



Oregon Operations

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House Committee on Revenue
Oregon House of Representatives
900 Court Street NE
Salem, OR 97301

February 13, 2024

Re: Written comments on HB 4133

Dear Chair Nathanson and Members of the Committee on Revenue:

I represent Green Diamond Resource Company. We are a fifth-generation, family-owned company that owns approximately 600,000 acres of forestland in Klamath and Lake Counties, with additional holdings in Hood River and Wasco counties. I am writing today in support of House Bill 4133, relating to wildfire funding.

The latest forest fire protection rates required to be adopted by the local fire protection associations present a significant, unplanned increase in fees on landowners. Without some sort of legislative intervention, Green Diamond's Klamath and Lake County holdings will see an approximately \$400,000 increase in fire protection fees. That is a staggering increase for any individual fee payer and one that jeopardizes our ability to operate in the black. Such a fee increase, if it could be absorbed, will force us to reevaluate our management priorities. Our lands in southern Oregon are in high elevation, low rainfall areas. A working forest can exist there, but the species composition and growth rates, not to mention the economics, are far different than the working forests of the coastal areas.

Private industrial landowners are a strong partner with the Oregon Department of Forestry in wildfire prevention and in fighting fire. Private landowners often use their own time and resources during fire responses and are partners in the all-hands approach needed to protect communities and resources from the ravages of a large fire. In addition to providing time, local knowledge, and equipment during actual fires, private forest landowners also intentionally manage their lands with fire prevention and mitigation squarely on the forefront. As a result, privately managed lands are often used as operating points and fuel breaks by fire response managers as they aim to slow growing infernos. These are true and not insignificant costs and are willingly incurred by landowners in an effort to do their part in fire response.

The work of forest landowners is not over when the last embers cool. Fires leave behind scarred landscapes and communities. Green Diamond is working to reforest tens of thousands of acres to address post-fire recovery on burned over lands. These efforts, which can cost millions of dollars, are often undertaken with no financial support from the state or federal governments. An example of this work, and the collaboration we engage in, is the Klamath Investment Partnership (KIP). This is an on-going multi-organization effort with landowners, Tribes, ENGOS, and all levels of government to help restore the devastation caused by the 400,000-acre Bootleg fire in the summer of 2021.

The contributions of forest landowners in fire response are all cost and none of it is reimbursed. As a company, we invest in resilient forest management, contribute significant labor and equipment to fire response, and pay to replant our lands after a fire destroys our initial investments. All without the guarantee that another fire won't burn across our ownership in the future. We do this as careful managers of a sustainable resource without the expectation of reimbursement.

That said, management constraints from an increase in fire assessments of the magnitude we are experiencing will have impacts on our entire operation. Our ability to afford forest health thinning, replanting and restoration after the devastating Bootleg Fire, and compliance costs related to the new Private Forest Accord would all be in jeopardy. As will our reliable presence on the landscape during fire

responses. Simply put, a \$400,000 increase would mean that it costs more to protect our ownership from fire annually than it can generate as a working forest.

We are not opposed to paying a fair share of fire costs. Having skin in the game is appropriate; however, the new rates seem out of balance. It raises the serious policy concern, for Green Diamond and the industry in general, of what happens when forestland costs more to protect from fire than it produces in revenue. I'm not sure of that answer, but I know that it's not a sustainable outcome or an outcome that will be good for anyone concerned about the forested landscape and its communities and environment.

House bill 4133 goes a long way to addressing our concerns.

Thank You,

John Davis
Vice-President and General Manager
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