



Co-Chairs Taylor and Reardon and Members of the Committee:

Thank you for the opportunity to testify on the budget for the Department of Environmental Quality (DEQ). DEQ has several programs that deeply impact our membership, and is a vital agency serving our state, so we have a vested interest in DEQ's budget for key program areas. For the record, my name is Mike Eliason, I am General Counsel and Director of Government Affairs for the Oregon Forest and Industries Council, a trade association representing timberland owners and forest products manufacturers from all over Oregon. Together, our members provide for themselves, their families and nearly 60,000 other households via direct employment from our lands and manufacturing facilities.

Given DEQ's large breadth of program areas, we understand how difficult it is for the agency, the governor's office, and the legislature to assess relative priorities between DEQ's programs. With that said, we are concerned about a number of places where the Governor's Recommended Budget (GRB) proposes cuts to core program areas, while ramping up program costs in other areas that may be better addressed by other agencies.

We are aware that the agency has been ordered to complete a large number of temperature total maximum daily loads (TMDLs) around the state in the coming years and is requesting **2 positions through POP 121 to kick off that work**. While we support DEQ having adequate resources to make the necessary investments in completing the TMDL work and undertaking the myriad of conversations that need to happen for that process to roll out successfully, we strongly encourage the legislature not to lose sight of the fact that a significant part of TMDL implementation is done by other agencies. For example, the Oregon Department of Forestry is the "designated management agency" for implementation of TMDLs on forest lands, and is not likely to see a commensurate increase in staffing for their water quality program. We must ensure that all agencies charged with protecting our state's water quality and implementing TMDLs are adequately resourced to keep up with the significant increase in workload the program will see in the coming years.

Given the significant core program work that is already facing resource constraints, we are concerned that the agency continues to invest significant resources in the development of the "cap and reduce" program and proposes an **additional \$2 million for its climate protection work**. Given that climate change is an international issue best addressed by national policy and federal treaties and, given that the Biden Administration has an incredibly proactive climate agenda, we urge the legislature and the agency to reinvest those dollars in avoiding cuts in core program areas and leave climate policy to Congress and the federal agencies implementing President Biden's most recent executive orders.

Finally, although not directly addressed in the budget, we have concerns with some of Oregon DEQ's policy development and implementation work for state-only and federally delegated regulatory programs. Specifically, we are concerned with the recently issued 1200-Z industrial stormwater permit. We are also equally concerned with DEQ's implementation of the federal Regional Haze program. The intent of the Regional Haze program is to reduce visibility impairment in national parks and wilderness areas. DEQ appears to be using this federal program to force emission reductions at manufacturing facilities, including wood products manufacturers, that will have significant costs without providing any demonstrable benefit in

visibility in these areas. DEQ is calculating an acceptable cost based on \$/ton of emissions reduced rather than \$/visibility improvement. For example, DEQ has concluded that an annual cost of approximately \$5,000/ton of emissions reduction at one of our member's mills is acceptable. However, they provide no evidence such emission reductions will improve visibility. Furthermore, the controls they seek require the use of natural gas and actually add additional greenhouse gas emissions.

Thank you for your consideration.

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