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OUR VIEW

Transportation package sorely needed in Oregon

It was disappointing, for many reasons, to watch a \$300 million transportation package dissolve at the hands of the legislature last year.

The deal was created by a bipartisan committee representing all corners of the state, and would have pumped some much-needed funding into Oregon's flagging infrastructure.

Unfortunately, it hinged on a bill — the clean fuel standards — that had already passed. Democrats had no interest in altering it and Republicans wouldn't budge unless it was changed, so the nearly unrelated transportation package died on the bargaining table.

It didn't help that the package showed up late in the legislative session after much work behind the scenes and was viewed by some as a last-ditch effort instead of a well-reasoned plan.

We're hopeful that legislators have learned from these missteps and will deliver some cash in the next session for projects both crucial and commercial.

A committee tasked with drawing up the new transportation package visited Hermiston last week to see where the dollars could be put to use in the region.

Some projects, like Hermiston's First Place and Stanfield's Main Street, would make those communities more livable. In

Hermiston, the traffic snarl after school each day is not only frustrating but potentially dangerous, as it clogs the roadway directly in front of the fire station. The same is true in Stanfield, where downtown development is hampered by truck traffic on Highway 395 that will only be remedied with some serious work.

Business in Umatilla and Morrow counties also has plenty to gain. The Highway 395 corridor between Hermiston and Umatilla has the potential for great growth, but is far from adequate right now. Same goes for the former Umatilla

Chemical Depot, which could be an economic powerhouse in the Northwest with some help with access.

Out Pendleton way, a real estate agent shared a real-life story of a lost business because of poor infrastructure — Costco, which had been looking at a lot near Exit 210, pulled out of negotiations at least in part because an access road couldn't manage the traffic.

These were just a few of the examples given, and we know the committee will have their ear bent at every stop of the listening tour.

It's good these legislators are doing their homework and coming out to see firsthand our transportation shortcomings. We hope they'll pass the real test during the 2017 session.

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OTHER VIEWS

'Success' an overstatement for energy tax credit program

The Oregonian/OregonLive, July 2

Optimism must be a job requirement for leading the beleaguered Oregon Department of Energy, now on its fifth director since 2009 and buffeted from one controversy to the next. Optimism also might explain the silver-lining summation that director Michael Kaplan offered legislators last Monday in assessing the agency's disastrous Business Energy Tax Credit program, a now-defunct initiative beset by serial mismanagement and possible fraud.

"From an economic development strategy, the program worked," said Kaplan, as *The Oregonian/OregonLive's* Hillary Borrud reported. Despite the department's failures to vet projects, verify documentation and responsibly oversee its signature program, Kaplan said, "the amount of projects that we saw in a very short period of time and the amount of money that was invested in those projects, I think, invariably cascade down to a significant impact on the state."

How significant? Who knows, although Kaplan is likely right to some degree. Granting nearly \$1 billion worth of transferable tax credits in a seven-year-period to public agencies, nonprofits and private businesses that promise green-energy or efficiency upgrades certainly has some effect on economic activity. The supersizing of the tax-credits program in 2007, the year before the economy went into recession, may have also provided a well-timed boost.

The problem, however, is that there's little data to show the extent of it and how much was triggered by the BETC program. At the same time, *The Oregonian/OregonLive* and other organizations have documented abuse after abuse, from the granting of \$30 million in tax credits to a project that qualified for only \$10 million to the possible backdating of documents in a solar-panel project now under criminal investigation. Legislators, who are weighing whether to pare back or abolish the energy department, should view Kaplan's comments about such economic impact with deserved skepticism.

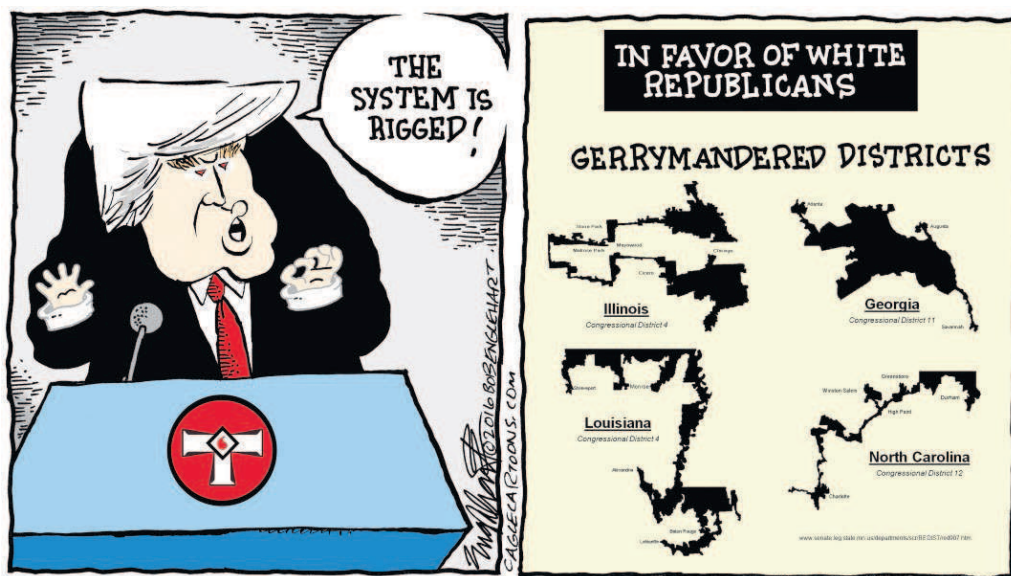
"Economic development" efforts are based on a conscious strategy, with identified goals and follow-up measurements of whether those goals were achieved. As Kaplan himself admits, the agency lacked the expertise to steer economic development. Instead, the agency simply opened its doors, accepting thousands of applications for tax credits and applying little scrutiny to each project's goals. Ask Kaplan to provide data on the total value of project investments, the number of jobs created, the amount of energy saved or generated and his response is the same: He does not know.

"I do not have confidence in much of the data that currently resides at the Department of Energy," he told legislators. But he maintains there have been "thousands of successes" despite the "drastic missteps," many of which predated his tenure as director.

"Without talking about those throughout the program's life," he told legislators, "we lose the ability to see it in its entirety."

Perhaps. But under that logic, the state could argue that Cover Oregon was also a success from an economic development point of view. Sure, the state wasted \$300 million on a health-insurance exchange that failed to launch. But some of that slug of cash went toward employing Oregonians and hiring vendors in the state to assist with the work. Taken to an extreme, one could contend that economic activity continues to this day, thanks to the millions that the state and software vendor Oracle are spending in legal battles over who is to blame. Clearly, this is not a winning economic development strategy that any public agency should pursue.

Kaplan acknowledges that economic development gains from energy department programs don't necessarily outweigh the long list of problems in BETC and multiple other energy department programs. But his efforts to highlight such "successes" does neither the agency nor legislators contemplating its future any good. Economic development accomplished by accident is not an argument for keeping the energy department around.



OTHER VIEWS

GOP blue-collar heroes laud Trump

The *Washington Examiner's* Jim Antle recently noted that despite talk of a Republican "consensus" on trade, "three runners-up for the Republican nomination who received strong conservative support — Pat Buchanan in 1996, Mike Huckabee in 2008 and Rick Santorum in 2012 — were to varying degrees protectionist." And that suggests the consensus isn't really as much of a consensus as some might think.

"It doesn't exist, as far as I'm concerned," Santorum told me in a phone conversation Wednesday. The former senator, presidential candidate and author of "Blue Collar Conservatives" has endorsed Trump and attended Trump's trade speech in Santorum's home state of Pennsylvania Tuesday.

"It was exactly what I think a lot of folks from my end of the state, and I guarantee you from all throughout the Rust Belt, have been waiting to hear from a presidential candidate for a long time," Santorum told me.

In 2012, Santorum, who as a member of Congress voted against NAFTA and urged George W. Bush to impose steel tariffs, won 11 primaries and caucuses with an economic message focused on Americans left behind in the changing U.S. economy. At times in the race, Santorum appeared on the verge of overtaking Mitt Romney, who, having made a fortune in private equity, seemed to represent everything Santorum did not.

"I was talking about the 74 percent of Americans who don't have a college degree, who are not benefiting from the globalization of the economy, and who ... see continuing globalization, combined with open borders, as not in their best interest," Santorum told me. And now, the current Republican nominee has taken a position on trade not far from Santorum's own. "Trump nailed it," Santorum said of Tuesday's speech.

Likewise, Huckabee, who won eight primaries and caucuses before losing to John McCain in 2008, went a long way on economic populism — with a Southern touch — from the beginning of his first presidential campaign to the book, "God, Guns, Grits and Gravy," that set up his 2016 run. Now, Huckabee, too, has endorsed Trump.

"Trump is saying what I said in 2008 and 2016 — and the reactions were the same from the elites," Huckabee said in an email exchange. "I was called a protectionist and a populist and attacked with millions of dollars of TV spots. Trump recognizes, as did several of us, that the political, financial and media institutions have failed working-class Americans. I'm glad Trump is getting traction for the truth."



BYRON YORK
Comment

Finally, there is Buchanan, who 25 years ago sounded some of what are now thought of as Trump themes. When Trump said, "Our workers' loyalty was repaid with betrayal," Buchanan thought back to his own 1998 manifesto on economic nationalism, "The Great Betrayal."

"I think Donald Trump gave the best speech on trade from the standpoint of economic patriotism and economic nationalism of any candidate in this century," Buchanan, who won the New Hampshire primary and three others in 1996, told me Wednesday. "I've read it and re-read it, and I found it hard to believe at times — but there were echoes of my youth there."

Indeed there were. Buchanan saw Trump's trade speech as a "precise rejection" of a globalist economy philosophy embraced by Republican leaders over many years. "This is one of the basic tenets of Ryan Republicanism,

Romney Republicanism and Bush Republicanism," Buchanan said. "And Donald Trump is saying this has led us to disaster."

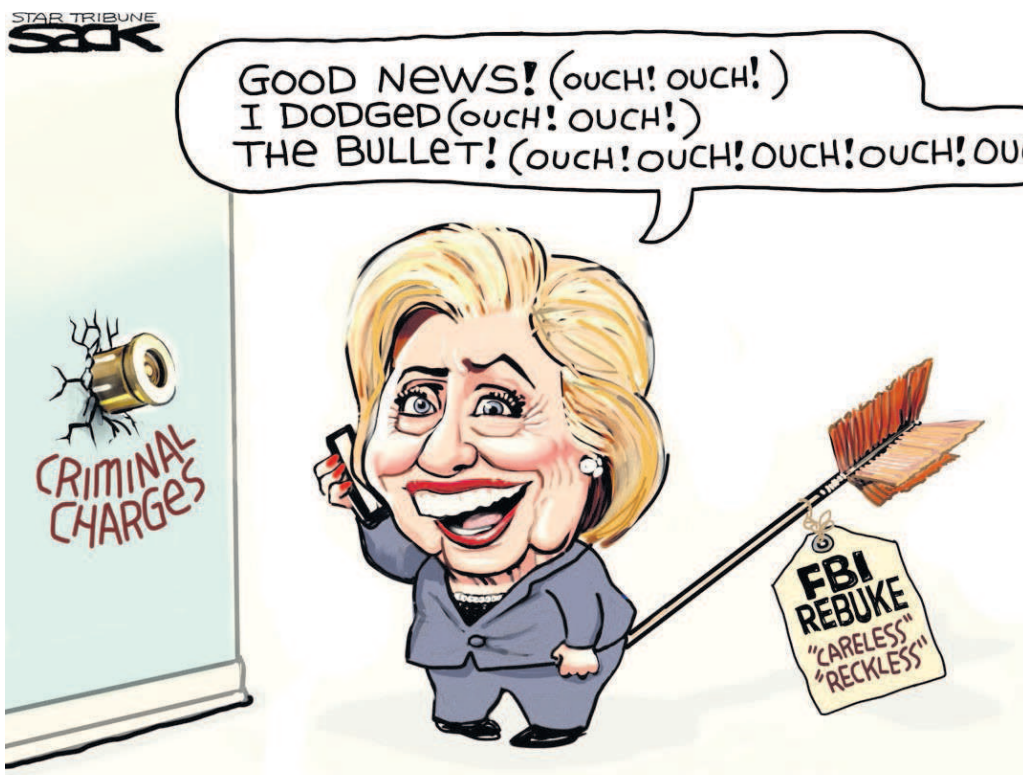
Why did those themes work for Trump in the 2016 Republican race when they did not win for Buchanan in 1996? Of course there were other factors at play — money, Trump's celebrity, and more — but I asked Buchanan: What has changed between then and now?

"What has changed is the results have come in that we predicted would happen in the '90s," Buchanan said. "I was saying in '91, '92, this is what will happen. You will lose your entire manufacturing base. It will be gone."

"Those were predictions," Buchanan continued. "And now Trump walks out there and can point to the largest trade deficits any Western country has ever seen, the loss of 55,000 manufacturing plants since the turn of the century, six million manufacturing jobs, every state, every community has seen a plant that is gone. All the returns are in now."

Besides some of their positions, Santorum, Huckabee and Buchanan have at least one other thing in common: They did not become president. They didn't even win the Republican nomination. Trump has already won his party's top prize. In recent weeks he has been distracted, suffering from mostly self-inflicted wounds. But if he can stop administering those wounds — a huge "if" for anyone who has followed his campaign — Trump has an opportunity to test just how far economic nationalism can go in a general election campaign.

Byron York is chief political correspondent for The Washington Examiner.



LETTERS POLICY

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