

BEFORE THE HOUSE COMMITTEE ON NATURAL RESOURCES  
March 25, 2019

**Testimony of Gregory Haller on HB 2659 – The Forest Carbon Initiative Act**

1. Chairman Whitt and members of the House Natural Resources Committee, thank you for the opportunity to provide testimony on HB 2659– the Forest Carbon Initiative Act. My name is Greg Haller and I am the Executive Director of Pacific Rivers, a regional conservation group that has been working to protect rivers and their watersheds for over thirty years.

2. My organization and its supporters want the timber industry in Oregon to thrive under laws that are protective of drinking water and fish and wildlife habitat, and which promote carbon-smart forestry. We believe that modernizing forest practices will produce significant ecological and economic benefits and reduce the risks posed by industrial forest practices and climate change. Achieving these benefits will require a mix of regulatory and incentive-based programs like those contained in HB 2659. Not only will 2659 restore revenue to cash-strapped counties, protect streams, drinking water and fish and wildlife, it will position the industry to participate in carbon markets by taking advantage of the immense carbon storage potential in Oregon’s timberlands.

3. This legislation was borne from the premise that it is fundamentally unjust for rich corporations to shift the considerable cost of their activities to struggling downstream communities. County governments are broke and have cut essential services, despite an improving economy. Fish and wildlife populations are way down and show no real signs of improvement. Drinking water supplies are

polluted and communities must fund costly upgrades. Evidence suggests that tree plantations reduce summer stream flows by up to 50%, threatening the long-term viability of these streams as drinking water sources. Clearcuts, roads, widespread pesticide use, and tree plantations increase the risk of wildfire, landslides and flooding. Climate change will make matters worse. Industrial forest practices have impacted many rural communities like Rockaway Beach, Triangle Lake, Siletz, and Arch Cape,<sup>1</sup> Costly upgrades to treatment plant infrastructure, and even orders to not drink the water are not uncommon results of poorly managed watersheds. Some communities have bought or are seeking to buy their watersheds in order to protect their drinking water supplies. But for most, this simply isn't an option, and their water supplies remain vulnerable. Meanwhile, the timber industry pockets healthy profits for its investors, leaving the taxpayer to clean up the mess. Clearly, a new social contract between the state and the timber industry is needed to restore ecosystem function and social equity.

4. HB 2659 is a better deal for county governments, rural economies, drinking water, and fish and wildlife than the status quo. For example, logging roads, which are chronic sources of sediment to streams and directly affect the cost of treating drinking water, are currently exempted from the timberland tax base.

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<sup>1</sup> [https://www.dailyastorian.com/archives/gazette/news/arch-cape-keeps-water-clean-at-the-source/article\\_8bd969ca-0d4c-5243-bfa5-68741381dbe0.html](https://www.dailyastorian.com/archives/gazette/news/arch-cape-keeps-water-clean-at-the-source/article_8bd969ca-0d4c-5243-bfa5-68741381dbe0.html)  
<https://www.oregonlive.com/environment/2013/08/oregons-rules-for-logging-private-land/>  
<https://www.opb.org/news/article/6-things-you-should-know-about-the-triangle-lake-p/>

There are thousands of miles of logging roads on these lands. According the Department of Revenue, this subsidy is worth \$22.5 million annually. The subsidy has the perverse effect of shifting the very real ecological and economic costs created by private roads built to downstream communities, in effect socializing the negative externalities. Removing the tax break would remove an incentive (no additional taxes) for building new roads while the funds generated could fund road decommissioning projects as part of a climate-smart forestry program, thereby saving municipal governments millions in treatment costs and infrastructure upgrades.

6. Recent reporting has shed light on the influence the timber industry has with members of the legislature and the regulating agencies like the Department of Environmental Quality.<sup>2</sup> Oregonians rightfully question whether the air they breathe and the water they drink is safe. This committee has a chance to change that narrative and support an equitable balance between profit and protection.

7. We request that the bill be moved to the revenue committee for further consideration.

Thank you.

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<sup>2</sup> <https://projects.oregonlive.com/polluted-by-money/part-1>  
<https://projects.oregonlive.com/polluted-by-money/part-3>