



Oregon Operations

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May 19, 2021

Co-chair Senator Kathleen Taylor and Representative Jeff Reardon  
Members of the Joint Ways and Means Subcommittee on Natural Resources  
900 State Street NE, Room H-178  
Salem, OR 97301

Re: Concerns regarding SB 5518

Co-chairs Taylor and Reardon, Members of the Subcommittee:

I write today to express Green Diamond Resource Company's concern with proposed changes to the forest land and forest products tax structure in Oregon.

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. Since our initial acquisition of Oregon timberland in 2014, Green Diamond has grown its holdings and 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.

The landscape we purchased in Southern Oregon was overharvested by previous owners, so we have set a trajectory to improve timber stocking levels for the future. This has led us to create two large Improved Forest Management Carbon projects, selling carbon offsets under the California Air Resources Board (CARB) protocols. These sales provide revenue for forest health thinning and other forest management activities. Unlike the forests of Western Oregon, climate and elevation provide for much slower growth and lower stocking levels per acre. For this reason, **increasing per-acre assessments create an outsized burden** for our company, which is not offset by the sale of forest products.

We also understand well the devastation of wildfire and the need to reliably fund both fire protection and severity resources. Having lost an average of one percent of our forests per year over the past six years, we believe our experience is relevant to this conversation. Our biggest liability is that some 75 percent of our boundaries are shared with federal lands, which are woefully behind in thinning and other activities to clear diseased, dead trees from the land and ensure healthy forests going forward. We recognize the state's powerlessness to drive substantive change in federal forest management, but **the industry does not cause these fires**. They impact us gravely and we must spend significant resources both to fight them and to rebuild afterward. In fact, we are still reforesting after the Oregon Gulch Fire of 2014, which burned 17,000 acres

of Green Diamond land, and the Watson Creek Fire which burned 12,500 acres in 2018. Those fires both burned with such intensity that we have employed every tool in the scientific toolbox to restore the landscape.

Finally, we have serious **concerns about the change in “credit” for our contributions contributing to the administration pro-rate.** Since entering Southern Oregon, we have ramped up to provide significant resources to fight fire on our lands and on our neighbors'. Some 90 percent of our employees are trained to fight fire, and we are able to muster 37 pieces of equipment. We have repeatedly put all hands on deck, taking our staff away from their everyday jobs to team up with the Oregon Department of Forestry and others to fight fires. This level of cooperation from industry should not be taken for granted.

We ask that legislators work with the Department of Forestry, Governor's office and industry to pare the ODF budget and minimize tax impacts to landowners. Further, we ask that the legislature focus on harvest tax rather than per-acre assessments, as the latter has outsized impacts to forest landowners with the least productive acres.

Thank you.

Sincerely,



John Davis  
Vice President and General Manager