

OUR VIEW

Fuel tax 'vacation' worth a look

When you're watching the dollar figure on the gas pump display rise with dizzying speed, as it does these days, the prospect of slowing that mounting tab has a certain attraction.

This is the idea behind President Joe Biden's proposal that Congress suspend federal gasoline and diesel tax — 18 cents per gallon — for three months. The president is also urging states to enact a similar "vacation" from their state fuel taxes.

Oregon's state fuel tax is 38 cents a gallon.

These are not insignificant amounts when regular unleaded is averaging \$5.44 a gallon, as it was Wednesday, June 29, in Union County, according to AAA.

Suspending fuel taxes can have negative effects.

Much of the tax revenue pays to improve highways, roads and city streets, so a temporary reprieve now could mean bumpier roads later.

But trimming 56 cents from the price per gallon — if both the federal and Oregon state taxes went away for a few months — might well result in more gas being sold, which would partially offset the loss of tax revenue.

Oregon Gov. Kate Brown's reaction to Biden's proposal was disappointing.

A statement from her office states in part that "with gas prices having jumped by several dollars per gallon over the last several months, it's unlikely that Oregonians would see significant savings at the pump under this latest proposal."

Notwithstanding the exaggerated "several dollars per gallon over the last several months" reference — in reality Oregon's average price for regular unleaded is up by about \$2.01 compared with a year ago — Brown's blithe dismissal of Biden's suggestion shows little sympathy for the plight of her constituents.

Although Oregon's fuel tax accounts for about 7% of the current price, and the combined state and federal tax is about 10%, saving 56 cents per mile amounts to about \$22 for every 1,000 miles driven at an average of 25 mpg. That's not likely to make the difference for someone struggling to pay a mortgage, to be sure. But at a time when inflation has elevated the cost for pretty much everything, including necessities such as food and fuel, Brown's skepticism suggests she doesn't appreciate the cumulative effects of inflation or the value of even modest relief on the cost of one product.

The reaction of Brown's counterpart in neighboring Washington state, Jay Inslee, was much more galling.

A spokesperson for Inslee, Jamie Smith, trotted out the claim oil companies are to blame, saying if Washington suspended its gas tax — which is 49 cents per gallon, third-highest among states — "the oil companies would be the ones to benefit from yet another opportunity to pocket more profit at the expense of our ability to put people to work fixing our roads and bridges."

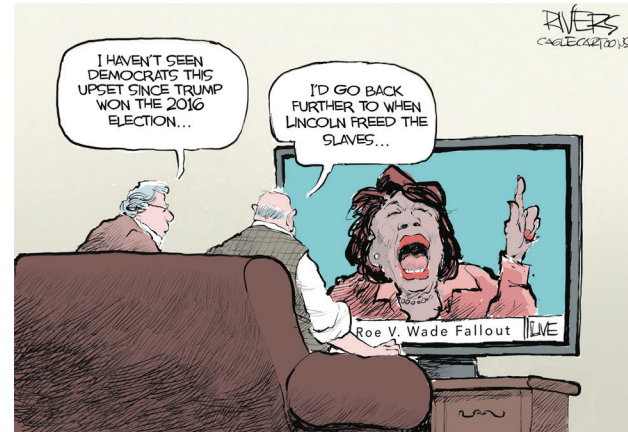
Oil companies have been making billions in profits this year, to be sure. But to imply that this is directly related to prices we're paying at the pump betrays at best an oversimplification, and at worst an ignorance, of economics and the global petroleum market.

As global economic matters tend to be, this one is much more complicated. Economics and industry experts say many factors have contributed to rises in oil prices and the record-high fuel prices, including supply chain delays and worker shortages that have reduced oil production, Russia's invasion of Ukraine, and rising demand for fuel as the effects of the pandemic have eased.

The market works both ways. When oil prices plummeted early in the pandemic, corporate balance sheets reflected the trend. Exxon lost \$22.4 billion in 2020.

Moreover, the Federal Trade Commission has investigated allegations of price gouging in the industry many times, most recently late last year, and invariably finds no legitimate evidence for it.

Ultimately, fuel tax "vacations" won't be a panacea for drivers. But the savings are no less real just because they're modest.



State board nominees get little scrutiny



DICK HUGHES
OTHER VIEWS

Oregon's police certification agency has made the headlines for the wrong reasons. At times, so have other state agencies overseen by boards appointed by the governor.

Yet without debate on June 3, the state Senate confirmed seven new or continuing members of the Oregon Board of Public Safety Standards and Training.

In fact, all 121 nominations submitted by Gov. Kate Brown were approved as a group, with only two dissenting votes. Those nominees included one state manager — State Librarian Wendy Cornelisen, who began work in March — and Brown's latest appointees to the Tri-Met Board, Commission for the Blind, Board of Dentistry, Eastern Oregon University Board of Trustees, Land Use Board of Appeals and various other bodies.

That Senate session lasted 20 minutes. And at a public hearing by videoconference and telephone two days earlier, nominees had been asked to speak no more than a minute so the vetting committee could get through the lengthy list.

Leaders of the Senate Rules and Executive Appointments Committee told me much of the vetting occurs behind the scenes beforehand. Members receive extensive paperwork about the nominees. Brown's appointees to the Board on Public Safety Standards and Training stacked up as well qualified, said state Senate Majority Leader Rob Wagner, D-Lake Oswego, who chairs the committee.

Wagner and others are in contact with the governor's office as potential nominees are being developed and will try to head off problematic choices. "I'm not someone who wants to trot people out to the Senate floor and try to publicly embarrass them.

I think it's more a question of trying to work with the governor's office to say, 'Hey, can we go a different direction or can you communicate back to someone that they might not be a good fit at this time,'" he said.

Before a public hearing, nominees often make the rounds — in person or via Zoom — for more in-depth discussions with legislators. Committee members also talk with legislative colleagues, community members and others who know the nominees, asking whether they would be good candidates.

When controversy arises, most often it has been around nominees handling natural resource or environmental issues.

"We want to get the best nominees that we can, but I think there's also a recognition for us that it's difficult many times to find people who would serve on the boards and commissions," said Senate Republican Leader Tim Knopp, of Bend, the committee vice chair. "So if someone is willing to serve and participate, our general philosophy is to welcome them to do so. 'Where the issue comes in is if they have a predetermined political agenda that they're going to pursue on a commission. That's when they'll likely run into concern and opposition from our caucus.'"

An Oregon governor appoints people to more than 250 boards, commissions and councils, along with the heads of most state agencies. Many, but not all, require Senate confirmation.

"I'm always so pleased to see how many Oregonians will step forward. I think it's a huge challenge for the governor's office to get the word out with the volume of boards and commissions that we have," Wagner said.

"It's a system that's grown up over time, depending on the needs of the era. But there's some really critical roles in terms of oversight of professions and helping set a policy direction for some pretty important things that the Legislature wants to see."

The Senate usually meets quarterly to act on the governor's appointments. One thing to watch is whether Brown makes a rush of appointments during her final months in office or leaves key vacancies for her successor to fill next year.

Liz Merah, Brown's press secretary, said anyone interested can apply electronically to serve on a state board or commission at any time. Most are volunteer roles.

Applications are reviewed by the relevant state agency and the governor's office. Community organizations, individuals and other parties often weigh in with the governor's staff.

"After a vetting process of each candidate that may include an interview or checking references, official recommendations are processed by the governor's executive appointments office and presented to the governor for consideration of an appointment," Merah wrote in an email. "At the time of a board/commission appointment, the governor's office verifies that the appointment contributes to the goal of having a board that is reflective of the diverse interests of all Oregonians and is in line with statutory requirements."

Roughly 150 boards and commissions currently are recruiting members. They include two new ones — the Emergency Preparedness Advisory Council and the Local Government Emergency Management Advisory Council.

Other boards seeking members include ones dealing with the arts, boilers, cannabis, dentures, education, global warming, government ethics, hearing aids, Hispanic affairs, massage therapists, plumbing, public records, racing, school safety and wine.

"It's incredibly important for Oregon citizens to consider serving on boards and commissions," Knopp said, "because they can have a lot of impact and input."

■ Dick Hughes has covered the Oregon political scene since 1976.

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Phone: 541-963-3161

Toll free (Oregon): 1-800-781-3214

Email: news@lagrandeobserver.com

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STAFF

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