affairs Committee (Sen. Dever, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HCR 3039 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

HCR 3039

HCR 3039 Summary

Attachment #1

Senator David P. O'Connell

A concurrent resolution urging the United States Secretary of Commerce to complete a Taiwan-United States free trade agreement.

In 2005-2006, Taiwan imported 4,042,000 metric tons of hard red spring wheat from the United States.

This resolution would encourage free trade between both the United States and Taiwan, and would encourage innovation and new cooperative ventures for producers, entrepreneurs and farmers in North Dakota and abroad.

*Same
given to
House / Senate*

**Testimony of Neal Fisher
Administrator --- North Dakota Wheat Commission**

Before the N.D. House of Representatives, Political Subdivisions Committee

**Concurrent Resolution 3039
Thursday, February 8, 2007**

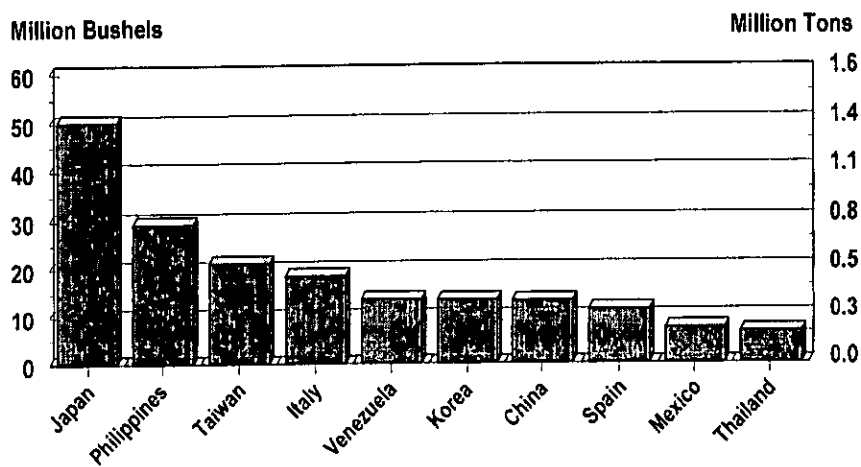
Chairman Herbel and members of the House Political Subdivisions Committee, I am Neal Fisher, Administrator of the North Dakota Wheat Commission. I am here today to testify in support of Concurrent Resolution 3039 which urges the U.S. Secretary of Commerce to complete a Taiwan-United States free trade agreement.

Included as a part of my testimony is some background material which illustrates the importance of the Taiwan market to North Dakota wheat producers, and a few points as to why a free trade agreement would only help to make this very good economic and strategic relationship, even better.

Taiwan is a very important market for U.S. wheat, especially for the hard red spring wheat produced right here in North Dakota.

- Annually imports 35 million bushels (950,000 metric tons) of all U.S. wheat classes
- Annually imports 21 million bushels (570,000 metric tons) of hard red spring wheat
-

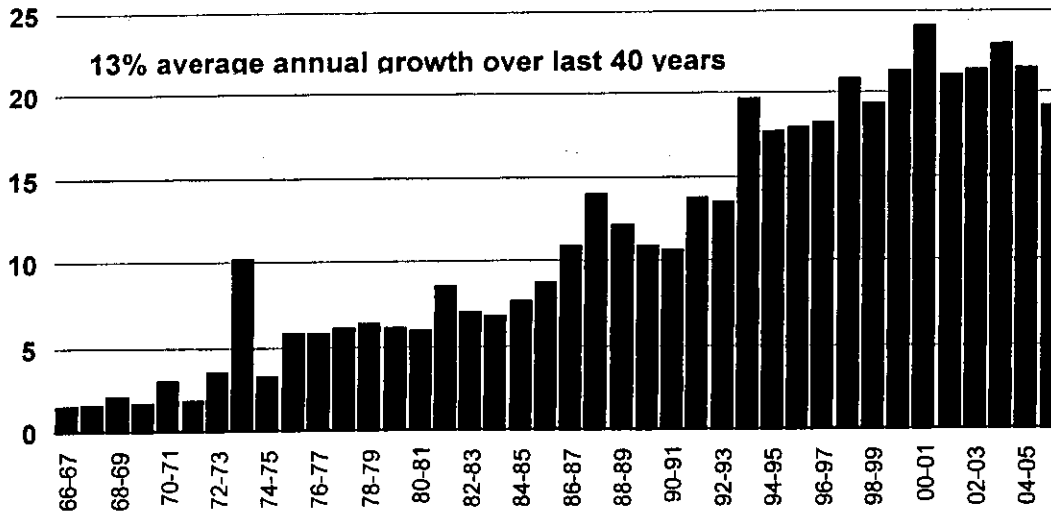
**TOP IMPORTERS OF U.S. HRS
FIVE-YEAR AVERAGE (2001-02 to 2005-06)**



- This ranks Taiwan as a solid Top Ten market for all U.S. wheat exports and as a Top Five customer for hard red spring wheat
- High value as well as volume -- Typically buys the highest grade and some of the highest protein levels
- Provides consistent, cash business at premium prices -- A market we want to keep!

- As chart illustrates, U.S. exports of HRS have grown at the rate of 13% annually over the last 40 years -- but still room for more growth.

U.S. Hard Red Spring Wheat Exports to Taiwan (million bushels)



- Hard white wheat and durum are two additional classes that could see expanding demand in the future – direct benefit to North Dakota producers as well.

The North Dakota Wheat Commission has hosted a number of trade delegations from Taiwan over the years, working with our state and national political leadership on many occasions with the Taiwan Buying Missions and other similar good-will missions. We are also heavily involved through our relationship with U.S. Wheat Associates, the Northern Crops Institute and NDSU in providing specific technical education on crop quality and marketing issues for our Taiwan customers.

Through these meetings, it is clear they value the relationship they have with U.S. wheat producers, especially producers in our area, and they are continually trying to enhance that relationship. Our wheat has provided good value to them over the years. It continues to do so, but the competitors continue to knock on the doors, offering cheaper prices and other contract incentives. Although the U.S. continues to enjoy an 85% or greater market share, Australia has made rapid gains over the past two years. The fact that Taiwan pays premium prices will continue to make them a target in the increasingly keen global market.

A U.S.- Taiwan free trade agreement would be very useful in helping ensure our producers stay ahead of the competition and potentially foster more direct business relationships between North Dakota producers and our long-time customers in Taiwan.

It is clear that the past history of wheat trade between the U.S. and Taiwan has been very good for both parties. A trade agreement would ensure this beneficial relationship continues, placing U.S. producers in the best position possible to capitalize on future opportunities.

Thank you for the time Mr. Chairman. I would be happy to answer any questions you may have at this time.