

Power-bill 'tax' would benefit Klamath irrigators

By **JIM MCCARTHY**

Over the last few years, the words "Klamath Basin" have become synonymous with conflicts over water and efforts to protect fish and wildlife. For our federal and state governments, those words have also come to mean wasting scarce taxpayer dollars on schemes that haven't made a dent in this arid region's central problem — too much water has been promised to too many different interests.

Now the Oregon Legislature is poised to make matters worse with a bill that would require a secret \$20 million tax on hundreds of thousands of Oregon families to subsidize wasteful water use in the Klamath.

The Klamath's water woes are a serious problem. Runaway water demand has led to irrigation cutbacks, fish kills in the Klamath River, parched wildlife refuges, and harm to American Indian and commercial fishing communities.

This year, fishermen along the

GUEST OPINION

Oregon coast are suffering crippling harvest restrictions — restrictions put in place to protect what is left of the Klamath's salmon runs. Other Oregon businesses also are suffering as a result of the Klamath Basin's water woes, from whitewater rafting and fishing guides to the motels, campgrounds and restaurants that depend on the hunters and birdwatchers that visit the region's wildlife refuges.

Incredibly, our Legislature is now contemplating a \$20 million measure to prop up wasteful water use in the Klamath. Worse, they want many of the same Oregonians suffering from the impacts of the Klamath crisis to pick up the tab — from fishermen in Coos Bay to rafting guides in Medford.

Senate Bill 81 will force families, businesses and institutions throughout the state that buy electricity from

Pacific Power to pay millions extra in a secret tax on their utility bills — all to subsidize extremely low electricity rates for Klamath Basin irrigators.

At issue is a sweetheart deal that has provided cheap electricity for Klamath irrigation for decades. Klamath irrigation interests (along with at least one private golf course and country club) have not experienced an increase in their electricity rates since 1917, and currently pay less than one tenth of the rates charged to farmers in the Rogue, Deschutes and Willamette basins.

This exclusive subsidy comes out of a secret tax on the power bills of Pacific Power customers, and has cost Oregonians some \$37 million over the last decade. The deal is set to expire next year, and likely cannot be continued without changing the law. SB 81 would allow for the extension of subsidized electricity for irrigators for a minimum of seven years, providing a generous transition to the market rates paid for by other Oregon farmers and businesses.

Such a lengthy extension of this sweetheart deal is a serious problem for the environment. Because Klamath water is free, and the electricity to pump water costs next to nothing, there is little incentive to conserve either resource.

In fact, Klamath irrigators use two to four times the amount of electricity per customer as other Oregon farmers. It is also difficult to imagine that a whopping \$20 million is needed to protect Klamath irrigators from electrical rates already paid by farmers in the rest of the state. According to an Oregon State University study on Klamath irrigation and electricity, "the viability of agriculture in the (Klamath) region does not depend on the current low energy prices."

Oregon's farmers face difficult times, and it is important to help agriculture remain secure and productive. But it is also important that we do so in ways that are environmentally sound and fair for all Oregonians. SB 81 takes millions of dollars from communities across the state, but delivers benefits to

only one small interest group.

Encouraging efficient use of water is critical to solving the Klamath Basin's environmental problems. Unfortunately, SB 81 does just the opposite, forcing Oregonians to subsidize wasteful water use and prolong the region's water crisis.

There is room for compromise. Senate Bill 81's backers say they want to soften the Klamath Basin's transition from 1917 electricity rates to the rates paid by every other Oregon farmer. Reducing the time frame of the bill from seven years to three would do just that, while saving millions of dollars.

Bringing the free market to bear in the Klamath Basin is one way to encourage water conservation and solve the region's water crisis. It is a solution that is long overdue, and one that the Oregon Legislature should not delay.

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