

Oregon News

BEHIND THE DEMISE OF OREGON'S CONTROVERSIAL CARBON CAP-AND-TRADE BILL

Carbon bill's fate sealed by dissent among Democrats, not fleeing GOP

By Aubrey Wieber
Oregon Capital Bureau

A retired nurse, not fleeing Oregon state senators, doomed Gov. Kate Brown's keystone environmental policy that had been in the works for more than a decade, according to interviews and public records.

When Senate President Peter Courtney announced in June that his chamber didn't have the votes to pass cap-and-trade legislation, the credit for its failure fell to 11 Republican senators and a boisterous Capitol rally by the timber industry.

But state Sen. Laurie Monnes Anderson, a Gresham Democrat, had already quietly told Courtney she wasn't the expected yes vote supporters had counted on. Her defection meant Courtney couldn't field enough Democratic votes to pass the ambitious legislation.

Her little-known role reveals the power of the lobby and the nitty-gritty of state politics that turns on one-on-one dealings more than public statements and committee hearings.

This account was the result of interviews with Monnes Anderson, other legislators and lobbyists and public records such as emails and text messages.

Monnes Anderson is a 73-year-old retired nurse who won a House seat in 2000, then moved to the Senate in 2004. She's long been a reliable vote for Democrats, though lobbyists say she also has a reputation for being easily swayed.

"Boeing came to me," Monnes Anderson said. "People think I am easily swayed. I think I am objective and open-minded about the pros and cons about important legislation."

That reputation made her a political target as the cap and trade plan appeared headed for legislative approval.

Democrats had been pursuing the cap and trade program for years, acting out of concern that Oregon play a role in reducing greenhouse emissions and finance environmental innovation. Legislation encapsulating the idea had failed in one legislative session after another, but the 2019 Legislature offered hope the plan would finally become law. Brown won re-election in part based on promising to pursue the program and Democrats won enough seats in the House and Senate to push through new laws over the Republican minority.

That didn't mean House Bill 2020 was easy going. An interim committee spent months working up the proposal. During the session, legislators conducted 23 hearings and considered 116 amendments. On June 17, the House passed the measure 36-24 after a floor debate that exceeded six hours. Its passage in the Senate was considered inevitable by even some of its most vigilant foes.

Courtney needed just 16 senators to say yes. He had 18 Democrats to work with.

Two Democrats already publicly declared they would vote no — Sen. Betsy Johnson of Scappoose and Arnie Roblan of Coos Bay.

That left Courtney the 16 Democrats he needed to move ahead, but Monnes Anderson in May started voicing concerns, triggering an intense lobbying effort by industry, environmentalists, and the governor's staff. Monnes Anderson was emerging as the critical vote.

Her concern was focused: She didn't want the legislation to hurt a major employer in her urban district, Boeing. Monnes Anderson acknowledged in an interview that she didn't have a great understanding of the dense policy, but was given pause when Boeing approached her with concerns.

Boeing's Gresham factory employs 1,600 workers. The facility gets its electricity from a wholesale supplier rather than a public utility. Public utilities got free allowances in HB 2020, in part because of a state mandate forcing them



Christopher Keizer / The Gresham Outlook

Oregon State Sen. Laurie Monnes Anderson, D-Gresham, addresses a crowd at a 2019 Memorial Day event.

"People think I'm easily swayed. I think I am objective and open-minded about the pros and cons about important legislation."

— Sen. Laurie Monnes Anderson

to move from coal power and also because the state has oversight of them. The state has no way to see how private suppliers rely on clean or dirty energy production, or to ensure free allowances would go toward stabilizing energy rates rather than profiting shareholders. Boeing produced an analysis that determined HB 2020 would increase the Gresham factory's energy costs by \$1 million per year. But text messages acquired by Salem Reporter show when the governor's staff asked for that analysis in an attempt to address the matter, company officials declined, saying it was proprietary information.

Emails between Brown's chief of staff, Nik Blosser, and Boeing representatives show the company shifted its requests as the governor's office tried to placate Boeing — and Monnes Anderson.

Rich White, Boeing's government relations manager, identified in a June 10 email that the company's concern with House Bill 2020 was that its industrial classification wasn't included in the bill. Adding the code assured Boeing it would be included in the program, therefore receiving benefits to lessen the blow of cap and trade. Blosser agreed to add it.

The next day, Boeing's lobbyist emailed Blosser, saying that including the code wasn't enough to get the company on board. The company now insisted that other amendments proposed by industry allies be adopted.

The amendments Boeing asked for would have gutted the program and went far beyond Boeing's initial focus on energy costs.

The change left Blosser befuddled. "Are you saying now that you don't want the Boeing NAICS code added to the bill through amendment 110? Your lobbyist, JL Wilson, seems to be saying that," Blosser wrote to White. White and Blosser declined to comment.

About that time, Monnes Anderson met with Paige Spence, an Oregon League of Conservation Voters lobbyist.

The senator reiterated what she had said for months, though she never wanted to discuss the policy in detail, and didn't understand it, Spence said.

"She always said she was going to be a yes," Spence said.

In the version that went to the House for a vote, Boeing got its classification amendment and nothing more.

By then, the governor's office understood that Monnes Anderson had emerged as a pivotal vote in

the Senate.

The day the measure passed the House, the Gresham senator met in her office with Blosser to negotiate over what it would take to get her to vote yes. They met again the next morning and then that afternoon.

Opponents to the legislation also recognized that Monnes Anderson had become key to killing cap and trade. On the same afternoon she met with Blosser, Monnes Anderson also met with industry lobbyists Shaun Jillions, Paul Cosgrove and Kevin Campbell. The two Democratic senators already committed to voting no — Johnson and Roblan — sat in as well.

Jillions, a business lobbyist who heads Oregon Manufacturing and Commerce, led industry opposition to the bill and he focused on Monnes Anderson when he heard she was on the fence.

She said she found the industry pressure off-putting.

"I just wanted to be separate from that group," she said of Jillions and his industry associates. Monnes Anderson only recalled one such meeting, but Jillions said they took place weekly in June.

Jillions said Monnes Anderson was one of five moderate Democrats in the Senate, along with eight in the House, he had been working with for months. The notion that he suddenly turned her against cap and trade is wrong, he said.

"Of course it's 'Shaun Jillions uses misinformation to get one senator,' and that's simply not true," he said. "We had targeted her from the beginning. I wouldn't say there was a shining light moment."

Monnes Anderson met with Brown's staff again over the next two days but her concerns about Boeing remained. Boeing stayed in close touch, with its government relations manager checking in with Monnes Anderson by phone on June 19 and June 20.

She said she never told Boeing directly how she would vote.

During this period, Monnes Anderson also met with environmental groups, Senate Majority Leader Ginny Burdick, D-Portland, and Courtney. She said since she was negotiating with Blosser, she never told Burdick and Courtney that she was a hard no and they never pressured her to support the policy.

She also met with Rep. Karin Power, D-Milwaukie, who championed the bill for House Democrats. In that meeting, House Speaker Tina Kotek participated via phone, but none were able to persuade her to commit to supporting the legislation.

"I kind of stuck in my heels and said 'this is not fair,'" Monnes Anderson said.

Monnes Anderson finally went for a private talk with Courtney. There, she said, she told the Senate president that she would vote against House Bill 2020.

Courtney had lost his crucial

16th vote, but few knew it.

Tuesday, June 25, was a key day in the bill's fate. By then, 11 Republican senators had left the state, blocking Senate action in what they hoped was a political roadblock to stop the legislation.

That morning, at 9:43 a.m., Monnes Anderson emailed an advocate for Renew Oregon, an advocacy group lobbying for the bill, as she had most weeks.

"I hope to support this bill if it comes to the floor," she wrote. Seventeen minutes later, Courtney walked into the Senate and surprised his colleagues by announcing the votes weren't there. He didn't explain.

Monnes Anderson's actions stirred accusations that she was bought by Boeing, but campaign records showed the company had been a relatively minor donor. There was talk of challenging her in the 2020 election — but Monnes Anderson said she doesn't plan to seek re-election.

Some in her party accused her of telling all sides what they wanted to hear. "That's what they say, but I was open," she said. "I was very open about what I needed. I get blamed for a lot of stuff but that doesn't bother me."

Monnes Anderson said she repeatedly made her concerns known to Sen. Michael Dembrow, D-Portland, a chief architect of the bill. Dembrow recalled one formal meeting that lasted about 10 minutes, but a handful of conversations conducted on the Senate floor or in hallways. She never directly told him how she would vote, just that she wouldn't support an unfair bill.

Dembrow and Spence believe Boeing was being less than forthcoming in the process, and was working to make the bill softer on industry overall, not just better for itself. "If Boeing used renewable energy, they wouldn't be affected by the bill at all," Dembrow said. Boeing's media director, Paul Bergman, declined to be interviewed and didn't respond to a list of written questions. Spence said she believes Boeing used Monnes Anderson to tank the bill.

"I think the industry folks found her easy to pick off, knowing she hadn't really dived in," Spence said. "I think there is a reason she was targeted."

On June 29, Monnes Anderson sent an email explaining her dissent to media and constituents. It was a more detailed attack of HB 2020 than Monnes Anderson had ever given, leading some to believe Jillions wrote it.

Monnes Anderson said that wasn't true.

She said she did have help drafting the explanation — from Jennifer Dresler, a lobbyist for several organizations that would be impacted by cap and trade.

— STATE BRIEFING —

Former airport baggage handler sentenced for stealing guns from luggage

PORTLAND (AP) — A former airport baggage handler has been sentenced to six months in federal prison for stealing guns and ammunition from passengers' luggage.

The Oregonian/Oregon Live reported Monday that 27-year-old Deshawn Antonio Kelly was sentenced Monday in U.S. District Court.

Kelly told a judge he stole guns from five people who checked bags at Portland International Airport in August and September 2018.

Authorities say Kelly removed firearms he knew were present due to red luggage tags and switched tags, sending luggage to different destinations.

Kelly's attorney says he was arrested before he could sell the guns.

Five guns were recovered but one weapon remained missing after Kelly gave it to a friend who was a convicted felon and gang member.

Prosecutors say victims included a police officer and a gun dealer.

Firefighter hurt by rolling debris while fighting Mile Post 97 fire in Southern Oregon

CANYONVILLE (AP) — A firefighter battling a large blaze in southwestern Oregon was injured when he was struck by rolling debris.

Authorities say the firefighter was transported early Monday to a medical center, where he was treated and released. The firefighter was one of about 1,000 people battling the 11,600-acre Mile Post 97 fire that broke out Wednesday near Canyonville, apparently from an illegal campfire.

Officials said the fire was growing slowly toward the south, paralleling Interstate 5.

The fire was at 10 percent containment. Crews hoped to make progress as clouds and cooling temperatures were forecast for the area.

The Federal Emergency Management Agency has also authorized the use of federal funds to help with firefighting costs.

An Oregon Department of Environmental Quality air advisory issued due to smoke was extended Monday for Jackson, Josephine and Klamath counties, and now includes southern Douglas County.

Murder suspect fights extradition

By Emily Thornton
Walla Walla Union-Bulletin

The man accused of killing a Walla Walla man on July 8 is in the Baker County Jail, but he likely will be extradited to Washington within two months.

Colby J. Hedman, 23, is charged with first-degree murder and vehicle theft in Walla Walla, but was arrested in Baker City on charges of unauthorized use of a motor vehicle, attempting to elude, reckless driving, criminal trespassing, criminal mischief and property hit-and-run.

Although the jurisdiction who has Hedman, Baker County, may proceed with court hearings first, Walla Walla County Prosecuting Attorney Jim Nagle said he sent a warrant for Hedman's arrest to Washington Gov. Jay Inslee.

"My understanding is he's refused extradition, so we sent a warrant to the governor's office," Nagle said of Hedman.

If Inslee grants the warrant, it will go to Oregon Gov. Kate Brown, who also will issue a warrant, Nagle said. Then, a hearing will take place in Baker County to determine whether the warrants are "official," with the proper seal, and Hedman is the person against whom they're issued. Nagle said the proper paperwork must be in order, with Hedman's fingerprints and other items, to ensure he is the same person on the warrants. Nagle mentioned it was harder in the "old days," especially if the person was "John Smith."

But after the governors' approval, there's not much he can do.

"The only issue at that point is he could file an appeal," Nagle said.

If no appeal is sought, Nagle said, Hedman likely would be extradited within 60 days, but he was unsure where Hedman stood in Baker County's proceedings.

However, the East Oregonian reported, "if the extradition process is still pending when Hedman is scheduled to go to trial in Baker City, it's possible the trial there could happen before Hedman returns to Washington, (Baker County District Attorney Matt) Shirtcliff said."

A hearing to set a trial date is scheduled for this week, according to the East Oregonian, as Hedman hasn't waived his right to a speedy trial.

Hedman admitted to police he struck Kyle J. Martz, 35, with an ax multiple times before stealing his car and fleeing to Oregon, where he was arrested near Baker City after trying to elude police the same day.