

HB2020 Discourages Good Forest Management

Dear Representative Helm and Committee,

Our family owns and operates, Whitewater Forests LLC, a small family owned company with forests located in Lane and Douglas Counties. With pride our forests are certified under the Oregon and American Tree Farm systems. Our forests are carefully and sustainably managed, in addition to growing timber; our efforts enhance wildlife, soil and water resources. Daily our forests cleanse the air and grow wood fiber that will be used to produce renewable and carbon neutral building materials needed by society.

We sustainably grow our forests, harvesting 1/5 of our mature timber once each decade. The use of power driven machinery is crucial for transportation and tending our forest. For example in 2018 we commercially thinned a parcel of our forest. To improve growth, reduce mortality and improve resilience from wildfire we selectively harvested about 40 tons per acre of logs that were sold to a local sawmill.

HB2020, the current cap and trade proposal, would increase the cost of fuel by a minimum of \$.16 per gallon. At the time of our 2018 harvest diesel prices averaged \$2.65 per gallon. The increased fuel price under HB2020 would amount to a 6% cost increase. Fuel and lubricants amount to 14 % of the total operating cost for harvesting and transportation of logs. Applying this increase to our last year's thinning harvest adds a cost of \$1 per ton.

Oregon's forest industry competes in a global market; prices for our finished lumber and panel products are set by demand beyond our borders. It's obvious that increasing energy costs for mills will reduce the margin for selling finished wood products and consequently the price we receive for our raw logs. Using the same assumptions for rising energy costs our raw logs would be worth \$1 per ton less under HB2020 style cap and trade.

Let's look ahead to 2035 when the forest we thinned in 2018 will be ready for regeneration harvest. The harvest of this forest tract will produce about 250 tons of marketable logs from each acre. Using the very conservative 2019 nominal dollars our typical harvest will return \$ 10,000 less due to increased costs and diminished log selling values.

HB2020 as proposed is very costly to the small forest owner; today, in 2035 and every year in between. About forty-percent of Oregon's private forest land is held by small family owners. The majority of Oregon's logging and milling infrastructure is family owned. HB2020 will harm our ability to make future investment to support our family businesses and contribute to the economy.

Oregon's farmers and forest owners are one of the reasons our state is one of the lowest carbon emitters in the country. We are good neighbors and reliable community members who contribute greatly to Oregon's economy, environment and livability. Central

in our commitment to the community is our investment in modern methods and technology that improve efficiency and reduces consumption of fuels.

Oregon is blessed with some of the finest forest and farm land in the world. In many cases these lands have been tended by generations of family owners. HB2020 does nothing to recognize resource producer's commitment to Oregon's healthy environment. Local production of food, fiber and shelter are critical, and many times are under appreciated and misunderstood by the urban citizens that depend on these products to sustain their quality of life.

I urge the Legislature to re-think the negative consequences of HB2020. The forest sector depends on cost-effective energy to power our businesses. Technology affords no alternative. HB2020 adversely impacts forest owners and discourages investment in growing forests. **We are the people that help keep the air clean!** HB2020 is a punitive tax on Oregon's rural citizens and it's unjust to impose this burdensome, poorly crafted and costly measure disproportionately across the state.

Sincerely,

Gordon and Gail Culbertson
Whitewater Forests LLC
39074 Easton Lane
Springfield, OR 97478
(541) 746 8006