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# Opinion

## Editorial Board

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## OUR VIEW

# Oregonians, not corporations, will pay IP 28 tax

Oregon voters in November must reject Initiative Petition 28, the gross receipts tax measure on the ballot.

The measure — pushed by public employee unions, education and healthcare advocates and other liberal interests — proposes Oregon's largest tax hike ever. It would impose on "C" corporations an additional 2.5 percent tax on gross sales in Oregon exceeding \$25 million.

IP 28 would raise as much as \$3 billion a year for the state's general fund, and is touted as a panacea for unspecified spending priorities in search of a funding stream.

Oregonians are fond of raising taxes that they themselves won't pay, particularly if in the process they can stick it to big, out-of-state companies that they say aren't paying their fair share. Supporters of IP 28 fondly point out that 70 percent of the companies that would directly pay the tax are not domiciled in Oregon, and include big retailers, big banks, big oil, big pharm — big, greedy companies carrying away Beaver State boodle to Arkansas, Wall Street and Moline. No downside here.

A compelling argument, if only it were true.

Enter Doug Hoffman, president of farmer-owned

Wilco — one of the big Oregon companies that will pay the tax.

Wilco is a cooperative set up to sell merchandise and services at a discount to its 3,000 farmer members. Separately it also operates 12 retail stores in Oregon, mostly in the Willamette Valley, selling all comers a wide variety of products with a decidedly farm and ranch bent.

Without any of the bluster one expects from the robber barons IP 28 means to punish, Hoffman lays out the company's finances. Under Oregon law, the \$100 million in direct sales of products and services to members are exempt. The \$100 million in

sales at the retail stores are not. A portion of any profit is returned to the members.

In a good year the retail operation has a net profit of as much as \$2.5 million. That, coincidentally, is the amount Hoffman says Wilco will pay in corporate income taxes if IP 28 passes.

Because IP 28 taxes gross receipts, not net profits, Wilco and other businesses with the requisite sales will pay whether they make money or not. Hoffman says there have been years when sales have been high, but the retail business has run at a loss. In that case, the tax bill will come out of reserves.

Hoffman and others say the biggest myth of this, and every corporate tax increase, is that regular Oregonians won't pay the tab. They will.

Businesses will increase prices to cover the extra taxes they owe and to pay prices increased by suppliers burdened by their own higher taxes. They'll cut back on employees to reduce operating expenses. They won't invest in expansions.

To facilitate its passage, IP 28 supporters have picked a small segment of the business to paint as unsympathetic targets of their tax. But if passed, Oregonians and many of the state's iconic brands will fall victim.



Rik Dalvit/For the Capital Press

## OUR VIEW

# Best management practices for the EPA

The U.S. Environmental Protection Agency recently ordered the Washington Department of Ecology to write a manual of "best management practices" for the state's farmers and ranchers.

In the EPA's usual not-so-subtle manner, that word was accompanied by a threat that the state would lose federal funding for water-quality projects if it didn't comply.

We've said a lot about the EPA bullying farmers and ranchers, but we're a bit taken aback that the agency is now bullying the state of Washington.

It seems to us a governor worth his salt would get the D.C. bigwigs on the phone and give them a piece of his mind.

However, Gov. Jay Inslee seems most interested in pleasing his overlords, not crossing them.

Be that as it may, the Department of Ecology is now in the business of telling farmers how to farm. We can't wait to read this opus.

We have an idea. How about farmers writing a manual of best management practices for the EPA? It only seems fair that the EPA gets the guidance it needs to correct its many shortcomings.

We hereby offer a first draft of the upcoming bestseller, "Best Management Practices for the EPA," also known as "How to Run a Government Agency without

Acting like a Tyrant."

Section 1: Mine waste. Last year an EPA contractor decided to poke a hole in an old mine near Silverton, Colo. The result was 3 million gallons of toxic mine waste flowing all the way to the Colorado River. BMP: If you want to find polluters, sometimes all you need to do is look in the mirror, accept responsibility and skip the self-righteousness.

Section 2: Personnel management. When a \$100,000-a-year employee tells you he's missed 2 1/2 years of work because he's a spy, don't believe him. BMP: Ask his supervisor what he — or she — was doing, too, because managing wasn't on the list.

Section 3: All emails must be on official agency servers. As Hillary Clinton has discovered, using unauthorized email servers will get you in a lot of hot water. BMP: Use Uncle Sam's email system only, not a side channel to chat with friends in environmental groups.

Section 4: Be nice, and professional. When the Texas division leader of the EPA told a roomful of people that he was going to treat everyone in his area the way the Romans treated villages they conquered by crucifying the first three people he saw, he showed what the EPA is really all about — bullying the public. BMP: Don't be a jerk.

Section 5: Don't waste public

money. The EPA wasted hundreds of thousands of dollars on a single gambit aimed at lobbying Washington state legislators to require 100-foot buffer zones along all farmland fronting rivers and streams. Why? Because the agency's leaders think it's a good idea.

They went through all of the trouble of smearing farmers, buying advertisements and setting up a website to push an agenda based on assumptions, not facts. BMP: Forget about being a smoother mover with the political and environmental crowds and just do your job in a fair-minded manner.

It will earn you respect and not contempt.

Which brings us to Section 6: Get the facts before you act. It's always easy to make assumptions and accuse farmers and ranchers of polluting rivers.

It's not only easy, it's lazy and offensive. BMP: If the EPA would do actual testing of the water quality upstream and downstream from a farm, it would have facts, something missing from many of its assertions.

What the EPA needs to do is stop forcing states to undertake half-baked ideas like best management practices and work together to help farmers that have a problem to meet the law.

That's one best management practice we can all support.

# Doing good for Klamath Basin agriculture

By SCOTT WHITE  
For the Capital Press

**Guest comment**  
Scott White



After a recent commentary published in the Capital Press, I feel compelled to remove any confusion pertaining to the provisions in the Energy Bill Amendments specific to the Upper Klamath Basin.

Sens. Jeff Merkley and Ron Wyden championed this effort (with important help from Congressman Greg Walden) and the Klamath Water Users Association (KWUA) is tremendously grateful for their efforts.

Key Klamath provisions of the amendment are:

- Direction to Department of Interior to take actions that make power costs for irrigation and drainage in the Upper Klamath Basin on par with other irrigation intensive areas.

- Authorization for reimbursement of some D-Plant (an important Klamath Project facility) pumping costs, which would be consistent with an agreement reached between the Tulelake Irrigation District, U.S. Fish and Wildlife Service and Bureau of Reclamation for an equitable share of pumping costs for movement of Project water.

- Elimination of the need for burdensome federal permits for conveyance of Non-Project water (i.e. groundwater) through Klamath Project facilities.

- Clear and permanent federal authorization for locally supported water-banking and marketing activities that benefits all Klamath Project contractors.

- C-Flume (Project infrastructure) Emergency and Extraordinary Operation and Maintenance (EEOM) designation, which would save millions for Project water users.

The amendment is clear, direct and does not circumvent congressional authority. KWUA worked diligently and constructively for these provisions and continues to work to see them enacted.

KWUA remains committed to securing a reliable supply of water and affordable power for our family farms and ranches. These provisions move us one step closer to that end goal.

To verify for yourself, see the specific language of the amendment here: <http://tinyurl.com/SA3288>

Scott White is executive director of the Klamath Water Users Association, a nonprofit organization that defends the livelihood of approximately 1,200 family farms and ranches in south-central Oregon and northern California.

## Readers' views

### Why I support the Owyhee monument

I wasn't able to attend the hearing in Salem that the Capital Press refers to but wanted to comment because of my many days in the Owyhee Canyonlands hunting and fishing.

That, and my 45-plus years of working in natural resource agencies in America have me convinced that this uniquely spectacular, yet fragile ecosystem, needs certainty in the form of permanent protection.

And I'm not alone in this assessment. Supporters for permanent protections come from across Oregon, and far outnumber the handful in opposition. Over 35,000 Oregonians have signed on in support of saving this ecosystem, and a recent poll shows that 70 percent of Oregonians across the state want permanent protections in this place.

In my career of managing multiple agencies in three different states, local opposition is not uncommon in these situations, but this opposition melts when folks realize that current uses can and will be written into management plans. Permanent protection of the Owyhee Canyonlands doesn't mean locking it up and throwing away the key. It means we're protecting our clean drinking water sources from irresponsible mining, we're allowing grazing, camping, hunting, and fishing that is happening now to continue, and we're leaving a legacy for our children and our grandchildren

and the children that come after them.

Permanently protecting the Owyhee Canyonlands is the right thing to do, and it is the right thing to do now.

Rod Sando  
Woodburn, Ore.

### Why trade treaties should be rejected

Are we all overlooking and oblivious about the TPP (Trans-Pacific Partnership) and TTIP (Transatlantic Trade and Investment Partnership) treaties? These treaties aren't only about imports and exports of beef and the money. That's offering a prize and not considering the consequences. It is control. Buy maybe the buck is worth more than the freedoms we have — and are not protecting — under the Constitution.

Have any of you researched the full contents (what is allowed to be viewed, even by our legislators) of these treaties?

Do you value the U.S. Constitution or would you rather be ruled by the U.N. Constitution, their courts, rules, etc.? Are we selling out our nation for 25 pieces of silver?

For your freedom, well-being, and security under the U.S. Constitution, research the contents of these dangerous treaties, what you will give up and bow to. Don't be swayed by rhetoric.

Hosea 4:6 — My people are destroyed by lack of knowledge.

Mrs. M.A. Novak  
Yamhill, Ore.

## Letters policy

**Write to us:** Capital Press welcomes letters to the editor on issues of interest to farmers, ranchers and the agribusiness community.

**Letters policy:** Please limit letters to 300 words and include your home

address and a daytime telephone number with your submission. Longer pieces, 500-750 words, may be considered as guest commentary pieces for use on the opinion pages. Guest commentary submissions should also include a photograph of the author.

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