

Testimony before the Legislative Joint Carbon Reduction Committee

Fred Warner Jr. Baker City Manager and Board member of the Baker County Economic Development Council

As many of you are aware, rural Eastern Oregon and Baker County in particular, have lagged economically as compared to the rest of the State of Oregon. Our remoteness, challenging weather and dependence on natural resources have been barriers when trying to retain existing manufacturing businesses as well as our ability to attract new industries. We are also within seventy miles of the Idaho border which is an area that we must compete with for business. Trying to attract new business is a challenge given the Oregon tax structure, land use regulations and environmental rules and policies that favor Idaho over Oregon.

Baker County is home to the Ash Grove Cement plant in Durkee which is a major employer in the County. This plant employs more than one hundred workers and the wages for these employees are some of the highest paid in our County. The expansion of this plant over the last twenty years has softened the blow of losing all of the lumber jobs in Baker County as a result of new forest policy undertaken by the Federal government. Without an exemption from the proposed Carbon Reduction bill before you, Ash Grove may be forced to relocate or cut back production. The irony of this situation is that the Ash Grove plant and imports from China are the two biggest suppliers of cement in the Northwest and to date China has virtually no environmental regulations. The Ash Grove Durkee plant is a model for energy efficiency and has been a strong partner in complying with the many environmental regulations that have been implemented over the last two decades. When presented with stricter Mercury limits, Ash Grove moved forward with designing a system to capture mercury when none existed and spent millions of dollars on a capture system and has been recognized for innovation and good stewardship. To date, there is no known technology to capture carbon through the process of making cement.

Over the last few months, Congress and the American people have been engaged in the discussion of building a wall between Mexico and the United States. Whether for or against this concept, the issue of Oregon implementing a unilateral carbon reduction tax makes the construction of a wall seem foolish in relation to what the negative impact to jobs and our economy will be here in the State of Oregon. Not only do Oregon businesses compete with other states, we are in a global economy in which we must be competitive. The Carbon Reduction bill before us today will greatly effect that competitiveness. The loss of manufacturing and transportation related commerce will have a devastating effect on the economy of Baker County and the existing businesses that survived the timber industry shutdown. Please take into account the plight of rural Oregon and specifically the impacts to our major industries here in Baker County.

A handwritten signature in blue ink that reads "Fred Warner Jr." with a stylized flourish at the end.