



PACIFIC FOREST TRUST

Private Forests. Public Treasures.

Representative Ken Helm
900 Court St. NE, H-490
Salem, Oregon 97301

October 9, 2017

Re: Clean Energy Jobs Work Group on Agriculture, Forests, Fisheries, Rural Communities, and Tribes

Dear Representative Helm,

Thank you for chairing this important work group to examine the impact and potential opportunities for a cap-and-invest program on rural lands, communities and economies. While forests and other rural working lands—and the people who manage and own lands— have much to contribute to mitigating and adapting to climate change, the current language of SB 1070 largely ignores their vital roles. This is both a missed opportunity to harness the vast carbon sequestration potential of Oregon’s forests, to promote successful adaptation, and to build a more resilient rural economy and community. PFT has worked in Oregon for over 20 years, holds the largest forest conservation easements in the state, and has 25 years of experience working in climate policy. We appreciate the chance to both address your “homework” questions, and also take the liberty of making two suggestions for the legislation. These two recommendations are:

- 1. 25% of the Oregon Climate Investment Fund goes towards the restoration and conservation of forests and watersheds.**
- 2. Oregon’s offset program be fully compatible with the California market, especially with regard to the forest protocols, where the most utilized protocol is that for Improved Forest Management.**

These recommendations, and the comments below are also grounded in our involvement with the WCI (since inception) as well as with California’s cap-and-trade program and forest offset protocols. We’ve developed forest carbon offset projects in multiple states and been engaged in a number of voluntary and compliance offset transactions.

Question 1: What aspects of a cap-and-invest policy as it is being discussed in Oregon are you most concerned about for your organization/industry/constituents/customers?

We are concerned that SB 1070 as it is currently drafted misses the opportunity to meaningfully engage rural communities by overlooking forests and other working lands. Forests and other lands are often the backbone of rural economies. Leaving out investment in these essential lands – which also sequester enormous amounts of carbon, provide irreplaceable wildlife habitat, and are essential to climate

change adaptation – would be a missed opportunity to both to harness the power of these natural systems for climate benefits and engage an often overlooked constituency which has a key role to play in Oregon’s emerging climate change policies.

As of the 2010 census, 19% of Oregon’s population lived in rural areas.ⁱ While the 2016 unemployment rate statewide is down to 4.9% as of 2016, in some rural areas, the unemployment rate is as high as 7.8%.ⁱⁱ Employment in the forest industry can be significant in rural areas – in 2013, Oregon’s forest sector employed more than 58,000 people and paid a higher wage than the statewide average.ⁱⁱⁱ The forest sector is the second largest employer in the state, responsible for 11% of Oregon’s economic output.^{iv}

Question 2: What changes would you suggest be made to cap-and-invest as it is currently being discussed to address the concerns you have?

We suggest that 25% of the Oregon Climate Investment Fund goes towards the restoration and conservation of forests and watersheds. This would sustain jobs in rural communities, cost-effectively reduce greenhouse gas emissions, and support climate change adaptation efforts. Further, as noted in recent polling for a comparable climate initiative in Washington state, adding the forest and watershed elements to climate investments increased the positive support for that initiative by a full 20%.

Reinvestment of auction revenues in restoring and conserving working forestland and watersheds has economic benefits for rural communities. A nation-wide study found that investment in forests created more jobs per dollar invested than many other industries, including road building and fossil fuels.^v Research on investments made by the Oregon Watershed Enhancement Board found that for every million dollars invested in forestry and watershed restoration, between 15 and 24 jobs were supported.^{vi}

Investing in forests is also a cost-effective way to reduce greenhouse gas emissions as forests naturally take carbon out of the atmosphere. Oregon’s forests store an estimated 2,555 million metric tons of carbon – which by some measures is the most amount of carbon stored in any of the contiguous United States.^{vii} Protecting our forests from conversion and managing them for resilient carbon stores can safeguard and increase carbon stores – producing enormous returns on investment for climate change mitigation. For instance, California investments in forests have generated an average of 13 times more greenhouse gas reductions per dollar than the typical investment.^{viii}

Natural systems are a central part of climate change adaptation. Wetlands will protect coastlines from rising sea levels, healthy forested watersheds will supply our cities with clean water, and natural and working lands will provide refugia to wildlife migrating in response to climate change. However, these essential lands have been degraded by a century of fire suppression, development, fragmentation, and past management practices. This cap-and-invest program represents an opportunity for

Oregonians to systematically invest in the restoration and conservation of treasured forests and watersheds that supply cool, clean drinking water to millions, provide irreplaceable wildlife habitat, and are the cornerstone of many rural communities.

Question 3: What opportunities do you believe exist for your organization/industry/constituents/ customers from implementation of a cap-and-invest policy as it is currently being discussed in Oregon?

Carbon offsets have created incentives for forest stewardship and conservation under the proven California model. The current language of SB 1070 allows for carbon offset projects, and we suggest that Oregon's program incorporates the successful Forest Protocols used in the California system.

Like reinvesting auction revenue in restoring and sustaining working forests, using carbon offsets has many of the same benefits – for rural communities, wildlife, and carbon storage. Carbon offsets reduce the overall cost of the cap-and-invest system, while creating incentives for forest stewardship and conservation. Assigning a monetary value to the carbon benefits of forests prompts landowners to let their forest stands grow older, reforest former forest lands, and protect lands from conversion to development. The forest offset protocols and system that California established is now in use on over 2 million acres in 30 states^{ix}. We recommend using same Forest Protocols in Oregon. This will also make linkage with California simpler and ensure that the offsets meet WCI standards.

Thank you for this opportunity to comment following the first work group meeting. We look forward to continuing to engage throughout this process. If you have any questions on these comments or if we can provide any additional information, please feel free to contact me at lwayburn@pacificforest.org or 415-561-0700 x14.

Sincerely,



Laurie Wayburn
President

ⁱ <https://www.census.gov/geo/reference/ua/urban-rural-2010.html>

ⁱⁱ US Department of Labor, Bureau of Labor Statistics, *Local Area Unemployment Statistics Map*. Available at: <https://data.bls.gov/map/MapToolServlet>

ⁱⁱⁱ <https://www.qualityinfo.org/-/a-comprehensive-estimate-of-oregon-s-forest-sector-employment>

^{iv} <https://www.oregon.gov/LCD/pages/forlandprot.aspx>

^v Garrett-Peltier, Heidi and Pollin, Robert. 2010. University of Massachusetts Political Economy and Research Institute. As cited in (<http://grist.org/article/2010-02-01-the-jobs-are-in-the-trees/>). Infrastructure

multipliers and assumptions are presented in "How Infrastructure Investments Support the U.S. Economy: Employment, Productivity and Growth," Political Economy Research Institute, January 2009. (<http://www.peri.umass.edu/236/hash/efc9f7456a/publication/333/>).

^{vi} Nielsen-Pincus, Max and Moseley, Cassandra. 2010. Economic and Employment Impacts of Forest and Watershed Restoration in Oregon. *Ecosystem Workforce Program, Working Paper Number 24*. University of Oregon.

^{vii} USDA Forest Service, Forest Inventory and Analysis Program. 2014. Available at:

<http://www.fia.fs.fed.us/Forest%20Carbon/methods/docs/2014/Total%20forest%20carbon20140721.xls>

^x

^{viii} <https://www.pacificforest.org/ggrf-investments-natural-working-lands/>

^{ix} Data on ARB registered projects available at: http://database.v-c-s.org/VCS_OPR,

<http://www.arb.ca.gov/cc/capandtrade/offsets/offsets.htm>, and

<https://acr2.apx.com/myModule/rpt/myrpt.asp?r=111>