

Wednesday, February 24, 2010

## **First, let's use tax on refineries as intended**

With two refineries at Cherry Point, Whatcom County has plenty at stake in the fate of a pair of bills, HB 3181 and SB 6851, that are currently being considered in Olympia. This is an effort to triple the tax that refineries already pay heavily into now, through the Model Toxics Control Act, to deal with the problem of stormwater management in the state.

At least that's the way it's supposed to work. The amount paid in has risen in 20 years from \$23 million at its inception in 1989 to \$127 million last year. That money should be available to help communities do stormwater upgrade projects. The trouble is, the fund is being raided to bolster the troubled Washington general fund, to the tune of \$180 million over the last two years.

The petroleum industry has been willing to pay an 83 percent share of the MTCA tax, in realization that much of what pollutes stormwater is petroleum-based.

But it makes no sense to continue and to increase that payment if this dedicated fund is not being used for what it is intended, that is, stormwater cleanup.

The state Legislature, dealing with the awful \$2.7 billion shortfall accumulated in four years of over-spending, is now looking for any source to tap for more revenue. And "big oil" looks like a good target. It's claimed that the diversion of two-thirds of this fund would be for just three years and would phase out by 2015. But how can we really believe that? Because of the severity of the current budget crunch, the Legislature is already overturning a 2007 voter-approved initiative limiting its taxing authority.

It might have been thought at one time that the aerospace, aluminum and timber industries were so deeply rooted in Washington State that they would never leave or disappear. As we all know, that's proven false. So who's to say the same couldn't happen to the oil refineries of northwest Washington? They have to consider their competitive situation, all the factors, to see where is the most favorable place to be.

As proposed now, this would be a tax on petroleum products either sold or manufactured here. Tesoro, of Anacortes, sells 40 percent of its product out of state, for instance, in Oregon, where it would be at a competitive disadvantage against companies that do not face this tax. Joe Solomon, president of the United Steelworkers local representing workers at the Tesoro and Shell refineries, said, "This is an attack on our livelihood."

The Legislature should look at truly making cuts in the budget instead of increasing the tax on the state's oil refineries.