

## Bill

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The bill also got endorsements from the Oregon State Chamber of Commerce, Oregon Restaurant and Lodging Association, Oregon Business & Industry and National Federation of Independent Business/Oregon.

A couple of those lobbyists also suggested that lawmakers go further by letting some businesses defer even more of their 2021 payroll taxes than the bill allows, or using some of the state's share of \$780 million in federal aid available under President Joe Biden's pandemic recovery plan as a one-time offset of payroll taxes.

Acting Director David Gerstenfeld of the Oregon Employment Department, whose staff was consulted in the drafting of the state bill, said officials are awaiting

U.S. Treasury Department guidance about how it conforms to a ban on using federal funds for state tax cuts. Gerstenfeld said that as drafted, the bill has raised no objections from the U.S. Department of Labor, which oversees state unemployment systems.

### What the bill does

- The bill does these things:
- Businesses can defer payment of up to one-third of their 2021 payroll taxes until June 2022 if their tax rate has gone up by half a percentage point.
  - Payroll tax rates for 2020, which were set before the onset of the pandemic a year ago, would be the basis for rates in 2022, 2023 and 2024.
  - The Employment Department would base its payroll tax collections for the state trust fund on a 20-year horizon, in-

stead of the current 10 years, and the target would be lower. The state trust fund was at \$5 billion at the start of the pandemic; it is about \$3.7 billion now. The agency has paid out a total of \$8.4 billion in benefits over the past year, but much of it was from federal funds. Slightly more than \$700 million has gone to 100,000 Oregon self-employed and gig workers, who had been ineligible for any benefits until Congress passed the coronavirus relief act last year.

Oregon was among the few states that did not borrow from the federal government to pay unemployment benefits during the Great Recession a decade ago. Gerstenfeld said he does not anticipate this time that the state will have to borrow; employers would repay the higher costs and interest through higher payroll taxes.   
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## Phone

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By year's end, Gerstenfeld said Oregon wants to return to its pre-pandemic standard, answering 90% of calls within 5 minutes. Currently, only 15% of calls are answered that quickly.

The department hopes new hires, thorough training and a gradual easing of the economic crisis will enable it to get on top of the situation — albeit not for another nine months.

The employment department's phone lines have been a nightmare since the outset of the pandemic.

Nearly 1 in 8 Oregon workers lost their jobs in the first month of the pandemic, 260,000 altogether. In that time the state's jobless rate jumped from a historic low of 3.6% to an all-time high of 13.2%.

Callers flooded the employment department seeking help with unemployment benefits. The vast majority of callers encountered only busy signals. Those who did get through spent an average of more than three hours on hold, and even then most calls were never answered.

The huge volume of calls was just part of the problem,

though. The employment department and its personnel struggled to adapt to expanded jobless benefits Congress authorized in March. The agency's antiquated computer system couldn't keep up either, sending out misleading or incorrect information to unemployed workers — adding to confusion and fueling more calls.

The situation has improved somewhat in the intervening year, but it's far from resolved since callers typically spend more than an hour on hold and many still can't get through at all.

The department has hired hundreds of personnel over the past year to process claims and deal with questions and comments. On Wednesday, Gerstenfeld said the department now processes 99.9% of new claims within three weeks.

Faster processing doesn't always mean faster payments — many claims require additional work — but it's a big switch from last spring, when some claims were stuck in a bureaucratic purgatory for months at a time.

"We know we're not yet meeting the service levels we need to, but we're seeing real improvements," Gerstenfeld said.

## Sale Barns

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"It just gives people more choices," said Mangan, who works with 100 member markets in 11 Western states and Canada. "Like I tell producers, it's what works best for your operation."

Trent Stewart, owner of the Central Oregon Livestock Auction in Madras, described video marketing as "the future."

He also works part time as an auctioneer for Superior Livestock, based in Texas, supplementing his income by traveling for auctions in different states.

The Central Oregon Livestock Auction has averaged about 70 sales and 34,000 head of cattle per year over the last decade — a far cry from years ago when sale barns in both Madras and nearby Redmond sold 50,000 head each.

Video auctions and specialized sales, such as purebred or organically raised cattle, are one way local auctions can find new customers and charge premium rates, Stewart said.

"That's the only way to try and stay alive in this game now, is a niche market, so to speak," he said. "Just selling commodity cattle anymore

doesn't pay the bills."

But, as Stewart points out, video auctions aren't for everyone. Smaller ranchers with only a few cattle are better suited for the sale barn, meaning they will continue to play a vital role in the livestock industry.

"The worst thing in the world that could happen is have a lot of these sale yards shut down," Stewart said. "If they don't keep these auction yards in business across the U.S., it's going to be ugly for all producers."

### Fewer cattle, rising costs

Data from the Livestock Marketing Association suggest some signs of stability for the sale barn, according to Mangan.

A survey conducted by the Livestock Marketing Association shows 89% of livestock producers use the local auctions to market at least some of their cattle.

The number of registered packers and stockyards, meanwhile, has remained stable since 2010, dropping by just one to 1,204 by 2019.

"Really in the Western U.S., yes we had those two (auctions) close, but we haven't really seen a trend in the last 10-15 years of markets closing," Mangan said.

Overall declining cattle

numbers and rising costs, however, are putting sale barns to the test.

Derrell Peel, extension livestock marketing specialist for Oklahoma State University, said the number of cattle nationwide peaked in 1975 at 132 million head. That figure dipped to a low of 88.2 million head in 2014, and has since recovered modestly to 93.6 million head.

"In the broadest sense of the word, there are not as many animals that need to be sold," Peel said. That is due partly to greater efficiency at beef processing plants, and larger animals being bred on the ranch.

"We produce as much beef today as we did back then, but we do it with many millions fewer cattle," he said.

Ethan Lane, vice president of government affairs for the National Cattlemen's Beef Association, said the industry is focused on increasing "negotiated cash trades," like competitive bids at the sale barn, which in turn will drive up the base price in direct transactions.

"Everybody in the industry is trying to achieve the same thing," Lane said. "The question is, how do we get it done?"

The Cattle Market Transparency Act, sponsored by Sens. Deb Fischer, R-Neb.,

and Ron Wyden, D-Ore., seeks a solution that, in part, would direct the U.S. Department of Agriculture to establish regional mandatory minimum percentages for negotiated cash trades, thus reintroducing competition to restore prices.

Lane said the association is "extremely supportive" of the bill's objectives, but does not support mandatory provisions.

"We have a voluntary framework that we're working in right now, trying to increase negotiated trade in these regions," he said.

"What they're selling matters, too," Lane added. "That's part of the business model, figuring out where to go and where to get the best price for your livestock."

Across the board, market owners and industry representatives say local sale barns are still vital.

Mangan, of the marketing association, said livestock auctions are the lifeblood of many small Western communities, and the only place producers can determine fair, competitive prices.

"Auction markets have always been a vital part of the livestock industry," Mangan said. "In my opinion, they always will. It's where the competition is."

## Nike

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The movement to stop MSCHF from shipping the shoes to customers has already passed, according to MSCHF lawyer Megan K. Bannigan. The company had sent out at least 200 pairs by the time Nike formally requested the restraining order — all but one pair of the shoes have already shipped to owners.

"All of the shoes that were sold and that have been sold in this limited edition have already gone out," she said Thursday.

Nike promptly asked U.S. District Judge Eric Komittee

to order a recall of the custom Air Max 97 sneakers, but the request was denied.

Komittee wrote in an order that despite Nike being granted the temporary restraining order, MSCHF can still attempt to prove that the shoes are protected under the First Amendment for "rights of artistic expression." Until that occurs, the last pair of the sneakers cannot be distributed. MSCHF planned to raffle off the final pair this week.

Although Nike can't eliminate the shoes from the market, the lawsuit sends a warning shot to other companies in the sneaker industry looking to do similar collaborations in the future.

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