

# Regulators ask for more money to police legal marijuana

By **CLAIRE WITHYCOMBE**  
*Capital Bureau*

SALEM — Amid mounting pressure to shore up controls on legal cannabis, Oregon regulators want more money to enforce state marijuana laws and rules.

In early January, Attorney General Jeff Sessions alerted states that had legalized recreational marijuana that he was rolling back the previous administration’s guidance on marijuana prosecutions. Sessions’ memo effectively leaves it up to federal prosecutors in each state to exercise individual discretion when it comes to enforcing violations of

federal marijuana law.

Billy Williams, Oregon’s top federal prosecutor, claimed Feb. 2 that the state has a “massive marijuana overproduction problem,” and that weed grown in Oregon is leaking into the illicit market and across state lines. And state auditors said in a Feb. 7 report that Oregon’s cannabis licensing and tracking systems have weaknesses that could overlook illegal activity.

Those challenges, in conjunction with the infancy of the legal marijuana market and the explosion of people interested in entering the industry, appear to be prompting the Oregon Liquor Control Commission to ask for more funding in

the middle of the two-year budget cycle.

The agency is asking for \$2.74 million for 17 new positions, including a chief information officer, and its director supports more funding targeted toward illegal marijuana activity.

A potential amendment to a bill before the Senate Rules Committee would create grants distributed by Criminal Justice Commission to law enforcement activity for investigations targeting illegal marijuana “cultivation or distribution.”

Although a specific amount of funding hasn’t been decided, OLCC Director Steve Marks told lawmakers this week that it could be

in the neighborhood of \$3 million, funded by marijuana tax dollars.

“I actually believe this is the singular most important thing you’ll do to help us regulate marijuana in the state of Oregon,” Marks said of the proposed program.

Additionally, enforcing violations in the legal marijuana system “is going to be an intense area of growth for us,” Marks said. “We are going to be writing a lot more violations in the near future.”

The hires, if approved by the Legislature, will include 13 regulatory specialists and three administrative support staff. Regulatory specialists inspect and investigate marijuana businesses for compli-

ance, similar to the state’s regulatory specialists for alcohol.

The requested administrative support staff would work to process license applications and renewals.

Marks also said his agency would be more transparent and provide a report to the Legislature on enforcement of illegal marijuana activity before the start of the long legislative session in 2019.

According to the Oregon Liquor Control Commission, consumers bought about \$520 million worth of recreational marijuana in Oregon last year. Sales are expected to generate \$150 million in tax revenues in the state’s current two-year budget, which ends in mid-2019.

# UAS: State’s \$150,000 grant set to expire this year

**Continued from 1A**

team of seven for PAE, an Arlington, Virginia, military contractor that is using the range to test Resolute Eagle, an unmanned vehicle capable of assisting troops in roadside bomb detection and broadcasting mobile internet.

Aguon, the project’s flight test manager, said Pendleton is a great place to test because of the variety of eating and shopping opportunities for a town its size.

“You can’t find what they have here anywhere else,” he said.

Abling, the range manager, said it’s pretty standard for aviation companies to give their employees generous per diems when sending them out to various locales for testing. A veteran of Northrop Grumman’s UAS program, Abling tested aircraft in towns like Yuma, Arizona and remembers spending much of his allowance locally.

Abling said the amount of people working at the range varies depending on their testing needs, but he estimated 20-50 UAS industry employees are at the range at any given time.

Bosen, the city’s former economic development director who bought the Pendleton House, said the UAS industry needs to be “pampered” and “welcomed with open arms” by the community so companies consider permanently relocating to Pendleton.

Bosen said some lodgers have already mentioned wanting to buy a house in Pendleton and settle here permanently, but their stay is at the discretion of their employer.

**Back in the black**

Steve Chrisman, Pendleton economic development director and airport manager, attributed the range’s recent growth spurt to the work of its only employees — Abling and range officer Steve Lawn.

With their help, the city was able to land testing contracts with large companies like Airbus, Yamaha and PAE.

These contracts have helped the UAS range operate in the black, yet much of the heavy lifting is still being done by a state grant.

According to data



Five members of a unmanned aerial test team have a lively discussion over lunch Monday at Elvis’s Bar & Grill during a break from their work at the Pendleton UAS test range.

**“You can’t find what they have here anywhere else.”**

— **Trent Aguon,**  
PAE technician on the combination of restaurants and shopping in Pendleton, along with the UAS range.

provided by Chrisman, the range made \$303,257 from July 2017 through January versus \$238,738 in expenses. That equates to a net income of \$64,519, though the budget was boosted by a \$150,000 annual state grant that is set to expire later this year.

Although the city is looking for more state money, Chrisman said the range needs to grow its customer base so it can afford support staff once grant funding dries out.

In the meantime, the city is waiting for word from the state about whether it can reapply for the \$150,000 per year grant while looking at another grant opportunity.

The city has also applied



Housekeeper Rose Smyth plumps a pillow Saturday morning at the Pendleton House Bed & Breakfast.

for a one-third share of a \$1 million grant from the state to fund personnel costs, which it would share with the test sites in Tillamook and Warm Springs.

Chrisman said in the

worst case scenario, the UAS range would continue to operate as it is, generating additional revenue for the airport and bringing in workers on business trips.

The range needs to

continue bringing in UAS industry employees or it could face a large loan bill from the state.

In 2015, the state gave the city a \$1.7 million loan package to build a UAS

hangar, where Airbus now keeps its Project Vahana air taxi drone. \$1 million of that package could be forgiven if the range is able to generate 100 jobs within five years of completing the hangar, which happened in April 2017.

The city is measuring that jobs requirement through the number of labor hours drone companies are putting into testing operations. The range had less than 500 hours in 2016, 11,476 hours in 2017 and 5,500 hours through January. Range officials are projecting 35,000 in labor hours over the course of 2018.

According to Abling, the state equates 1,650 labor hours to one job, meaning the range will have to generate 165,000 hours to have the \$1 million forgiven.

Additionally, the range is eventually expected to help pay back the airport’s \$2.5 million in debt, a burden the city’s auditor continues to flag.

The hope remains that continued testing at the range will eventually lead to a manufacturing facility where drones can be tested as soon as they come off the line, but the current crop of UAS jobs could be filled locally.

Abling said the companies are inquiring with the Oregon National Guard’s Pendleton base, which has a UAS unit, but Abling said some of the open entry-level positions don’t need a drone expert to fill them.

He encouraged people with experience in electrical work, mechanics or manned aviation to contact the range, which would then put them in contact with one of the companies.

Abling said even fresh graduates from Pendleton High School or Blue Mountain Community College could be qualified if they have the right experience, like having a technical degree or participating in the range’s internship program.

Nothing is guaranteed in the aviation industry, Abling said, and these jobs could eventually emigrate out of town. But they are full-time jobs that could be filled by Pendletonians, wherever they land.

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# Oregon moves toward state net neutrality law

By **TOM JAMES**  
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SALEM — In response to moves by federal regulators ending net neutrality, and citing a looming deadline, Oregon legislators advanced a proposal aimed at forcing internet service providers in the state to treat all types of content equally.

The proposal passed the House 40-17 Monday and now heads to the Senate.

If enacted, the measure wouldn’t mandate internet providers take any action, but would stop state agencies from buying internet service from any company that blocks or prioritizes specific content or apps, starting in 2019. The prohibition would include cities and counties, but includes an exemption for areas with only a single provider.

The move follows a December vote by the Federal Communications Commission repealing Obama-era rules prohibiting internet providers from selectively blocking or slowing some content or apps.

Critics say the change could lead to the division of the internet into tiers,

with high-quality information reaching only those willing to pay extra and controversial views or outlets relegated to slower tiers.

On Monday, Democratic lawmakers said using the power of the checkbook — essentially threatening to pull the state’s business from non-neutral providers — would influence companies but stop short of regulating them, a move that could run afoul of the federal regulator. The FCC has said it will pre-empt state rules that contradict its own.

But Democratic legislators voted the substitution down, pointing to effective dates for federal rules later this year as precluding delay.

“We have until April 23rd until our net neutrality rules are gone,” said Rep. Jennifer Williamson, leader of Oregon’s Democratic House Majority. The FCC set the deadline Thursday, when it published the rule change in the Federal Register.

Republican Minority Leader Mike McLane said it was too soon to act.

“Let’s use that time to study and come up with something that... that won’t be pre-empted by the federal

**“Let’s use some time to study and come up with something ... that won’t be pre-empted by the federal government.”**

— **Mike McLane,**  
Republican Minority Leader

government,” McLane said.

Other states have taken steps to ensure neutral internet service. Oregon Attorney General Ellen Rosenblum joined a coalition of 22 states and the District of Columbia in filing legal challenges last week to block the rules from taking effect.

Neighboring Washington state’s House of Representatives also passed legislation earlier in the month proposing to force providers to disclose if they restrict or block traffic, and making doing so punishable under the state’s Consumer Protection Act. In January, an order by Montana Gov. Steve Bullock made the state the first to enact a purchasing ban similar to the Oregon proposal.

# HEALTH: Practical impact of ‘right’ unclear

**Continued from 1A**

edly sponsored the measure, said this is the third consecutive time the Senate has blocked the referral.

In light of federal efforts to overturn the Affordable Care Act, Greenlick said it is important for Oregon voters to weigh in on whether they want health care to be accessible to everyone.

“I think we are making a terrible mistake not to give them the opportunity to tell us whether they really believe that universal access to health care is something that our citizens deserve and that we should take seriously as we consider how we move forward in dealing with the health care system,” he said.

Using a catchphrase from the 1984 science fiction film, “The Terminator,” Greenlick said: “I will be back.”

The practical impact of

creating such a right was unclear.

House Speaker Tina Kotek and Majority Leader Jennifer Williamson, both Democrats from Portland, described the measure primarily as “aspirational,” but some legal experts said adding the right to the Constitution could spur litigation.

“I think we all agree that health care should be an inalienable right for everyone. I’m concerned that you send it to the voters and the voters say yes and it comes back, at what expense do we pay for it?” said Sen. Alan DeBoer, R-Ashland, a member of the Senate Health Care Committee. “We need the federal government to come to the table. I have always been a supporter of single payer ... but how do you pay for it once you approve it and the lawsuits?”