

Rep. Holvey, I would like to congratulate you for sponsoring this bill.

Members of the House Revenue Committee, Please consider strengthening it with some much needed amendments.

First, some background. I am a wetland scientist and conservationist 43 years resident in Oregon. In the early 1980s I worked in Coos County. And I remember how Weyerhaeuser Company were the largest private employer in the County until they abruptly closed their mill in Coos Bay, having liquidated so much of their older growth trees from their tree farm, leaving massive clear cuts. Even at that time, their accountants were running the show, not their foresters. Their stockholders wanted maximum returns on their investments, and so the trees came down. Then there was no need for the mill, at least until 40-60 years later as those clear cut grew back to marketable size.

Today, with REITs and similar outfits owning so much forest land in Oregon, it's even more the case that return on investment is the ruling consideration in private forest land management. The local communities are subject to boom and bust cycles, and meanwhile the Severance Tax has been phased out, leaving local governments starved of revenue for basic services. To make matters worse, on Federal lands, harvests were reduced (a consequence of improved management) and the O&C counties lost further essential revenue.

Your bill will start to redress this imbalance. In addition, I would urge you to include amendments along the lines of the following:

1. Allocate a large percentage of revenue to local governments to spend as they see fit on essential services, and a portion to watershed restoration, with the remainder to fire control.
2. Large forestland management companies should pay a higher tax rate than small owners (less than 2,500 acres), and
3. There should be tax incentives for better forest management practices, such as meeting Forest Stewardship Certification standards. I would advocate a sliding scale with strong incentives for long rotation management (lowest rate for 80 years plus), with exemptions for commercial thinning or other cutting for improved forest stand management.

It's time the major private forest land companies paid their fair share of taxes, which can be returned to local communities that have borne the brunt of disinvestment and reduced harvest due to better forest management practices.

Thanks for your consideration.