

## As oil plunges, energy companies cut jobs

By **DANICA KIRKA**  
Associated Press

LONDON — The world's biggest oil companies are slashing jobs and backing off major investments as the price of crude falls to new lows — and there may be more pain to come.

Companies like BP, which said Tuesday it is cutting 4,000 jobs, are slimming down to cope with the slump in oil, whose price has plummeted to its lowest level in 12 years and is not expected to recover significantly for months, possibly years. California-based Chevron said last fall that it would eliminate 7,000 jobs, while rival Shell announced 6,500 layoffs.

And it's not even the big producers that will be affected most, but the numerous companies that do business with them, such as drilling contractors and equipment suppliers.

While plummeting oil prices have been great news for motorists, airlines and

other businesses that rely heavily on fuel, some 95,000 jobs were lost in the energy sector by U.S.-based companies in 2015, according to the consulting firm Challenger, Gray & Christmas. That was up from 14,000 the year before.

Energy companies expanded as oil topped \$100 a barrel in 2008 and stayed there during the early part of this decade, but prices have plunged over the past two years because of high supply and weakening demand.

The start of a new year hasn't helped matters, with Brent crude, the benchmark for internationally produced oil, slipping below \$31 a barrel on Tuesday, a drop of about 20 percent since Jan. 1 and the lowest since 2004.

With some analysts forecasting a drop near \$10 a barrel, companies are bracing for more trouble.

"Calling the bottom in a market is always a dangerous practice, akin to catching a falling knife," said Michael

Hewson, chief market analyst at CMC Markets. "But when the clamor for lower prices becomes a stampede, warning signs and alarm bells tend to start going off, which suggests that a more prudent approach might be advisable."

The uncertainty is making companies think twice before sinking money into new oil projects. That's a problem, since even the most modest project requires vast commitments of resources over a number of years. If the industry doesn't invest in production, that could create supply problems down the line.

On the North Sea, "there is a standstill in the new project launches which may create a hole in the pipeline of projects next year," said Florent Maisonneuve, managing director and co-head of Oil & Gas at AlixPartners in Paris.

Weakening demand in China, the world's second-largest energy consumer, has helped drive the price down. So has a stronger U.S.

dollar, which makes oil more expensive for buyers outside the United States.

Members of OPEC, meanwhile, are refusing to cut back on production for fear of losing their share of the market to non-members like the U.S. and Russia. And OPEC states Iran and Iraq, whose industries have been off line for years because of conflict and sanctions, are looking to start pumping more.

All this means prices are unlikely to bounce back soon.

"The companies are doing the best they can to survive as long as they can," said Spencer Welch, an oil expert at analysis group IHS. "We don't see a quick out."

In the United States, the Energy Department said Tuesday that it expects U.S. crude to average \$38.54 a barrel in 2016. Fadel Gheit, an analyst at Oppenheimer & Co., said as many as half of the independent drilling companies working in U.S. shale fields could go bankrupt before prices stabilize.

## LEHNERT: Hermiston police detective Robert Guerrero has agreed to work as undersheriff

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services, such as mental health, substance abuse and veteran's programs.

"Those can be better redirected to assist persons we frequently see or deal with," Lehnert said.

Lehnert also asserted as sheriff he would be more available to the public and other law enforcement and said the sheriff's office needs to be more transparent in its operations. The agency provides civil, dispatch and jail services that other public safety rely on, he said, so input from those other agencies is "critical."

Hermiston police detective Robert Guerrero has agreed to work as Lehnert's undersheriff, should Lehnert win. The two have known each other professionally for a number of years, Lehnert said, and Guerrero has experience as a criminal investigator and police administrator.

Guerrero started in 1999 as a reserve with the Milton-Freewater Police Department and worked in the Umatilla County Jail, according to Hermiston police. The Umatilla Tribal Police Department hired him in 2001. He then worked for Milton-Freewater

water police in 2005 until leaving as a sergeant in 2014 for Hermiston.

"I think his personality and mine mesh well together, and we have common goals," Lehnert said.

Voters only elect a sheriff, but picking Guerrero could help draw support from both Pendleton and Hermiston.

Lehnert's latest assignment is policing Pilot Rock. The small town struck a deal last year to pay nearby Pendleton to provide 40 hours of services a week while it tries to hire another officer and a chief. Pilot Rock residents have praised Lehnert's capabilities, and Pendleton police Chief Stuart Roberts told the Pilot Rock City Council that Lehnert has the qualifications to be a police chief.

If he were closer to retirement, Lehnert said, he might have applied for the Pilot Rock job. He said even as a deputy he eyed police command, so working as sheriff would be a natural progression.

Election Day is May 17. If multiple candidates run for the position, one would have to get 50 percent of the vote in order to win outright. If not, there would be a runoff in November.

## CTE: Will upgrade facilities in Heppner, Boardman and Irrigon

**Continued from 1A**

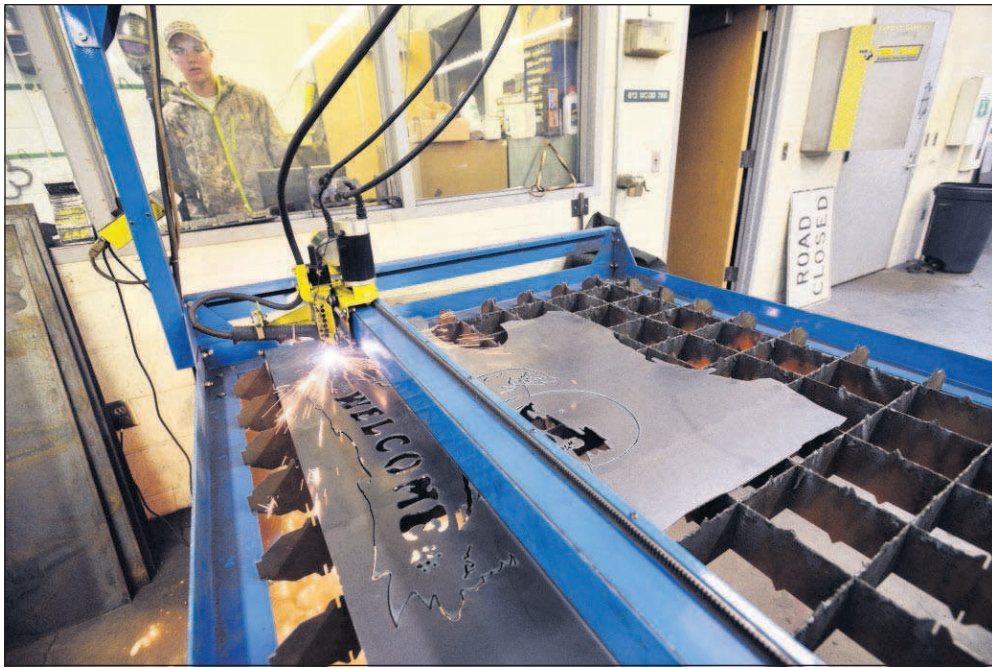
hands-on experience in two priority areas: industrial and engineering systems and hospitality/tourism management," an IMESD press release states. "Preliminary plans include converting the gym into a professional quality kitchen with a designated dining area to host local business meetings and other catered events, and the remodeling of several classrooms to be used as lab space for the engineering, robotics and SUAS (small unmanned aircraft systems) classes."

Pendleton CTE Coordinator Curt Thompson said the district was planning on expanding the program regardless of whether they received the grant or not, but the grant will make it much easier to obtain needed equipment for the center before it opens in January 2017.

The grant funding will help purchase new kitchen equipment for the culinary program, a new 3-D printer and milling machine to make prototypes for the robotics program, as well as platforms and other support equipment for the UAS program.

The CTE grant will also pay for a contract employee who will help students get the opportunity to shadow people already working the field, as well as land internships and mentorships, and bring professionals to Pendleton schools to share their expertise.

With those duties expected to get easier once they're



Staff photo by E.J. Harris

**Senior Russell Pryor watches from a control room while operating a plasma cutter Monday in the metal shop at Pendleton High School.**

established, Thompson said the district is only budgeting the position for one year and will reevaluate after that.

Although no new buildings are planned, the Morrow County School District plans to upgrade its existing facilities at its high schools in Heppner, Boardman and Irrigon.

The press release states the grant will be focused on upgrading infrastructure and equipment for its welding and manufacturing labs, two fields that are in demand at the Port of Morrow, Morrow County Superintendent Dirk Dirksen said.

Dirksen said the grant award was the result of a

successful collaboration between the school district, the IMESD, Port of Morrow and Blue Mountain Community College, which plans to build a workforce training center in Boardman.

Almost all the CTE programs in Umatilla and Morrow County are coordinated through the InterMountain CTE Consortium, an arm of the IMESD.

IMESD CTE Coordinator Jennifer Pambrun said funding for local CTE programs has atrophied in recent years. The roughly \$300,000 the IMESD receives annually from the federal government pays for programs at BMCC and the 12 school districts that

comprise the consortium.

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## Mexico investigating Guzman meeting, not actors involved

MEXICO CITY (AP) — Mexican officials are investigating the meeting that then-fugitive drug lord Joaquin "El Chapo" Guzman held with actor Sean Penn and actress Kate del Castillo in October to see if any crimes were committed.

But government spokesman Eduardo Sanchez said late Tuesday that it is the possibility of illegal acts, rather than specific people, that authorities in Mexico are looking into.

"We investigate actions, we don't investigate people," he said. "The

Attorney General's Office is investigating this event and others involving contacts that Joaquin Guzman had while he was on the run."

Carlos Barragan y Salvatierra, a professor of law at Mexico's National University, said there would be little ground to prosecute Penn or Del Castillo, unless money or gifts changed hands.

Asked about scrutiny of his controversial meeting with the fugitive drug lord at a hideout in rural Mexico, Penn on Monday would only say: "I've got nothin' to hide."

## REFUGE: Group tore down stretch of fence Monday

**Continued from 1A**

The Hammonds' case set off the occupation, but they have distanced themselves from the activists.

Federal, state and local law enforcement are monitoring the occupation but have not taken action. Officials with the Harney County Joint Information Center declined to comment because of the ongoing investigation.

The group tore down a stretch of government-erected fence near the refuge Monday to give a local rancher access to the range. The armed men also have accessed government files and equipment.

At a community meeting that hundreds attended that night, Harney County residents repeatedly asked the group to leave. They included a Burns High School freshman, who got a standing ovation from the crowd.

"And I just want them to go home so I can feel safe and I can feel like it is home again," 15-year-old Ashlie Presley said with tears in her eyes, referring to the armed men. "I shouldn't have to be scared in my own hometown."

But some residents also said they share the activists' frustration with the federal government — though they don't agree with their tactics.

That same frustration was also at the heart of a message about the refuge occupation



AP Photo/Rick Bowmer

**Members of the FBI stand guard at the Burns Municipal Airport, Sunday in Burns.**

delivered by Republican Oregon Congressman Greg Walden on the U.S. House floor last week. The speech by Walden, whose district includes Harney County, has gone viral online.

Walden told the AP on Monday that while he does not condone the occupation, the armed men "have elevated the knowledge of frustration people feel in this high desert county."

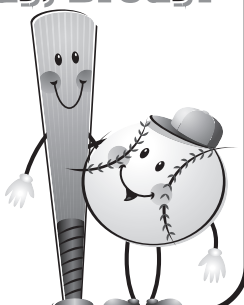
Walden said that frustration stems from constant pressure by environmental groups who want to leave public land untouched and from the arrogance exhibited by some federal government bureaucrats who don't follow the law and disregard the opinions of residents in the rural region.

"Western culture, it's being threatened," Walden said.

**Happy 5<sup>th</sup> Birthday, Brody!**

**Hip, hop hooray and happy 5<sup>th</sup> birthday!**  
**You are getting so big and we are so proud of you!**

**Love, Grandpa and Grandma Powell**



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