

My name is Ed McKenney. I am one of the founders of Gem Equipment of Oregon Inc. a locally owned company that employs 140 Oregonians to design, manufacture and install food processing equipment. French fry potato equipment manufactured by this company is currently in operation on six continents. Last week Gem shipped a blancher to a European customer. This machine required four forty foot containers plus four over-width truckloads. This is the first of three shipments for this project.

I am against raising Oregon's minimum wage because this increase would make it harder for young people to get their first job, increase living expenses for low income elderly, and make it more difficult for Oregon manufacturers to compete with competitors located in low cost states, such as Idaho.

Just the threat of a higher minimum wage is forcing Gem Equipment to consider locating expansion of facilities outside of Oregon. At this time two projects, that are not french fry potatoes are being completed and will be in full operation within two months. Both involve relatively new products. One has survived extensive test marketing, the other has had a small amount of test marketing. If either one of these products are successful in the market place, Gem Equipment will need more office and production space. The proposed increase in minimum wage would strongly encourage locating this expansion outside of Oregon. A short term option would be to subcontract some of the work to manufacturers in Idaho.

An interesting side note — the CEO of the Taylor Economic Development Corporation located in Tayler Texas, a bedroom community of Austin, will be meeting with companies in this area next week.

Thank you for this opportunity to testify.