



Oregon Operations

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April 6, 2021

Representative Nancy Nathanson, Chair
Representative Khanh Pham, Vice-Chair
Representative E. Werner Reschke, Vice-Chair
House Committee on Revenue
900 Court Street NE, Room 160
Salem, OR 97301

Re: Opposition to HB 2379

Chair Nathanson, Vice Chairs Pham and Reschke, members of the Oregon State House Tax Committee:

I write today in opposition to HB 2379, a measure that would impose a five percent severance tax on the value of timber, replacing the current Forest Products Harvest Tax.

Green Diamond Resource Company was founded in 1890 and is still privately held after five generations. The company owns and manages 2.1 million acres of timberland in the US west and south. Starting in late 2014, Green Diamond now owns 660,000 acres of timberland in Southern and Northeastern Oregon. These forests are managed sustainably to provide wood fiber to area manufacturing facilities. We also manage two large Improved Forest Management Carbon projects on our Southern Oregon lands, selling carbon offset credits under the California Air Resources Board (CARB) protocols. In addition to offsetting carbon emissions, these projects provide near-term revenue for forest health thinning and other forest management activities to ensure future resilience against wildfire.

A five percent severance tax would increase our harvest cost by over 10 percent. Ours are typically low value products as we are focused on rehabilitating stands to improve resilience to wildfire and create higher value for future harvest. Forest landowners already pay dearly when wildfire attacks our lands; Green Diamond loses on average one percent of its Southern Oregon tree farm to fire annually. There is no insurance for such losses, and the cost to reforest and get that burned over land back into production is high, particularly since catastrophic wildfire can damage soils for years. In fact, we are still working to successfully reforest some areas burned in the Oregon Gulch fire of 2014.

Wildfire is a societal issue; over half of wildfires are caused by lightning while the other half are caused by humans primarily through carelessness. Rather than asking the forest industry to contribute even more financial resources to this societal problem, we believe these costs should be shared among Oregonians.

We urge you to oppose HB 2379. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Davis". The signature is fluid and cursive, with the first name "John" and last name "Davis" clearly distinguishable.

John Davis
VP/GM Oregon Operations