



February 25, 2019

Dear Co-Chair Dembrow, Co-Chair Power, and members of the Joint Carbon Reduction Committee,

I am writing on behalf of EFM in support of HB 2020. EFM is a forestland investment manager located in Portland with 100,000 acres of forestland under management in the west, including 50,000 acres of forests in Oregon in Clatsop County, Tillamook County, Grant County, Klamath County, Lake County and Douglas County.

We have been practicing climate-smart forestry in an investment context since 2004. We manage our forests to produce timber and non-timber forest products while significantly improving carbon sequestration, as well as enhancing aquatic and upland habitat and protecting and improving water quality. EFM's forestlands are open to the public for nonmotorized recreation and produced over 24 jobs in 2018 and about 6 million board feet of timber for processing facilities.

Our business strategy rests on the globally unparalleled capacity of Oregon forests to store carbon while also producing critical forest products. We believe Oregon forests can play a significant role locally and globally in providing carbon offsets that are rich in environmental and social co-benefits while also producing a critical and basic good – timber. In 2013 EFM developed the first carbon project on private land in the Pacific Northwest, increasing carbon storage by extending rotations and expanding riparian buffers on its forest property near the coastal town of Garibaldi. This voluntary project was developed under a VCS (now Verra)-approved methodology and the credits were acquired by General Motors. The project was very helpful in providing an alternative way to monetize the value of trees as a supplement to timber harvesting, and provided needed diversification of revenue sources in a cyclical commodity industry. Expanding the capacity of forestland owners to monetize the value of their timber through carbon offsets and other mechanisms is critical to the long-term health and viability of the region's forests and industry. We believe that a well-designed carbon markets will play a role in attracting investors who want to invest in climate-smart forestry and we encourage you to consider the role of offsets and the use of proceeds to invest in restoration and conservation on private working lands. Further, we believe that a market for forest offsets has the capacity to stimulate significant carbon storage and that Oregon forests can be a critical component in helping Oregon meet its greenhouse gas reduction goals.

We are a member of Oregon Business for Climate, an organization that represents 100 large to medium-sized businesses from across the state in support of HB 2020. As members we share in the organization's mission of reducing our statewide emissions while strengthening Oregon's economy. We believe the Cap and Invest model that is the foundation of HB 2020 provides the lowest cost option for achieving our reduction targets while also incentivizing and fostering innovation to Oregon's economy.

We must work quickly to lower our carbon emissions in Oregon, as the longer we wait the more catastrophic the economic and environmental costs will be. To that end, we hope that provisions contained in HB 2020 are not further diluted from what is currently in the bill framework, which we believe would impact the fundamental integrity of the program.

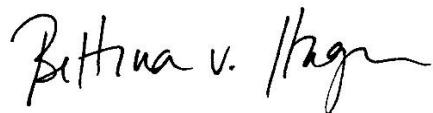
We applaud the due diligence that was done during the interim and are encouraged by the evolution of the legislative language as a result of that. It takes lessons learned from other jurisdictions who have come before us, while also speaking to who Oregon uniquely is. Now it's time to act.

While some of my fellow members of Oregon Business for Climate believe we need to do even more than what this legislation outlines, what we all agree on is that we cannot do *less*. We know you will hear from others who want you to weaken this legislation. Please hold the line.

This session, we see more momentum than ever before to pass this legislation. And, while Oregon itself may not have a large carbon footprint, we have an outsized responsibility to lead, especially in light of failed action on the federal level.

We urge you to pass HB 2020 now.

Thank you.

A handwritten signature in black ink that reads "Bettina v. Hagen". The signature is written in a cursive, flowing style.

Bettina von Hagen

CEO, EFM