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OUR VIEW

Inviting fraud in road repair

Oregon Department of Transportation resists increased quality control

Add potential fraud to the lengthening list of problems with Oregon's Department of Transportation.

Well known for its exaggerated forecasts and increasing bonded indebtedness despite higher taxes, a recent article shed light on the agency's vulnerability to fraud in road repairs.

Nick Budnick of Pamplin Media reported that ODOT's road-paving inspection program has more cracks than Byers, Bailey or just about any of the worst streets in Pendleton.

The report revealed that:

- Asphalt contractors can game ODOT's inspections and compromise road quality, leading to premature potholes and further costly repairs.

- Oregon does not track asphalt quality results systematically or use testing methods common in other states.

- Contractors often know in advance where and when ODOT will conduct asphalt inspections.

Worse, these vulnerabilities have been well known to ODOT management since at least 2005. That's when the Federal Highway Administration pointed out these issues in a nationwide report and made recommendations for improvement. Eight years later, the feds conducted a new study and reached the same conclusions.

Another federal report described the quality checks used by Oregon as "very weak," saying they "will only detect severe problems with contractor test results."

ODOT managers claim there is no evidence that contractors are gaming the system — but note that several technicians have been suspended.

Former ODOT employees also have called attention to the agency's lax oversight system. "Quality control was not taken seriously," a long-time quality control specialist told Budnick. A former internal auditor for ODOT said there is a "huge risk of fraud." A former quality assurance specialist said that while there are plenty of good road contractors, "it is easy for a contractor to falsify documentation."

ODOT managers downplay these concerns. They claim there is no evidence that contractors are gaming the system. But they note that the state has suspended several contractor technicians, one of whom was suspected of fraud.

Doing nothing and refusing to acknowledge the potential for fraud despite repeated warnings is a glaring example of wrong at ODOT — an agency that will collect \$4.6 billion in revenue this biennium.

Legislators should keep that in mind as they craft a new transportation spending bill. Taxpayers ought to remain skeptical when ODOT asks for higher taxes and fees. Reform must come before more revenue.

Unsigned editorials are the opinion of the East Oregonian editorial board of Publisher Kathryn Brown, Managing Editor Daniel Wattenburger, and Opinion Page Editor Tim Trainor. Other columns, letters and cartoons on this page express the opinions of the authors and not necessarily that of the East Oregonian.

OTHER VIEWS

The governor and the measure

The (Albany) Democrat-Herald

Gov. Kate Brown has had a somewhat tortured relationship with Measure 97, the proposal on the November ballot for a corporate sales tax.

First, as you might recall, she at least appeared to deliberate for a long time on whether to support the measure, which would impose a 2.5 percent gross receipts tax on certain corporations on sales in Oregon above \$25 million annually.

It's estimated that the tax would raise \$3 billion a year, and proponents of the measure have said the money would be earmarked for K-12 education, health programs and senior services. (Of course, as we've noted, nothing in the measure forces the Legislature to spend the money on those areas.)

In any event, Brown pondered the measure for quite some time, although the suspense lessened somewhat when she announced her suggestions for how to spend the additional tax money should the event pass. A few weeks after that, she announced that she would support Measure 97. By that time, the endorsement did not exactly come as a political bombshell.

Still, we were somewhat surprised to receive a terse press release on Friday about the measure from the governor's campaign. Here's the complete text of the release:

"In response to a press report this morning, Governor Kate Brown reiterates that she endorsed Measure 97 because she believes the vast majority of costs will appropriately be paid by out-of-state corporations.

"As Governor Brown continues to point out, the campaign against Measure 97 is raising millions of dollars to fight it because corporations know this as well."

We were curious, so we tried to track down the "press report" in question, and our best guess is that it refers to an interview OPB's Jeff Mapes did on Thursday with Brown. And we

suspect the part of the interview that worried Measure 97 supporters was the governor's concession that Oregon consumers would pay more if the measure is approved, as businesses passed through at least some of their additional costs.

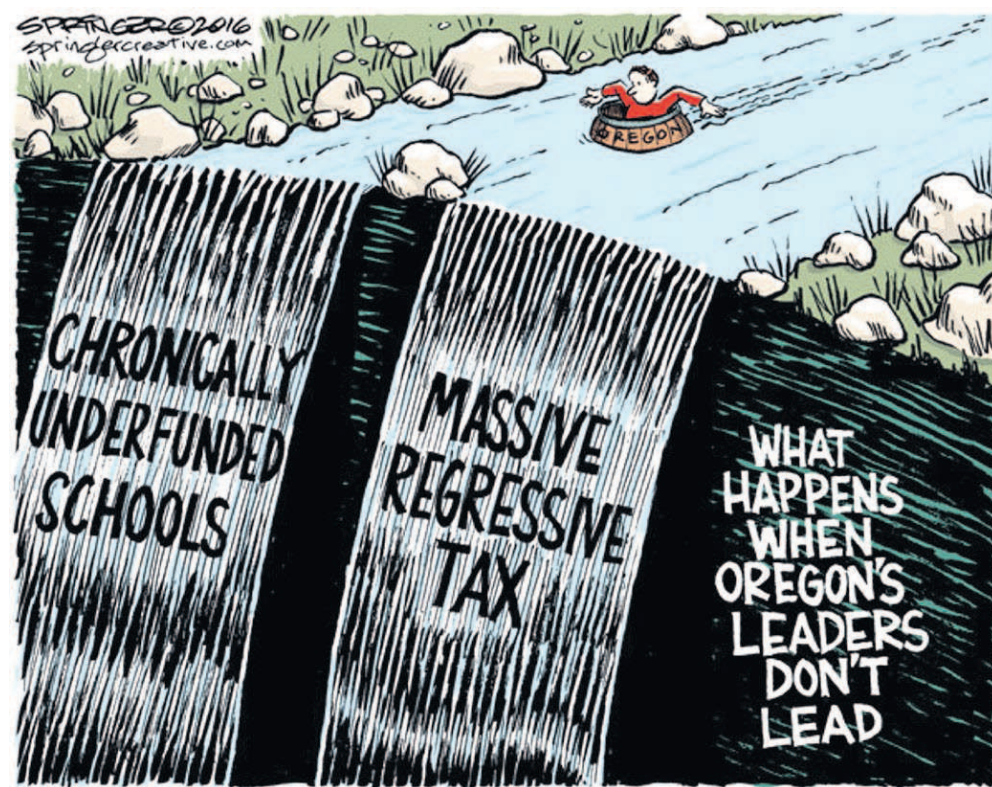
That's a sore point for Measure 97 supporters, who have contended that the large corporations targeted by the tax would not pass along those increased costs. So it had to rankle to see the governor toss that argument under the bus: "Oregonians are smart enough to realize there will be, um, they will bear some of these increased costs," Brown told Mapes.

She did not say what share of the tax would be passed on to consumers. The nonpartisan Legislative Revenue Office has estimated that the measure eventually would cost Oregon households somewhere between \$372 and \$1,282 a year.

To be fair, Brown still supports the measure, which she believes is the only "viable option" to adequately fund vital state services. And it would appear that sometime after her interview with Mapes, she concluded that the "vast majority" of costs would be paid by "out-of-state corporations," judging by Friday's statement.

The question of who winds up paying the bill for Measure 97 will be a critical one as the campaign heats up. After all, if proponents can frame their case in terms that Measure 97 will "make Comcast pay," in the words of a pro-97 bumper sticker, that's potentially a winning strategy. But if the question becomes how much more an average Oregon household will pay because of Measure 97, that spells trouble for supporters.

That's why Brown's burst of candor with Mapes about the costs of the measure potentially could become an important moment in the campaign. But it could be that the governor is just saying what Oregonians have been "smart enough" to figure out for themselves.



OTHER VIEWS

Identity politics run amok

Once, I seem to recall, we had philosophical and ideological differences. Once, politics was a debate between liberals and conservatives, between different views of government, different views on values and America's role in the world.

But this year, it seems, everything has been stripped down to the bone. Politics is dividing along crude identity lines — along race and class. Are you a native-born white or are you an outsider? Are you one of the people or one of the elites?

Politics is no longer about argument or discussion; it's about trying to put your opponents into the box of the untouchables.

Donald Trump didn't invent this game, but he embodies it. His advisers tried to dress him up on Wednesday afternoon as some sort of mature summiteer. But he just can't be phony.

By his evening immigration speech he'd returned to the class and race tropes that have defined his campaign: that the American government is in the grips of a rich oligarchy that distorts everything for its benefit; that the American people are besieged by foreigners, who take their jobs and threaten their lives.

It's not that these two ideas are completely wrong. The rich do have more influence. There are indeed some foreigners who seek to harm us. It is just that Trump (like other race and class warriors) takes these kernels of truth and grows them into a lie.

Trump argues that immigration has sown chaos across middle-class neighborhoods. This is false. Research suggests that the recent surge in immigration has made America's streets safer. That's because foreign-born men are very unlikely to commit violent crime.

According to one study, only 2 or 3 percent of Mexican-, Guatemalan- or Salvadoran-born men without a high school degree end up incarcerated, compared with 11 percent of their U.S.-born counterparts.

Trump argues that the flood of immigrants is taking jobs away from unskilled native workers. But this is mainly false, too. There's an intricate debate among economists about this, but if you survey the whole literature on the subject you find that most research shows immigration has very little effect on native wage or unemployment levels.

That's because immigrants flow into different types of unskilled jobs. Unskilled immigrants tend to become maids, cooks and farmworkers — jobs that require less English. Unskilled natives tend to become cashiers and drivers. If immigrants are driving down wages, it is mostly those of other immigrants.

Trump claims the rich benefit from immigration while everyone else suffers.



DAVID BROOKS
Comment

Doctors get cheap nannies, everyone else gets the shaft.

This is false, too. The fact is, a vast majority of Americans benefit. A study by John McLaren of the University of Virginia and Gihoon Hong of Indiana University found that each new immigrant produced about 1.2 new jobs, because immigrants are producers and consumers and increase overall economic activity.

A report from the Partnership for a New American Economy found that immigrants accounted for 28 percent of all new small businesses in 2011. Between 2006 and 2012, over 40 percent of tech startups in Silicon Valley had at least one foreign-born founder.

The cities that are doing best economically work hard to attract new immigrants because the benefits are widely shared. As Ted Hesson points out in *The Atlantic*, New York, Chicago, Houston and Los Angeles account for about 20 percent of U.S. economic output, and in those places, immigrants can make up as much as 44 percent of the total labor supply.

Identity politics distorts politics in two ways. First, it is Manichaeic. It cleanly divides the world into opposing forces of light and darkness. You are a worker or an elite. You are American or foreigner.

Seeing this way is understandable if you are scared, but it is also a sign of intellectual laziness. The reality is that people can't be reduced to a single story. An issue as complex as immigration can't be reduced to a cartoon. It is simultaneously true that immigration fuels American dynamism and that the mixture of mass unskilled immigration and the high-tech economy threatens to create a permanent underclass.

Second and most important, identity politics is inherently the politics of division. But on most issues — whether it is immigration or the economy or national security — we rise and fall together.

Immigration, even a reasonable amount of illegal immigration, helps a vast majority of Americans. An economy that grows at 3 percent would help all Americans.

Identity politics, as practiced by Trump, but also by others on the left and the right, distracts from the reality that we are one nation. It corrodes the sense of solidarity. It breeds suspicion, cynicism and distrust.

Human beings are too complicated to be defined by skin color, income or citizenship status. Those who try to reduce politics to these identities do real violence to national life.

David Brooks became a *New York Times* Op-Ed columnist in September 2003.

YOUR VIEWS

Owyhee Canyonlands need permanent federal protection

Just where we are in protecting the Owyhee Canyonlands is uncertain but leadership has reached the White House. We need to protect this Oregon treasure for future generations. Ninety-five percent of the Owyhee Canyonlands has no form of protection, and threats such as oil and gas development and mining continue to grow.

Idaho has protected its part of the Owyhee. Oregon needs to launch a movement to claim this region from the possible corruption of money. It is a task we face today in a democratic society. The environmentalism that inspired former presidents to pass acts to save America's wilderness areas remains crucial.

Saving Owyhee Canyonlands is another battle against the corrupting influence of money in politics. Now we must wage a battle to make possible this significant environmentalism and to permanently protect Oregon's Owyhee Canyonlands.

Dorys C. Grover
Pendleton

Wall Street loves the Clintons, but Americans need defense

The primary cause of the 1930s Great Depression was speculation by commercial banks in the stock market while governmental

missteps prolonged it. Because of the banking abuses, legislation was enacted in 1933 known as the Glass-Steagall Act to erect a barrier between investment banking and normal commercial bank operations to prevent another financial disaster.

That act was wrongly appealed in 1999 when President Bill Clinton signed the legislation to deregulate the banking industry, allowing the banks once again to police themselves. Wall Street is now laughing at America because by the end of 2015, the four largest investment banks in New York have created credit swap derivatives of \$186.6 trillion. A derivative is an agreement between two parties to pay each other money depending on the performance of some other underlying asset, such as a bond.

We know that Hillary Clinton has amassed an enormous campaign chest by making speeches to wealthy donors, such as hundreds of thousands of dollars received from Goldman Sachs. Goldman Sachs alone has created \$51.2 trillion in derivatives.

Massive losses by an institution creating derivatives will allow them to use their bank deposits to offset the derivative losses. This is known as a bail-in and the depositors can be wiped out. The Glass-Steagall Act must now be reenacted to prevent Wall Street creation of a new generation of victims.

Robert Dahlquist
Orange, Calif.