

My name is Ron Buel and I'm the chair of the Public Bank Alliance.

I am very definitely a capitalist. I spent 13 years working for Nike, where I rose to the position of Director of Business and Strategic Planning, reporting to the CEO. After leaving the company in 1997, I was the founder or co-founder of three separate business start-ups in Oregon, for which I raised \$5 million from 144 different investors. Despite these investments, we always had trouble getting enough capital for each of these businesses.

In fact, the Lundquist School of Business at the University of Oregon recently did a study of small and medium sized businesses in Oregon, asking them what they needed to become more successful, to hire more people and build our state's economy. Uniformly, the study found that small and middle-sized local businesses need capital more than any other thing.

Yes, some venture capitalists and angels provide capital in Oregon. Yes, there are SBA loans. And banks in Oregon loan a lot of money to businesses. But what I discovered with banks is that to get a loan of a million dollars, to a small or mid-sized business, they want you to have a million dollars in deposits in their bank.

So, this capitalist became intrigued with my study of the North Dakota State Bank, now 100 years old. It has 23,000 commercial loans to North Dakota businesses, and with the interest on those loans it has built billions in assets, which it uses for many useful public purposes, including loans for affordable housing development, and low-interest loans to local college students, and financing big infrastructure projects for the State, saving the State hundreds of millions in fees to Wall Street.

So, what's wrong with relying on the big banks providing service in Oregon – Bank of America, Chase, Key Bank, Wells Fargo and US Bank for example?

The two biggest banks in Oregon are Wells Fargo, headquartered in San Francisco, which acquired First National Bank of Oregon; and U.S. Bank, which started in Oregon and formed US Bancorp that then acquired dozens of banks across the West and Midwest before moving its headquarters to Minneapolis. Wells and U.S. lead the state by far in commercial lending, and they have been doing so for a long time. The problem is that these two banks take hundreds of millions of dollars a year OUT OF OREGON and ship it to their wealthy shareholders across the globe. I am confident that Wells and U.S. took more than \$500 million out of Oregon and paid it to shareholders in dividends and stock buybacks in 2018. Altogether, Wells, according to its own annual report, paid investors \$25.8 billion in dividends and stock buy-backs last calendar year. US Bancorp paid shareholders a more modest \$2 billion in dividends in 2018.

I say, keep the money local and invested in local businesses. That's what a municipal bank can do. We can have them in Eugene, Salem, Albany, Bend, Medford and Pendleton, providing public service, working in the public interest, building the local economies. We are not asking you to create a municipal bank. Just help us pass this enabling legislation so cities can get started doing so. Jacob Mundaden, the chief financial regulator in Oregon wrote to me that there is a clear path for municipal banks to get underway. Our legislation and the amendments, not yet re-worked by Legislative Counsel, clarify that process.