

RENTALS

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Cannon Beach

In Cannon Beach, the council will continue to refine its proposed amendments with the hope of completing the task by the end of the year.

The council will likely hold a work session next month to discuss the potential changes and other proposals to the short-term rental permitting process. Working out the differences with the Planning Commission should be an obvious priority during upcoming work sessions on short-term rentals.

In both cities, the issue has put elected officials and residents in motion.

Speaking about a possible initiative after all the work Gearhart officials have put into the new rules, City Administrator Chad Sweet hit the nail directly on the head when he told Daily Astorian reporter R.J. Marx that, "For me, it's all just part of the process. It's democracy in action."

He's exactly right.

In Gearhart, the new rules are going into effect and the homeowners who oppose the ordinance aren't shut out of the process, they still have the opportunity to seek the ballot initiative. If it gets that far, voters will have the final say next year.

In Cannon Beach, the short-term rental revisions are still in the early stages and should entail both the City Council and the Planning Commission working out the details together and not be on opposing sides before any new changes are put in place.

That too, is part of the democratic process.

Oracle settles Cover Oregon lawsuit

\$100 million deal ends suit over failed website

By Nick Budnick and Paris Achen
Capital Bureau

The state of Oregon and Oracle, the vendor on the \$300 million Cover Oregon website debacle, have settled their wide-ranging legal dispute for more than \$100 million in goods, services and cash.

Oracle will supply funds, software and services to the state to settle a case in which Oregon had accused the Redwood City, Calif., software giant of fraud and racketeering on the state's one-stop-shopping health insurance website project that never worked as planned.

The state had been asking for roughly \$6 billion.

"Today's settlement agreement ends years of turmoil and taxpayer expense related to a troubled health care exchange program I dissolved in March 2015," Gov. Kate Brown said in a statement.

The agreement, announced early Thursday by Brown at OMSI, includes only \$35 million in actual cash. Of that, \$25 million will go to legal costs. The other \$10 million will go toward science, technology, engineering and math education in public schools, to be branded as "Oracle STEM Education Grants."

The state's \$105 million valuation of the settlement also includes \$60 million in free customer service support for yet-to-be-obtained Oracle software.



Paris Achen/Pamplin Media Group

From left, Deputy General Counsel Misha Isaak, Gov. Kate Brown, and state Chief Information Officer Alex Pettit answer questions at OMSI in Portland Thursday after Brown announced a more than \$100 million settlement with Oracle Thursday over the failed Cover Oregon website.

State officials were expected to notify the federal government of the settlement later Thursday morning, Brown said. Brown declined to answer a question about whether the state will be required to give any of the settlement money to the federal government.

"We received a very limited amount of cash as you will see; the cash is \$35 million," Brown responded. "These settlements are very challenging to resolve, and all of the parties had to do some give and take in order to resolve the matter."

The federal government contributed \$305 million for Cover Oregon. But federal officials may find it hard to recoup any part of the settlement's ostensible value. Not a penny of the amount will go to repay the state for the \$240 million it paid Oracle in connection with the project, or reimburse the state for any of the

related damages cited in the state's lawsuit against Oracle.

Kristen Grainger, a spokeswoman for Brown, said the settlement was "carefully" and "creatively" constructed to let Oregon keep as much of it as possible, hopefully the whole amount.

"We are hopeful that (the federal government) will see that the needs of consumers are met," she said.

Sharing the blame

Under the agreement, neither side admits liability or wrongdoing. It also calls for a close working relationship between the two sides.

Besides the \$35 million in cash and \$60 million in customer support, the settlement also includes a six-year licensing agreement that would allow the state to get free software to upgrade some of its information technology systems.

The expansion of the state's relationship with Oracle represents a major departure from state officials' past representations that the company provided flawed software, did shoddy work and engaged in unethical, even criminal business practices. In fact, the state's lawsuit had asked a judge to ban Oracle from ever doing business with the state again.

Asked whether the state could entrust its IT systems to Oracle after the Cover Oregon failure, Brown said she was confident in the company's expertise around business enterprise software.

The settlement is "an incredible opportunity for us to take advantage of that expertise," Brown said. "Oregon had a bad experience with Oracle in terms of developing the Cover Oregon project."

But the state had no issue with the software services that Oracle provided the state during the past several years, she said.

Oregon House Minority Leader Mike McLane, R-Powell Butte, said Thursday that the settlement "marks the end of one of the most embarrassing chapters in Oregon's history."

"While Oracle clearly made mistakes, there is no escaping the fact that the state, too, shares blame for the failure of Cover Oregon," McLane said. "From the very beginning, the project was mismanaged and wracked by the failures of our bureaucracy."

"Despite the state's obvious culpability, Attorney General

Rosenblum put tens of millions of taxpayer dollars on the line for a legal strategy that was motivated by politics and never stood a realistic chance of recovering everything that was lost."

Rosenblum responded that the settlement wouldn't have happened had she not pursued the litigation.

"We now intend to work together again, and I call upon the good representative to let go of the acrimony and political bashing and join Oregon and Oracle in making positive changes in our IT systems going forward," the attorney general said.

The state's lawyers in court said they'd obtained other documents showing that Oracle knew its software products could not provide the services it had promised while trying to win the Oregon contract.

Grainger, the Brown spokeswoman, said election considerations or other politics did not play a role in the desire to settle the case.

David Friedman, a Willamette University College of Law professor who has been sympathetic to Oracle's arguments in the case, said "I really do think this is a win-win. The state is getting a substantial amount of services and value from Oracle ... and Oracle can say 'Hey look, we're not racketeers, we're not fraudsters.'"

Tough talk is normal in a case like this, but "They're skipping off holding hands now through the wildflowers," he said, "essentially back in business with one another."

WATER

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Good we found petroleum to replace whale oil, shale oil to replace crude, wind to replace steam and water generated electricity. And, eventually, we'll mine the moon, asteroids and distant planets.

The Indians bring us back, back to land and water. The Umatilla Natural Resource program has developed a presentation on "First Foods." They argue that ancient long-house ceremonies served foods in order of importance, and if we do the same we will be healthier and will live in a healthier environment. Clean water, of course, is first, and then salmon — think good spawning grounds, deer, roots, berries, etc.

Our Wallowa waters are the envy of many. And while local cattle ranchers argue that "there is no such thing as a bad rain," and grass growers and ranchers measure the snowpack and gauge hay cutting and pasture moves against the year's weather, most of us not making our living in agriculture and timber are blissfully unaware of local water dynamics. We like the look of snowcapped mountains and the rush of rivers. We fish, or ski, snowmobile, hunt, run rivers, or sit on the beach at

Wallowa Lake and enjoy the sun — and water.

A few people work to rectify 20th-century technology by putting meander back in rivers, cooling water and increasing spawning grounds. Some think about our dam and how sockeye salmon who once flooded the lake might be

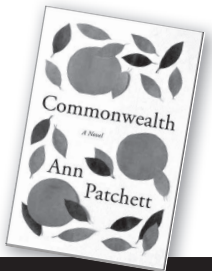
brought to it again. Immigrants from California and central Oregon shake the dust off and water lawns and pastures. And Washington irrigators follow the dam condemnation and potential reconstruction thirstily — they'll buy that extra water from us.

Indians from diverse cul-


tures across the country camping in North Dakota remind us that water is not just a commodity to be bought and sold, but the fundamental principle of all life.

Columnist Rich Wand-schneider lives in Joseph.

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Thank you

A big thank-you to Main Street Show and Shine and Baggins Wagen for their awesome support of Meals on Wheels. The annual 50/50 drawing proceeds were chosen to support the Meals on Wheels program in Wallowa County. Baggins Wagen kindly donated their tip jar in support and the 50/50 winner generously donated back a significant portion of her winnings to Meals on Wheels. Between the tip jar and the 50/50 drawing, **\$670** was raised for the Meals on Wheels in Wallowa County. A special thank-you to Bob Rush for his continued supports of Meals on Wheels.

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