Carbon emissions rules not coming in 2020

By Dick Hughes
For the Oregon Capital Bureau

SALEM — The Oregon Department of Environment Quality will not impose new regulations this year stemming from the governor's executive order to reduce greenhouse gas emissions statewide.

Instead, the proposed rules will be developed this year and next, with the expectation that caps and limits on emissions would take effect in 2022.

DEQ Director Richard Whitman told the Environmental Quality Commission at its Thursday meeting that the agency would focus for several months on the process for creating the rules.

"We won't even get into rulemaking until very late this year, beginning of next year," Whitman said. "We are going slow in terms of not setting a whole lot of (boundaries) around this work early on, so that we make sure we do have that effective engagement from all Oregonians."

On March 10, Brown issued an executive order directing the DEQ and 15 other state agencies to take stronger action against global climate change. The governor acted after the 2020 and 2019 legislative sessions ended without passage of Democratic bills to cap carbon emissions and create a system for trading carbon allowances.

Whitman acknowledged that the 2021 Legislature likely would take another run at carbon cap and trade, with some lawmakers pushing particular approaches and other lawmakers trying to stop them.

EO Media Group file photo
Traffic fills the northbound and southbound lanes on U.S. Highway 97 in Bend in 2017. New state rules on carbon emissions have been delayed until 2022.

"That's going to happen. It's inevitable. It's our democratic process, and I welcome that," he told the commission. He has asked the DEQ staff to concentrate on the governor's directive and not get distracted by the Legislature.

"If the Legislature ends up actually doing something, of course we will have to follow that direction," Whitman said.

"Let the legislators do their work and don't get upset by the legislators doing their work, but just keep focused on what our assignment is right now. And if the assignment changes, the assignment changes. I think the work that we're doing is going to end up getting used in some way or another, even if legislative direction does change."

He added that the DEQ's work could help the Legislature understand the details of what a program to reduce greenhouse gas emissions would look like.

Brown's directive gave five responsibilities to the commission and department:

• Expand Oregon's Clean Fuels Program.

• Establish regulations to limit and reduce emissions from industrial facilities, vehicle fuels, and natural gas and other fossil fuels.

• Reduce methane emissions at landfills. Whitman said that action would be influenced by California's regulations.

• Help reduce emissions in the transportation sector, which is Oregon's largest source of greenhouse gases. Whitman said that could include tolling to reduce travel.

• Cut Oregon's food waste in half, so as to reduce emissions from the wasted food itself and from producing, transporting and handling food that is never used.

The DEQ has until May 15 to offer a preliminary report on what authority the agency has to control air pollution and how it will create the resulting policies.

In other business, the commission held off on approving higher fees for water quality and air contaminant discharge permits. Commissioners were concerned about the financial impact on businesses ravaged by the COVID-19 pandemic. The DEQ staff will bring revised proposals to the commission in July.

The commission did approve fee increases for vehicle emissions inspections in the Portland and Medford-Ashland areas, as well as fees for Mobile On-Site Testing at auto dealerships.

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Photo by Ellen Morris Bishop/EO Media group
Joseph's Cheyenne restaurant was a favorite hangout for local cowboys and loggers until it was closed except for takeout in March.

Oregon businesses receive more than $3 billion in more rescue loans

Over 31,000 Oregon businesses get OK for loans

By Jaime Goldberg
The Oregonian/Oregon Live via AP StoryShare

"As small business owners await distribution of the additional funding provided for the program in the Paycheck Protection Program and Health Care Enhancement Act, it is critical that the funding provided by Congress be used to provide loans to the businesses whose owners and employees' livelihoods are truly at risk as a result of the pandemic."

Oregon senators Jeff Merkley and Ron Wyden

PORTLAND — Thousands of Oregon small businesses that were unable to access Paycheck Protection Program loans from the Small Business Administration during the program's first round of funding have managed to secure loans in the program's second round.

Data released by the Small Business Administration shows that 31,119 Oregon businesses received approval for loans through the program between April 27 and May 1. Those businesses will receive just over $3 billion in funding for an average loan size of just over $97,000.

The Paycheck Protection Program, which is supposed to give small businesses a lifeline during the COVID-19 crisis, was criticized in April for giving loans to large companies and favoring certain states over others. Congress approved an additional $310 billion for the program in late April after it ran out of its initial funding in 13 days. Applications for the second round of funding opened April 27.

Some of the issues that marred the program during the first round of funding seem to have been addressed during the second round.

A total of 18,732 Oregon businesses had loans approved during the initial round of funding. Those businesses received $3.8 billion for an average loan size of just over $200,000.

After that first round, an analysis by Bloomberg ranked states by loan amounts as a percentage of eligible payrolls. Oregon was near the bottom, at 42.2%.

After the first week of second round funding, Oregon businesses had received nearly 76% of what they were eligible for under the program, according to Bloomberg. That's close to the national rate of 81%.

Oregon businesses secured about 1.1% of the $342 billion in loans reported as of April 16, a little less than its 1.4 % share of the U.S. population. But Oregon businesses had secured 1.7% of the $175.7 billion in loans approved in the second round of funding as of May 1. The program still has $134.3 billion left to distribute to businesses across the country.

The Paycheck Protection Program loans were designed to give businesses with fewer than 500 employees loans to support eight weeks of payroll, while allowing businesses to use leftover funds on mortgage interest, rent and utilities. If employers maintain pre-COVID levels of employment after eight weeks, the loan is forgiven.

Unforgiven balances convert to a two-year loan with an interest rate of 1%.

The program was criticized in April after reports emerged that large publicly traded companies, including national restaurant and hotel chains, had received millions of dollars in funding through the program. At the same time, small businesses in Oregon and throughout the country were complaining about difficulties accessing program funding.

The Paycheck Protection Program presents "Catch 22" choices as restaurants navigate the economic fallout from the coronavirus pandemic.

Oregon's U.S. senators Jeff Merkley and Ron Wyden, both Democrats, were among 22 senators who sent a letter to Secretary of the Treasury Steven Mnuchin and Small Business Administrator Jovita Carranza last week urging them to develop strong supervisory mechanisms to ensure that the second round of Paycheck Protection Program funding reached struggling small businesses.

"As small business owners await distribution of the additional funding provided for the program in the Paycheck Protection Program and Health Care Enhancement Act, it is critical that the funding provided by Congress be used to provide loans to the businesses whose owners and employees' livelihoods are truly at risk as a result of the pandemic," the senators wrote.

Based on the new data, it appears that more small businesses were able to access funding in the second round.

Small businesses across the country had been approved for 2.2 million loans in the second round of funding as of May 1, with an average loan size of $79,000, down from $206,000 in the first round of funding.

Still, loans over $2 million accounted for over 16% of the total pool of money distributed in the second round, despite accounting for just 0.35% of the loans offered. Mnuchin said last week that all companies receiving relief loans over $2 million will be audited.

Survey shows huge losses for over half of state's businesses

By Michael Kohn
Oregon Capital Bureau

SALEM — More than 70% of Oregon business owners report a decrease in sales since the start of the lockdown caused by the COVID-19 pandemic, according to a new survey of 5,000 businesses around the state.

The survey — conducted by Business Oregon, Travel Oregon and the Oregon Small Business Development Center Network — also revealed that 44% of businesses have cut hours for workers and 27% have laid-off employees.

While relatively high compared to the pre-COVID-19 era, the numbers weren't surprising given that the state has been on lockdown orders for six weeks.

The statistics mirror what has been reported by the Oregon Unemployment Department, which said last month that 12% of the total workforce had filed for unemployment within the first five weeks of the stay-at-home order.

The survey was open for two weeks in April. Around 69% of responses were completed by businesses with fewer than 10 employees.

The report comes as Oregon is planning to ease some of the restrictions that have shuttered many businesses statewide as a way to slow the spread of the novel coronavirus, which has so far killed more than 120 Oregonians.

While 40% of businesses have made temporary closures, around 2% said they are permanently shutting down their operations, according to the report.

In rural areas, 45% have made temporary closures and 3% permanently closed.

Among the businesses surveyed, 28% said they saw their revenue plummet 90% year-on-year in the month of April.

The ability to work remotely has helped some companies carry on their business as usual — 33% of respondents said their workforces could work remotely.

The survey broke this down by sector. The leading categories of work that could be done remotely include information (85%), professional and business services (66%), and financial activities (61%).

At the other end of the spectrum, just 6% of restaurant/bar and food service jobs could be done remotely and just 7% of jobs in accommodation could be done remotely.

Another COVID-19 victim: State Fair

By Salem Reporter via AP StoryShare

SALEM – There will be no Oregon State Fair this year, another victim of the coronavirus. The fair, a major event in Salem for exhibitors and visitors from across the state, was scheduled for Aug. 28 through Sept. 7.

"This decision was driven by the need to guarantee safe social distancing to help prevent the spread of the coronavirus, aka COVID-19," the state-owned fair operation said in a announcing the decision on its website Thursday.

"The Oregon State Fair Council had hoped to continue the 156-year tradition of this classic American state fair. But the council fully supports the State of Oregon's measured, scientific, and responsible approach to combatting COVID-19," the announcement said.

The development came hours after Gov. Kate Brown announced new details on a phased opening of Oregon but warned that large events such as fairs and rodeos wouldn't be allowed through September.

The fair, started in Oregon City in 1861, drew more than 250,000 visitors in 2019 and featured the usual mix of farm animals, commercial exhibitors and food booths.

Concerts have become a big attraction during the fair, drawing a record 19,467 people in 2019.

And the cancellation means a disruption in the Gerry Frank Chocolate Layer Cake Contest. The contest drew 81 entries in 2019.

"The health and safety of fairgoers, exhibitors, competitors, performers, sponsors, vendors, contractors, volunteers and staff is the top priority of the Oregon State Fair and Exposition Center," the fair said in its statement.