Whenever I travel around our beautiful state, I am dismayed to see small towns filled with shuttered shops and restaurants. I've also read some distressing articles discussing these communities' inadequately funded schools and libraries, and how their sheriff's offices lack the resources to properly respond to 911 calls. It is indisputable that many of Oregon's <u>small towns</u> are cash strapped and struggling.

Some blame these financial woes on a decline in revenue from logging due to environmental protections, and they advocate for larger harvests. However, the truth is that despite conservation efforts, timber harvests on state and federal land have remained about the same for the past 20 years. So why aren't communities reaping the benefits?

The answer is that timber companies have finagled outrageously preferential tax treatment for themselves, allowing them to wring money from our forests without putting even the bare minimum back into the communities in which they operate. In the 1990s, logging industry representatives successfully lobbied Oregon politicians to eliminate the severance tax. This tax was a major funding source for schools and local governments. Washington, California, and Idaho still have this tax, and the money it generates helps pay teachers and support sheriff's offices and public libraries.

If Oregon taxed timber companies at the same rate our neighbors do, local governments would collect tens of millions of dollars more every year to pay for services for residents. The tax breaks we've doled out to timber companies have <u>cost counties approximately \$3 billion over the past 30 years</u>.

Additionally, communities are suffering another blow as <u>logging practices contaminate their</u> <u>drinking water and damage their water systems</u>. In many water districts in Oregon, timber companies own the land surrounding the water source. These areas are reporting carcinogens (from fertilizers and pesticides) in their drinking water, plus dangerously high sediment levels, which interferes with treatment operations. Some are even seeing their water sources dry up and threaten to disappear completely. And who foots the bill for infrastructure repairs or wells to obtain a new water source? Residents and local small businesses, who have their taxes and water rates raised. Meanwhile, the companies causing these problems enjoy the lowest tax rates in the region.

Some claim that bringing back the severance tax would lead to job losses. But the timber industry has been slashing jobs for decades, replacing workers with machines and closing mills to export logs overseas. Companies have proven that they would rather save money via automation than employ local workers. There was a time when logging provided a significant number of jobs for Oregonians and was a solid source of revenue for rural towns. Oregon has put up with weaker environmental protections for private forestland and lower tax rates for these companies compared to Washington, California, and Idaho. But the logging industry has shown that no matter how many breaks we offer them, they aren't bringing jobs back.

Many timber executives and lobbyists don't have to live with the consequences of their operations and exploitative tax structure. They don't have to see the hideous clear cuts scarring the landscape—because they don't live in rural Oregon. They don't have to worry about whether

their drinking water will make them sick, whether their kids' schools can afford to purchase supplies, or whether the police will show up in an emergency.

Why should Oregonians subsidize an industry that exploits our land and cripples our communities? Oregon desperately needs money for the emergencies our rural communities are facing now and will continue to face in the future. We need to pay for home hardening and wildfire prevention, firefighting, watershed protection, and watershed infrastructure repairs. There's a straightforward, commonsense, and fair way to generate this money: reinstating the severance tax.