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Sent: Monday, January 24, 2005 2:37 PM
Attach: pnwer_logo.gif; pnwer_collage.jpg; montlake_logo.jpg
Subject: PNWER Newsletter 01-24-05

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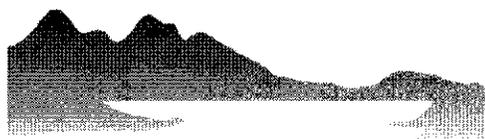
**Pacific NorthWest
Economic Region**



Recent News and Commentary on the Economy of the Pacific Northwest

Monday, January 24, 2005

A Newsletter Provided As A Public
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National Bureau of Economic Research

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In the News

American consumer confidence dips - American consumer confidence, which had risen in early December after three monthly declines, lost a bit of ground at the start of the new year. The AP-Ipsos consumer confidence index dipped to 92.5 in early January, a drop of 1.5 percent from a reading of 93.9 in early December. The weakness came from lower consumer sentiments about current economic conditions, personal finances and job prospects.

Four-week average of new claims steady as weekly claims surge - First-time claims for U.S. unemployment benefits jumped by 43,000 to 364,000 last week, the highest since September, the Labor Department reported Thursday. It was the biggest increase in nearly three years. However, a Labor Department official once again encouraged users of the data to look at the less-volatile, more-informative four-week moving average of new claims, which rose by 750 to 333,000.

U.S. non-manufacturing sector posts healthy increase - Purchasing and supply executives report that business activity continued to increase in December in the non-manufacturing sector, with the fastest rate of increase since July 2004. The Business Activity Index for December

PNWER News

PNWER State Capitol Visits

2005 begins quickly for PNWER the trips to the US state capitol the region are already underway.

Legislators from the Executive Committee are traveling during January and February.

Last week PNWER visited the Alaskan capitol of Juneau and with legislators, the Governor, government branches.

PNWER also held a reception Juneau, co-hosted by the Can Consulate.

This week finds the PNWER legislators in Boise, Idaho where they again had a range of meetings that included the Governor, House Speaker and Senate President.

Both trips included the PNWER pizza lunch, a casual visit between local legislators and PNWER delegates, where people get acquainted with who PNWER what we do.

Trips to Olympia, Washington, Salem, Oregon, and Helena Montana are also scheduled. f

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is 63.1 percent, up 1.8 percentage points from November's 61.3 percent. December's index indicates continued growth across most non-manufacturing industries.

December hiring helped fuel most job growth in 5 years - U.S.

employers added 157,000 workers overall to their payrolls in December, bringing the year-end total of new jobs to 2.2 million, the best showing in five years. The unemployment rate held steady at 5.4 percent. The Labor Department reported Friday that the 2.2 million new jobs created in 2004 were the most in any year since 1999, when employers added 3.2 million positions, based on a government survey of businesses. In 2003, there was a net 61,000 reduction in payroll jobs.

U.S. factory orders rose in November

- New orders for U.S.-made manufactured goods rose a greater-than-forecast 1.2 percent in November after October's gains were revised higher, the Commerce Department said. New orders rose a revised 0.9 percent in October, nearly doubling the initial estimate of a 0.5 percent increase.

Details emerge on Bush proposal for Social Security

- The Bush administration is focusing on a Social Security proposal that would allow younger workers to invest nearly two-thirds of their payroll taxes in private accounts, with contributions limited to about \$1,000 to \$1,300 a year, an administration official said Tuesday. A proposal is expected to be unveiled in late February. But the White House cautioned that President Bush has not decided on a specific plan.

Melting ice may create new polar shipping shortcut

- An international consortium of scientists has concluded that the polar ice cap is melting at such an alarming rate that cargo ships could begin using the Arctic Ocean as a shortcut between Asia, Europe and the East Coast within decades. Once a pipe dream, steaming across the pole is now getting serious attention.

see PNWER's web site for more information.

Commentary

The cure for homelessness

Editorial from the [Oregonian](#)

Each winter, you can almost g the rise in Portlanders' empathy the homeless. When the merc drops, the rain slices diagonall the wind starts to slap us aroul gets harder to shrug off people sleeping under bridges and crouching in church doorways.

They shouldn't be there. It's haunting to realize, when you' scurrying home to dinner and lamplight, that they're roaming shadows. No one awaits them address is Nowhere.

Empathy alone doesn't help, o course, but apathy doesn't do good, either. Last month, city a county officials unveiled a fres approach. Their 10-year action to end homelessness in the Pe area is built on the latest rese about the homeless and the ne thinking about how to help the housing.

The plan, packed with data an including excerpts of interview homeless people themselves, worth reading by anyone who about this issue, and anyone ti the same old approaches. A fe things that pop out:

Right now, roughly half the resources spent on homelessr go to help 10 percent of the homeless population, as they c in and out of shelters.

Providing shelter on a cold nig imperative, but the community more bang for its buck when resources are directed toward housing, not just warehousing, homeless.

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Gas prices follow dropping oil prices - U.S. gasoline pump prices fell 3 1/2 cents in the past three weeks to an average of \$1.79 a gallon, Trilby Lundberg said, citing a survey of 7,000 filling stations by her Camarillo, Calif., research firm. Retail gasoline prices are down by 25 cents since Oct. 22, according to Lundberg's data, matching a decline in benchmark crude oil futures prices.

Some sectors to see surge in job growth - During the last two years, the United States experienced some of the strongest economic growth in its history. Unfortunately, the increase in employment was not as robust as many economists predicted. In what sectors can new jobs be expected during the next 12 months? They should be found in many industries. And some should experience significant additions. The sectors of health care, biotechnology, nanotechnology, computer technology, retail, banking, and security should all experience employment increases throughout the year.

Canada ponders law to end drug sales to U.S. - Canadian health officials are drafting a proposal to prevent Internet pharmacies from selling mail-order prescription drugs to U.S. consumers, a move that would essentially kill a \$700 million industry that has become increasingly popular with patients south of the border. The measure would bar Canadian doctors from countersigning prescriptions for U.S. patients without examining them in person, would prohibit prescriptions for foreigners who are not present in Canada, and create a list banning certain drugs from being exported.

New year spawns more legal tangling in Canada-U.S. lumber trade battle - Canada is moving a couple more pieces in the chess game that its softwood lumber trade battle with the United States has become. Ottawa is clearing the way for retaliatory tariffs against American goods and is also headed to the Court of International Trade in New York next week. The federal

So-called "supportive housing" making drug, mental health counseling and other support services easily accessible to the homeless - stabilizes them and saves money in the long run. It's down dramatically on emergency room visits, for instance.

According to one study cited in the plan, the average chronically homeless person uses \$40,444 year in public resources. Putting a person in supportive housing wouldn't be cheap, but it would be \$16,282 less expensive.

The 10-year plan aims to galvanize agencies that work with the homeless, including some - like hospitals - that often don't realize that they work with the homeless. Unaware, they too often discharge patients onto the street. A little better coordination with government and private agencies might result in a better way of handling such patients.

As City Commissioner Erik Steen tell you, formidable resources already deployed against homelessness in our city. His estimates the total at \$36 million. And yet on any given night, an estimated 4,000 people are sleeping in shelters, in their cars or on the streets. A reality check suggests that existing resources aren't being used as effectively as they should be.

One of the innovations in the plan is a computerized tracking system that preserves the confidentiality of homeless people, while allowing agencies to pool information and track their progress with each individual.

There's no simple cure for homelessness and no way to end it. But there are ways to work more effectively with homeless individuals, one by one. And that's what it takes. Homelessness is an old problem, but the old, grizzled ways of approaching it aren't working very well.

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Department of International Trade took the first step this week toward imposing up to \$200 million in retaliatory sanctions, claiming the United States hasn't complied with one of the World Trade Organization rulings in the complex dispute.

Top Republican on energy makes

ANWR first priority - New Mexico Sen. Pete Domenici has identified drilling in the Arctic National Wildlife Refuge in Alaska's northeast corner as his first priority for the upcoming congressional session. Domenici is the top Republican with authority over energy matters. Almost immediately after being re-elected chairman of the Senate Energy and Natural Resources Committee, he issued a news release Tuesday touting his plans for the 1.5 million-acre coastal plain.

Alaska plans to sue feds over

water rights - The state plans to challenge the federal government's right to control certain Alaska waters, contending the U.S. departments of Interior and Agriculture have overstepped their bounds and failed to follow proper procedure in setting forth reserved water rights. The lawsuit will challenge the expansion of federal jurisdiction over certain waterways and water bodies, over marine waters beyond the mean high tide mark and over state and private lands.

Montana governor's summit would

blaze energy trail - Gov. Brian Schweitzer said Wednesday he wants to convene an energy summit this summer in Montana to bring in world-class specialists in various kinds of energy. He said he wants to attract prominent experts on all forms of energy such as coal, natural gas, wind, solar, hydrogen, tar sand and others. His call for the summit won praise from both the energy industry and environmentalists.

Montana state workers closer to

pay hike - The state and labor unions reached tentative agreement Friday on a \$70 million increase in pay and benefits for state government workers

It's exciting to begin 2005 with new seriousness about homelessness, fresh approach and fresh hope.

Governors & Premiers**Alaska Governor Frank****Murkowski**

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Edmonton, Alberta T5K 2B7

British Columbia Premier Gc**Campbell**

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Idaho Governor Dirk Kempth

Box 83720, Boise, ID 83720-0

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Washington Governor Gary

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Yukon Premier Dennis Fenti

Box 2703, Whitehorse, Yukon 2C6

U.S. Economic Data**Balance of Trade****Consumer Price Index****DOE Energy Outlook****Employment and Unemploy****Employment Cost Index****Federal Funds for R & D**

<p>EIS Profile NetState Profile Census</p> <p>BLS Economy at a Glance</p> <p>Community, Trade, and Economic Devt</p> <p>Dept of Labor and Industries</p> <p>Economic Development Association</p> <p>Economic Development Commission</p> <p>Economic Development Directory</p> <p>Greater Seattle Chamber of Commerce</p> <p>Labor Market Information</p> <p>Rural Development Council</p> <p>Spokane Area Economic Devt Council</p> <p>Technology Alliance</p> <p>Trade Development Alliance</p> <p>Washington Council on International Trade</p> <p>Washington Roundtable</p> <p>Washington Research Council</p> <p>Washington Technology Center</p> <p>Yukon</p> <p>Government of the Yukon</p> <p>Economy and Environment Council</p>	<p>over the next two years. The deal, subject to ratification by union members over the next few weeks, would give all employees the greater of a 3.5 percent or \$1,005 raise the first year. They would receive a 4 percent or \$1,188 raise, whichever is greater, the second year.</p> <p><u>Oregon jobs could pay price for export loan</u> - The application seems innocuous enough: An unidentified company asked the Export-Import Bank of the United States to help finance the export of \$1.2 billion in U.S.-made equipment. But the equipment is used for the production of semiconductors - a significant manufacturing employer in Oregon that which has shrunk in recent years. And the destination is China, where the chip-making industry has flourished.</p> <p><u>Feud over 'Oregon Wild' leads state to dump logo</u> - A branding dispute between the state and the Oregon Natural Resources Council has ended with the state's decision last week to stop using the Oregon Wild logo - one of three designs in the state's Brand Oregon campaign that markets Oregon seafood, agricultural products and other merchandise.</p> <p><u>Independent study flunks Washington's math, English criteria</u> - Washington state ranks almost dead last nationwide when it comes to setting worthwhile standards for student achievement in public schools, the Thomas B. Fordham Foundation concluded in a recent study.</p>	<p><u>Gross Domestic Product</u></p> <p><u>IMF World Economic Outloo</u></p> <p><u>New York Times Report on C Prices</u></p> <p><u>Producer Price Index</u></p> <p><u>Productivity and Costs</u></p> <p><u>Real Earnings</u></p> <p><u>Unemployment Insurance Cl</u></p> <p><u>U. S. and World Population</u></p>
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Northwest News Sources

[Anchorage Daily News](#) | [Billings Gazette](#) | [Calgary Herald](#) | [Calgary Sun](#) | [Edmonton Journal](#)
[Edmonton Sun](#) | [Great Falls Tribune](#) | [Helena Independent Record](#) | [Idaho Statesman](#)
[Juneau Empire](#) | [The Missoulian](#) | [The Oregonian](#) | [Puget Sound Business Journal](#)
[Salem Statesman Journal](#) | [Seattle Post-Intelligencer](#) | [Seattle Times](#)
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