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House Revenue Committee
900 Court St. NE
Salem, Oregon 97301

RE: Support House Bill 3940 – Wildfire Funding

Chair Nathanson, Vice-Chair Reschke, Vice Chair Walters and Members of the Committee:

Roseburg Forest Products is submitting written testimony encouraging support of HB3940. Oregon's current funding system is no longer sufficient to meet the demands of today's wildfire crisis and needs to change to ensure that the Oregon Department of Forestry (ODF) and the three operating Forest Protective Associations (FPA) can continue to provide an adequate level of protection and maintain Oregon's complete and coordinated fire protection system.

In the last 6 years the landowner rate paid by forest landowners has more than doubled. For Roseburg Forest Products, the payments for our portion of the protection is over \$1.2 million. At the same time, we have been experiencing flat log values and increased regulatory measures with the implementation of the Private Forest Accord. This does not include the 25,000 acres we have lost due to wildfires. Something must change to sustain a viable timber industry.

Oregon's complete and coordinated fire protection system is the premier firefighting system in the United States. This public/private partnership relies on costs being allocated fairly to those who benefit from the complete and coordinated system. This is accomplished by each operating and non-operating FPA analyzing performance, capacity, and determining an adequate level of protection for their respective districts, then approving a fiscal budget that supports that level of fire protection.

The intent behind the laws in ORS Chapter 477 that govern these processes was for landowners to pay for adequate protection at the local level. The intent was never for ratepayers to provide an adequate level of funding for ODF's administrative functions at the Salem or Area level, costs which ballooned two years ago with the passage of SB762 and again this year by another 40%. There is no other example in Oregon's system where state agencies pass along their administrative costs to ratepayers. It is these costs that are contributing to the financial burden put on landowners at a pace that far exceeds a landowner's ability to recoup costs from those

lands. HB3940 would remove these costs from district budgets as well as redirect other landowner dollars to district budgets. This will provide some rate relief and bring the system more into alignment with the original intent of the forest laws.

While fire ignitions from landowner activities have been decreasing, fires resulting from public and natural ignitions have been wreaking devastation on a scale not seen since the formation of organized firefighting systems. Last year alone, over 1.9 million acres burned across all jurisdictions in Oregon, a record that has been broken multiple times over the last 10 years. Over the last decade, we've seen fires that have turned cities into ashes and threatened major metropolitan areas. Fires have sent unhealthy air to every corner of the state and threatened the watersheds that provide clean water for our cities and communities. These fires have had a significant impact on wildlife, recreation, and tourism, and have threatened what Oregon is known for: our forests. It is truly an all-Oregonian problem. HB3940 provides funding options to make paying for large fires an all-Oregonian solution and provides a fund to ensure ODF and the FPAs have enough money available to pay their contractors for the work they do on these large incidents.

We are encouraging your support of HB3940.

Respectfully,

Tim Truax
Timberlands and Forestry Manager