



Associated Oregon Loggers, Inc. • P.O. Box 12339, Salem, OR 97309  
503/364-1330 • fax 503/364-0836 • email: rstorm@oregonloggers.org  
*"Representing the logging industry since 1969"*

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February 8, 2020

The Honorable Michael Dembrow, Chair  
Senate Committee on Environment and Natural Resources  
Oregon State Capitol  
Salem, OR 97301                      Email: [senr.exhibits@oregonlegislature.gov](mailto:senr.exhibits@oregonlegislature.gov)

Subject: OPPOSE SB 1530 -- Relating to Greenhouse Gas Emissions; Declared an Emergency

Dear Senator Dembrow and Committee Members:

I am writing to offer our **opposition to SB 1530**, including the latest Dash-27 amendments. This year's version of the cap-and-trade bill still fails to address the very real and significant concerns raised by working Oregonians over the past year and a half. We know there is a better way than SB 1530. We propose better alternative public policies for future legislative consideration, which would enact societal carbon advancement and encouragement.

Please accept these comments on behalf of Associated Oregon Loggers (AOL), the statewide trade group representing over 1,000 member businesses working across Oregon in harvest and allied forest management. Oregon's forest management sector is comprised of more than 23,000 working individuals. AOL member businesses are an essential economic producer in rural forest and farm communities; we are those working families engaged in the following: logging, reforestation, release, construction, transportation, fuels, burning, restoration, protection, science, engineering, firefighting, prescription, improvement, stand care, professional and other allied forest management services.

Thursday, Feb. 6<sup>th</sup>, 9,500 of these proud working families visited the State Capitol grounds over an eleven-hour period to share their opposition to the wrong-direction of SB 1530. Joining this rally of working opposition were 1,124 trucks, tractors, and their professional drivers and crew. During the eleven-hour convoy, each hour a different set of trucks cycled-through a street loop surrounding the Capitol grounds—a convoy that if driven in a single-line would span 21.7 miles long. These trucks and people were strategically-cycled through the eleven-hour rally period to foster a safe and orderly event, which allowed public and legislators safe, respectful and patient access to the Capitol building and nearby streets of Salem. Although media reports offered discounted number estimates, I assure you that the eleven-hour rally included these numbers of opposing working family Oregonians.

I urge you to respect their family voices—as many took an unpaid day from their proud work of growing, producing, protecting, sustaining, and transporting forest and farm products supplied to the world. These Capitol visitors—Timber Unity's #LetsRoll Convoy Rally—have inspired legislators with thousands of working families and trucks from across Oregon, all showing their dissent with the wrong-headed direction of the proposed Cap & Trade tax scheme. They came from the forest, farm, and rural producing communities—to offer their working voice to oppose the detrimental SB 1530.

**We oppose SB 1530 for many reasons:**

- SB 1530 would dictate a new and costly, large regulatory structure that puts unprecedented levels of power in the hands of unelected bureaucrats and added government largess.
- It would burden working families and consumers with significant cost of living increases.

- Its impact would lower the affordability of living standards for every working Oregonian. Such affordability impediments would harm families, workers, employers, communities, local governments, quality of life—and these impediments would erode attributes that attract citizens to work, reside, raise families, and invest in their community, business, and livelihood
- Proponents claims are false, alleging without basis “no harm” to rural resource industries and working families. This bill is patently-flawed; it would deeply harm our small business community. It’s untrue that forestry, agriculture, transportation, and natural resource industries are exempt under the program. These rural industries would be subjected over-time and incrementally to increasing adverse/escalating energy rates, equipment & supply costs, consumer product costs, disinvestment in production, exodus of workforce and investment, devolved scale economies and public services, and stifling regulation—all which would harm working families, businesses, local governments, and communities.
- Oregon’s forest, agriculture, and transportation sectors are highly trade-exposed, and they all operate on thin margins that translate to sizable impacts from nominal cost structure changes. Most forest and agriculture products are traded goods marketed out-of-state or internationally. We project that energy price increases resulting from SB 1530 would trigger large adverse consequences that would punish these important rural-based sectors.
  - *SB 1530 would make industries markedly less-competitive in regional and global markets*
  - *Oregon workers and businesses alike would become less competitive with N. America’s 49 US states, 13 Canadian provinces & territories, and seven Central American nations*
- The proposed SB 1530 is unacceptable and especially punitive to an already-fragile Oregon transportation sector. Again, our forest and farm sectors are integrally reliant upon transportation of a majority of statewide production being traded goods shipped out-of-state, if not long distances intrastate. Oregon today has the burden of the #1 highest highway use tax in the nation, and North America’s highest. Oregon’s highway use tax is already 30% above the next nearest state rate. Furthermore, Oregon carriers have been bombarded with many additional unprecedented cost increases in recent years, ranging from: corporate activities tax, mandated labor benefit costs, mandated wage-labor costs, mandated technology costs, mandated hours of use limits, regulatory/license costs, overcrowding congestion delays, extraordinary long-routing of overdimensional loads due to bridge disrepair backlog, labor retention costs, and increased equipment costs. Furthermore, anticipated other transportation taxes and regulation appear imminent. The large majority of these cost increases are specific to State of Oregon.

The piling-on of SB 1530’s increased transportation cost escalation would be punitive and crippling for Oregon’s transportation sector—also especially impactful and crippling for the reliant forest and agriculture sectors. The high price of being an Oregon carrier is a clear disadvantage that is pricing workers and businesses out-of-the-market—and SB 1530 would be a fatal blow to all production industries that transport goods to market.

- The proposed SB 1530 was brokered among a politically-chosen few—dominated by big business, rate-protected utilities, and political patrons. The brokered outcome of carve-outs, exemptions, and preferential treatment of the few negotiated winners created a punitive bill that would discriminate by definition against those not granted patron status. Many of today’s bill proponents have won preferential status to ameliorate this bill’s proposed impact or gains—on them alone. Regrettably, that preferential status transfers greater impacts onto the majority of others who were excluded from the outcome—such as working families, consumers, rural industries, small business, transportation sector, non-patron manufacturers, and local government. Furthermore, politically-derived preferential status following passage of this bill would be fraught with potential regulator manipulation and political patronage.

- SB 1530 would also be especially impactful to budgets of local government and State agency public services—all which consume energy & goods, utilize transportation, and employ workers strapped with less affordability. In-turn, lower affordability would elevate demands on public services. Burdens of escalating costs and demands upon public service agencies would consequently result in either reduced service level or higher taxes on taxpayers.
- It would yield costly, and environmentally-damaging unintended consequences that would predictably harm Oregon business, government and society. An economically-disadvantaged private sector (business and working families) wrought by the impactful SB 1530, would be LESS likely to continue current investment in energy efficiencies and emission reductions.
- There is acknowledged tiny predicted carbon impact (0.14%) on climate change from this SB 1530 burden to Oregon’s working families, business, rural industries, and every consumer.
- This is deeply-flawed legislation, which was crafted behind closed doors without the consent of working families, our small business community, the private transportation sector, local governments, and our rural natural resource communities.
- *SB 1530 is bad government that discriminates against our working families and what makes Oregon a great place to live and work. That’s not the Oregon Way!*

**We support a better way than SB 1530. There are better alternatives, which we list below.**

We recommend alternative public policies for future legislative consideration, which would enact societal and business advancement and encouragement of constructive carbon strategies. We suggest alternative future legislation that instead would motivate ongoing pollution progress, carbon-capture, renewable energy sourcing, and energy efficiency.

Yes, we do care about reducing pollution, capturing more carbon, expanding renewable energy sourcing, and improving energy efficiency. However, SB 1530 is absolutely the wrong mechanism to aspire toward these goals—because it would punish and damage Oregon’s economy while smothering the private sector investment in those goals and improvements sought.

We propose the following alternative directions that would be more productive than SB 1530:

1. Alternatively, we propose a more effective role for state government is to “Start Over”. Please scrap SB 1530 and look ahead to future bipartisan legislative concepts crafted with balance.
2. Listening and empowering working families, small business, rural forest-farm industries, transporters, and consumers to engage their leadership toward practical carbon solutions.
3. Oregon’s current total carbon equation balance is superior to most other states. Oregon is in a superior carbon-beneficial status—a leading forest and farm advantage which must be leveraged as our first priority to shape Oregon’s future carbon goals and solutions. We should refocus Oregon’s carbon goals toward leveraging current carbon successes toward greater active forest and farm management benefits. Oregon’s carbon priorities could achieve the greatest carbon gains by enhancing carbon capture strengths, renewable energy production in forest-farm-wildlands-waterways, wood product storage, wood & ag-based renewable materials, and so forth.
4. Affirm an honest brokering of facts about the comprehensive advantages of active forest management and wood products in the carbon-capture and carbon full life-cycle analysis

5. Oregon's effective carbon role in North American and global climate has not been fairly addressed. Incumbent of an improved future assessment of Oregon's carbon equation would include a more comprehensive consideration of previously-omitted key factors that heretofore have been neglected, or their exclusion wrongly-discriminatory. Informative and necessary factors have been excluded from prior carbon equation assessments, such as: substitution, life-cycle, product storage, intensive forestry, probabilistic emission, global competition, economic utility, market response, consumer behavior, labor participation, displacement, renewability, efficiency, or investment incentive. Additionally, there is no practical demonstration of relative benefits & costs for an Oregon-alone carbon public policy.
6. Public policy investment in promoting greater active forest management, and improved forest carbon effectiveness. Enhanced strategies would leverage the already massive advantages of Oregon forest carbon capture, wood carbon life-cycle, carbon storage in wood products, wood renewable energy, wood substitution for other energy-costly materials, Oregon forest carbon growth/product/storage substituted for wood from other nations and states having less-favorable carbon/forest outcomes, and other advantages. Such enhance forest management strategies would be advantageous to Oregon's carbon equation, for working families, for business, for the forest environment, for rural communities and resource industries, and for Oregon's economy. We recommend policies that would promote, authorize, incent, support, fund, and tangibly increase forest carbon effectiveness, including the following:
  - Afforestation increase of non-forest land use
  - Rapid reforestation after forest harvest
  - Improved establishment and release of young forests
  - Rapid restoration & reforestation after damages: wildfire, pest, disease, or storms
  - Restoration, improvement and reforestation of under-performing stands
  - Intensive forestry increased
  - Carbon-capture life-cycle increased
  - Forest health, vigor, growth improved
  - Forest pest, disease, overcrowding, weather losses reduced
  - Wildfire hazards mitigated via accelerated thinning, prescribed burns, road access, and firefighting effectiveness
  - Forest road access investments to foster management, protection, and timeliness
  - Federal forest management increases to reduce current wildfires burning 90% of all Oregon forest acreage-burned
  - Tree overcrowding, decay and mortality reduced
7. Aggressive mitigation to reduce future wildfire smoke emissions. The single-greatest carbon mitigation tactic Oregon can accomplish would be wildland forest and range wildfire reduction—fire smoke emission reduction to reduce greenhouse gas. Wildfire smoke reduction is a more effective public policy proposition than would be a 'cap & trade' regulatory scheme. In recent years, 90% of all Oregon forest acreage-burned by wildfires was on federal forests.
8. A prudent Oregon investment in carbon policy would have utility by achieving five roles:
  - a) Favorable policy to foster increased Oregon private sector production, commerce, employment, transportation, and traded good production outcomes;
  - b) Increased working family standard of living & affordability driven by increased private business investment and innovation in production and efficiency;
  - c) Advantage Oregon's working families, business, rural industries, consumers;
  - d) Leverage greater carbon equation advantage of forest and farm production; and
  - e) Meaningful predicted carbon equation benefit, considering the behavior of the global, North American, and US marketplace.

9. New incentives that empower business, consumers and markets to self-determine their continued choice at improving energy efficiency.
10. Much of Oregon's current and necessarily its future private sector production, business, employment, commerce, transportation—is "trade-exposed". As many goods and services produced by Oregon working families and business are traded out-of-state, any carbon calculation must encompass benefits-costs-substitutions-responses, considering the behavior of the global, North American, and US marketplace.
11. Celebrating the already ongoing improved energy efficiencies that are happening across Oregon, despite heretofore absence of a punitive cap & trade tax. Continued investments in renewables, efficiencies, emission reductions, and carbo-capture & storage are happening at a rapid rate. Paradoxically, the proposition of SB 1530—and other so-called cap & trade schemes—would stifle proven favorable private sector investments toward reasonable self-motivated goals. A more thorough examination is warranted prior to statewide-economy carbon policymaking decisions, including: of historical market behavior, consumer and business innovation, standard of living, productive prosperity, market economies, and growth of nations. Such an examination would demonstrate that greatest advantages are historically derived through private sector market incentives—market gains in the absence of government-knows-best dictates and stifling executive branch mandates, proposed SB 1530.
12. Let Oregon voters determine if SB 1530 is good public policy for our entire economy. If the rushed and so-called "urgent" SB 1530 proposition were truly an effective means to achieve carbon improvement, then the Legislature should be confident in the bill's merits before all Oregonians. The Legislature should demonstrate its confidence in the bill's merits by forwarding to the Oregon voters—SB 1530's sweeping, economy-altering, perverse costs.
13. Oregon can do better than copying California's mistakes—in a cap & trade scheme— that has failed to result in meaningful carbon capture or socio-economic gain for California.
14. It's the "Oregon Way" for business and citizens to craft agreeable solutions and successes. Regrettably, SB 1530 focused wrongly on centralized-government mandates and one-sided partisan dictates, about which Oregon's working families, rural producers, small business, and citizens clearly disagree!

Thank you for your consideration to our proposed alternatives to the flawed SB 1530. We look forward to the Legislature setting-aside SB 1530 during this short Session, and next year reframing the State's carbon public policy discussion by the "Oregon Way". There are clearly far different alternative carbon concepts for which the greater good of working Oregonians could shape and agree through their combined voice and participation.

We urge you to table this ill-advised SB 1530 proposition, in favor of future alternative public policies that would enact more constructive carbon strategies.

Sincerely,



Rex Storm, Certified Forester  
Interim Executive Vice President  
Associated Oregon Loggers, Inc.