



Providing Opportunity to Family Woodland Owners

May 1, 2007

Representative Jackie Dingfelder, Chair
House Energy and Environment Committee
Oregon State Capitol
900 Court St. NE, Room 349
Salem, Oregon 97301

RE: HOUSE BILL 3543

Family Forests and Forestry: The Oregon Renewable Carbon Sink

Dear Chair Dingfelder and Members of the House Energy and Environment Committee:

My name is Mike Gaudern. I'm the Executive Director of Oregon Small Woodlands Association. OSWA is the association of family forestland owners of the state. We have over 3000 members who own and manage over one-half million acres of forestland. We store millions of tonnes of carbon on a daily basis.

As the world struggles with the issue of climate change, OSWA suggests Oregon's role in developing a solution will be unique to us, based upon lessons learnt by others, our local systems of government, economy and natural resource energy alternatives.

We have concerns about spending a lot of time and effort on the setting of targets for greenhouse emissions. We see other developed nations and states take a variety of approaches to the issue. Some are successful and others not. According to our recent research, Canada has withdrawn its support of the Kyoto protocol due to being unable to reach its national emission targets. The UK government has just announced that it will also miss it's target for this year and has suggested that all options including upping it's reliance on nuclear power are on the table as it looks to transition to a low carbon economy.

We hope that our leaders act with calmness and a holistic mind that sees us base our response upon best available science and experience. There are many reasons why America has reacted slowly as a nation. Kyoto was not signed by Presidents Clinton or Bush because of a number of issues, all with reason.

To suggest that by shifting resources to developing nations to help them develop low carbon emitting economies may already be a failed strategy.

For example, a leading international energy group has recently said "China could overtake the U.S. this year as the world's largest emitter of greenhouse gases,"

The International Energy Agency had predicted China's carbon dioxide emissions would pass the U.S. by 2010... "China is heavily reliant on highly polluting coal for its energy, and mines far more coal than any other country. While the Chinese government has pledged to try to develop alternative energy sources, it says wealthy nations are the most to blame for high gas emissions. "

When we study the issue in more depth, the U.S. economy's returns in terms of goods and services versus emissions looks attractive compared with other economies. A knee-jerk reaction to our solution based upon already failing policies, focused on green house gas emissions alone, could have major negative unintended consequences.

Other examples include the recent look of life cycle costs of Toyota Prius versus Hummer H3's. While the Prius fuel economy seems at first attractive, it is supported by the use of Nickel cadmium batteries that have a very high life cycle cost. The Hummer may in fact be a better environmental choice when considering the entire package.

On a personal note, I worked for the Worldwide Fund for Nature in their Forests for Life Global Trade Network from 1999 to 2002. We looked to reward good forest management by encouraging consumers to buy good wood at a premium. That experience has taught me a great deal about the disconnect between public opinion and public behavior. Talk is cheap, action is not.

Research conducted in the UK in March 2007 suggests we could face a similar issue with climate solutions: 54% of respondents said No to paying a carbon tax as part for their airline flight prices, 40% said Yes, and 6% had No Opinion.

The WWF experience also taught me the need to exercise a balanced, well thought out, locally participatory and workable approach to achieving common, measurable objectives. When subsidies or incentives are focused upon manufacturers, there will be little if any trickle-down to producers, as we have found to our cost with forest certification and green buildings schemes.

Market Based Solutions are the best way forward.

We have concluded that a holistic, market-based approach will be needed to deal with this issue so as not to have unintended negative impacts on family forestlands and the wide range of benefits they provide.

OSWA sees family forests as a key player in the transformation of our state's economy into one that is "low-carbon emitting". We see tremendous opportunity to take advantage of the movement and are willing to provide a range of benefits to our solution. Oregon's leaders must decide if they see forests and all the values they bring as a viable industry in the future. If so you will need to make recommendations that add value to the owning and long term retention of family forestlands. Our "business as usual" regulatory models are broken and a fresh start is needed to ensure the holding and management of as much forestland as possible in the state.

OSWA sees the retention of managed forestland, both public and private, as a positive for the storage of carbon and development of alternative energy. We believe there is enough technical evidence to prove the positive carbon sequestration benefits of forests and forestry, via life cycle assessments compared to other products and other land uses, and that forestry is an industry both large and small that you want to have in place to make a positive move towards a "low carbon" economy.

OSWA is already working with partners at both the national and regional level to develop economic incentives to promote retention of certified forestlands. These incentives are

designed to reward the landowners who have supplied many of the public goods and services for free overtime but are now faced with pressures to convert to other uses.

We need to look beyond our current business model of regulation towards a truly positive economic incentive for owning family forests. 4.4 million acres of Oregon family woodlands and the carbon sequesters every day needs our support.

Opportunities to help Oregon become a Renewable Carbon Sink as we develop a “low carbon” economy by 2050.

On April 26th 2007 the OSWA Board of Directors adopted the following policy related to Family Forests and Carbon Policy : The Oregon Renewable Carbon Sink

Moved, seconded, and passed unanimously that consistent with maintaining economic viability with landowners the following 6 points are adopted regarding progress toward a low-carbon economy by 2050:

1. Landowners should be given credit for maintaining forestland as forestland,
2. Increase forested areas.
3. Manage forests from seedlings to mature forest, including the harvest thereof, to store carbon over the long-term and reduce vulnerability to drought, insects, and fires.
4. Capture more carbon in durable wood products and use wood instead of energy demanding substitutes.
5. Reward woodland owners for helping reduce warming contributions.
6. Use mill waste and woody biomass to create energy.

(Via Short Term Carbon Storage Contracts And Other Flexible Economic Incentives)

1. Landowners should be given credit for maintaining forestland as forestland,

Due to many drivers - including population growth, Oregon favoring a regulatory approach to the protection of forestland, and a disconnect between public opinion and behavior, we are faced with a widening gap between the monetary value of forestland and other types of land use.

As we look to incentives for the retention of forestlands to store carbon and other environmental services, we favor a short-term contract-based system versus a permanent easement program. This would allow us to make policy and market

refinements regarding the many aspects of forest benefits as new science becomes available and societal values shift over time.

We also suggest a "Concrete" base line be set when counting carbon and other environmental services. Every woodland owner has to choose to continue to grow trees and manage their forest well for a number of environmental, economic and social benefits. To encourage owners to continue these practices in the face of competing and more lucrative land uses, woodland owners need to be credited for all the carbon they store on a yearly basis.

2. Increase Forested Areas.

As we look to increasing forest area, which at present appears to be the only way in which forests are eligible for carbon credits payments, we must ensure that we do not further exacerbate the pressure to convert current forestland to other uses by only rewarding afforestation on marginal lands.

3. Manage forests to store more carbon over the long-term and reduce vulnerability to drought, insects and fires.

Carbon Credit dollars spent would need to promote actions that protect the carbon release of catastrophic wild fire

(Via Promotion Of Local Forest Products)

4. Capture more carbon in durable wood products and use wood instead of energy demanding substitutes.

Carbon Credit dollars spent would need to promote durable wood products that are produced from local forests. This would have to be proven as a carbon positive by reducing the use of substitutes and non wood products transported to Oregon from lower cost producers who rely on cheap oil to get products into our market place.

(Via Taking Advantage Of Partnerships That Promote The Use Of Cellulose Ethanol Such As The Recent Announcement Of Weyerhaeuser And Chevron)

5. Reward Woodland Owners For Helping Reduce Warming Contributions.

Slash burning is a useful tool that releases carbon that could be replaced by developing fuel products from local slash, for example cellulose ethanol.

6. Use Mill Waste And Woody Biomass To Create Energy.

Conversations and research on the use and energy efficiency of cellulose ethanol versus corn-based ethanol could see Oregon benefit by using this type of energy to fuel our current fossil fuel dependent machinery. The win-win of monitorizing waste and slash to incentivize landowners to deal with these products fits well into current policy choices within the forestry program for Oregon.

OSWA volunteers and staff look forward to working with this committee and others to achieve those objectives.

Thank you for your time.

Sincerely,

Mike Gaudern
Executive Director