

From the Desk of Senator Ted Ferrioli Senate District 30



Friends,

I can't remember a more contentious or difficult legislative session. The issues of the urban-rural divide loomed large over the session, and many large and complicated bills that will have a negative impact on Eastern Oregon were forced through at record speed.

Minimum Wage

One of the most obvious effects of the urban-rural divide can be seen in the map of three different minimum wages across the state. How can I possibly explain to people in Jefferson County that one hour of your work is worth less than one hour of work in Wasco County? And to both, your hour of work is worth far less than one hour of work in PDX?

How can I explain to business owners who have small profit margins that they not only have to shoulder the burden of mandatory paid sick leave from actions of the 2015 session, but as a result of SB 1532, they have to phase in minimum wage mandates that will further diminish those fragile margins?

The base assumption of Portland legislators is that business is good, the economy is thriving and that meeting these mandates is like a tax imposed for the privilege of owning a business in Oregon. The smugness of urban legislators is reinforced by a Bloomberg study designating Oregon's economy "[Strongest in the Nation](#)."

The reality is, Oregon has one of the worst business climates in the country. [This recent article from the National Federation of Independent Business](#) tells a much different story than the one we're hearing from Portland legislators.

Energy Policy

Tom McCall warned us about the greed of developers who might pour into Oregon bringing sprawl, ticky-tacky subdivisions, ruined view sheds and a despoiled landscape, but nobody warned us about the "energy buccaneers" who crept into Oregon clothed in the camouflage of the green revolution.

We once called hydropower "The Oregon Advantage," since it was low cost energy that spawned the Aluminum industry, food-processing sector and large industrial

investments in sawmills and forest product manufacturing, all important to District 30. Today, we are not even allowed to count hydropower toward the Renewable Portfolio Standard (RPS).

Once upon a time in Oregon, we protected citizens against rate spikes driven by the stock market's insatiable need for increased dividends. The threat of the formation or expansion of Electrical Co-Ops and Public Utility Districts served to put a brake on rates charged by investor-owned utilities.

In addition to those protections, we had the Public Utility Commission (PUC), an independent agency through which all rate increase proposals were approved or denied. More recently, the Citizens Utility Board (CUB) was created to represent citizen/ratepayers in all rate and electrical energy policies.

Today, both organizations have become dysfunctional. The PUC was pointedly ordered by Governor Brown not to weigh in on the "Clean to Coal" bills, and CUB is populated by individuals who have a direct financial interest in the success of alternative energy suppliers.

That is the backdrop against which the "Coal to Clean" bill was adopted.

We're told the proposal, as adopted, will only raise rates from 1.5%-2% per year. But between now and 2040 we estimate a potential 40% increase above the normal inflation costs, with little or no carbon reduction.

Why does that matter to Rural Oregonians? Because the largest consumer of electrical energy in District 30 are irrigation systems. Water for agriculture and energy for food processing, sawmilling and small manufacturers constitutes the majority of the energy "load" in frontier Oregon. A 40% rate increase will be devastating.

Wolf Bill

Perhaps no other bill before the legislature exemplifies the divide between Urban and Rural Oregon more than HB 4040.

The bill is advisory. It supports the decision reached by Oregon Department of Fish and Wildlife to de-list the Grey Wolf in Oregon. The decision to delist was science based, peer reviewed and is supported widely by rural Oregonians.

This decision represents the culmination of more than a decade of collaboration between private landowners, cattle ranchers, county elected officials, state agencies and several Governors with full participation and support by environmental groups and wolf reintroduction advocates.

The Oregon Wolf Plan was adopted with the express agreement that when wolf populations reached a level judged to be sustainable, the wolf would be delisted, enabling the full range of management options including lethal "take" of problem animals when all other means failed.

Landowners and cattle producers voluntarily participated in wolf management actions, which are costly and difficult, knowing that included uncompensated losses through predation, lower weight gain and other negative consequences, precisely because they were assured that in the future, regulations would become more flexible.

If HB 4040 had failed in the Legislature, or is vetoed by the Governor, it may signal an end to voluntary participation by landowners in current and future voluntary conservation efforts. These voluntary efforts are critical to the success of recovery for species like Sage Grouse in five Eastern Oregon counties and the Green Spotted Frog in Central Oregon.

HB 4040 isn't even precedent-setting. The Legislature in 2005 voted unanimously to support a delisting decision made for the Aleutian Canada Goose (HB 2881), but it stands as a symbol for the success or failure of partnerships and voluntary participation by landowners.

The urban-rural divide is painfully real. Rural Legislators know that bridging the divide is critical to the sustainability of lifelong commitments to community, family and heritage. It is the central issue of our time.

Sincerely,



Senator Ted Ferrioli

P.S. I just learned that Governor Brown has signed HB 4040!

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