

Climate and Oregon's Industrial Forests

A GREEN NEW DEAL PROPOSAL

Coast Range Association 2020

EXECUTIVE SUMMARY

A Proposal

In Oregon and across the U.S., working people and communities suffer from compounding climate, social and economic crises. The climate emergency requires congressional leaders to advance the Green New Deal (HR-109). The Green New Deal (GND) calls for a large and equitable investment in decarbonizing the energy basis of U.S. society while transforming land management to sequester and store carbon. The enclosed proposal addresses the carbon sequestration and storage potential of Western Oregon's 4.3 million acres of corporate industrial forests.

We believe this is the first proposal to vastly increase stored forest carbon while providing social benefits to forest workers and rural communities. No similar proposal exists that scales to the climate emergency and concurrently achieves the just transition goals of the GND. To accomplish the GND's goals, we propose two initiatives: Land reform through the buyout of current corporate industrial forest owners and the transfer of purchased lands to locally owned and operated social benefit enterprise. We arrived at a land reform and social benefit solution by acknowledging:

- The severity and scale of the climate emergency,
- the GND's goals and requirement of an equitable and just transition, and
- an honest recognition of the exploitative nature of financially driven forest ownership.

The Coast Range Association is uniquely positioned to offer this proposal. For 25 years we have critically researched the invasion of Wall Street capital into Pacific Northwest forests. Our research into corporate forest management and our concern for rural communities guide our vision. Over the past five years, the climate crisis has increasingly influenced our advocacy. Inspired by HR-109 and the goals of the GND, and aware of the IPCC's call for atmospheric carbon removal, we went to work on a proposal for Northwest industrial forests. This document reports on our analysis and recommendations.

The Problem: Financially Driven Industrial Forestry

Pacific Northwest (PNW) forests are globally excellent carbon sinks. Research demonstrates that Western Oregon's forests have the potential to store more carbon per acre than any other forests in the world. However, industrial timberlands have large carbon storage deficits compared to the carbon sequestration and storage potential of native forests. To increase carbon storage on private industrial lands requires a reduction in timber harvest. A reduction in timber harvest will impact the timber workforce and rural economies. A land reform transition, coupled with a new social benefit enterprise, is the best carbon-building pathway compared to regulation, taxation, and carbon payments strategies.

Understanding the need for land reform in the Pacific Northwest requires an understanding of the modern industrial forest firm and its practice of intensive, financially efficient forestry. The purpose of a firm's

enterprise determines its forest management strategy. Current corporate forest management is based on maximum financial return to investors. Corporate timber firms maximize financial return by:

- Lowering regulatory and taxation costs through political power and influence;
- adopting exploitive labor practices that harm workers and communities;
- using financial cut cycles that lower timber production and result in landscapes of small, low-carbon storage plantations;
- buying out small landowners, which depopulates rural areas and harms local economies.

The contracted workforce of logging, hauling, and reforestation workers all experience flat wages and declining work quality conditions, while the corporate timber firms export profits to distant, wealthy investors. Hundreds of independent firms do the logging, hauling, road building, and reforestation. Of particular concern are people of Mexican and Central American heritage who generally make up the workforce of contracted reforestation workers and who labor under terribly exploitive and oppressive working conditions. The colonization of Western Oregon's rural forests by finance capital has reshaped the rural economy, resulting in economic hardship, depopulation and a shrinking usable land base.

The Solution: Land Reform & Social Benefit Enterprise

To accomplish a carbon transition and increase rural prosperity, we draw inspiration from the 1930s New Deal, when the federal government invested in new social benefit enterprise delivering electricity and telephone service to rural communities. Today, electric co-ops and people's utility districts continue to effectively serve rural communities. These successful social benefit models provide a roadmap to new forest ownership in rural Oregon. To be clear, we are not advocating for the nationalization of timberland. Just as with the New Deal's rural electrification, the GND's role will be to finance land acquisition through *Carbon Sequestration Grants* guaranteed through a *working forest conservation easement* on each property's title.

The legal structure of new enterprise and ownership will be the same as with electric co-ops—*state-chartered, nonprofit corporations* grounded in *local, democratic control*. And as with electric co-ops, federal tax-exempt status will be granted under appropriate easement criteria. In addition to new nonprofit co-op forest companies, local governments will qualify for Carbon Sequestration Grants to acquire watersheds that provide drinking water. The mix of specific forest management practices employed will depend on provisions specified in the carbon easements and the *democratic will of each enterprise*. Carbon Sequestration Grants will be made available to tribal governments for expanding the tribal working forestlands.

In Oregon, co-ops and people's utility districts are proven and dependable business models, often more familiar to rural people than city dwellers. Land reform and social benefit enterprise meet the goal to redirect profits away from investors and shareholders and into local communities and worker paychecks. While our proposal and analysis have focused on Oregon's industrial forests, a complimentary analysis could be offered for Oregon's agricultural lands and for rural communities across the U.S.

A new day is possible for Western Oregon's rural landscapes through a Green New Deal. We look forward to working with rural voices and community leaders on a land reform and social benefit forest agenda. The climate emergency is before us, but an equitable and more livable rural future awaits us. A better world is possible.