

DRAFT

SUMMARY

Urges President and United States Congress to ensure that revenues realized from carbon sequestration projects on federal lands are shared with state and county governments.

JOINT MEMORIAL

To the President of the United States and the Senate and the House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the Seventy-fifth Legislative Assembly of the State of Oregon, in legislative session assembled, respectfully represent as follows:

Whereas Oregon has been a leader in developing and enacting legislation to protect the environment and to foster economic development; and

Whereas Oregon is active in efforts to address climate change and is a partner in the Western Climate Initiative; and

Whereas the Western Climate Initiative has developed design recommendations for the management of greenhouse gas emissions using the market-based concept known as "cap-and-trade"; and

Whereas discussions leading to the Western Climate Initiative's design recommendations for the Regional Cap-and-Trade Program have recognized the role that forests play in sequestering carbon dioxide and thereby managing greenhouse gas emissions; and

Whereas the Western Climate Initiative has identified a list of projects as a priority for investigation and potential participation in the offset program, including projects related to forestry; and

Whereas Oregon, as a Western Climate Initiative partner, intends to promote and support federal greenhouse gas emission reduction programs

NOTE: Matter in boldfaced type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in boldfaced type.

1 that are consistent with the Western Climate Initiative's design recommen-
2 dations; and

3 Whereas Oregon's land base includes vast stretches of federally owned
4 and managed forests; and

5 Whereas these federally owned and managed forests may generate revenue
6 from the carbon sequestration market; and

7 Whereas revenue from these federally owned and managed forests has
8 historically been shared with Oregon's counties to support infrastructure
9 development, schools and public health and safety; now, therefore,

10 **Be It Resolved by the Legislative Assembly of the State of Oregon:**

11 (1) The President of the United States and the Congress of the United
12 States are respectfully urged to ensure that revenue realized from carbon
13 sequestration initiatives on federally owned and managed forests is shared
14 with state and county governments.

15 (2) A copy of this memorial shall be sent to each member of the Oregon
16 Congressional Delegation.

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Background: The Western Climate Initiative is an effort developed by seven western states and four Canadian provinces to create a region wide carbon cap and trade regulatory framework. This concept involves harnessing market forces to reduce the generation of greenhouse gases by “capping” the total generation of certain greenhouse gas pollution, but allowing “trading” of carbon credits and carbon offsets. During the development of the WCI’s design document, a number of private timberland owners and other forestry advocates worked at securing forest sequestration as a valid and qualified carbon offset within the framework developed by the overall WCI effort. The Board of County Commissioners submitted public comment about the possibility and potentials of sequestration through forestry on public lands in Western Oregon, and specifically raised the issue of revenue sharing with Oregon counties at that time.

At about this same time the Board of County Commissioners provided direction to seek any necessary legislative remedies to provide for such revenue sharing. The expectation was that the Governor of Oregon would submit to the Legislature his concept for an Oregon cap and trade program, based on the design framework developed by the WCI.

Staff met with Representative Phil Barnhart, D-Eugene, who agreed to submit a question to Legislative Counsel regarding the appropriate statutory changes. Legislative Counsel ultimately was unable to recommend the drafting a bill because of the absence of any federal monies or federal programs which would generate any revenue from carbon sequestration projects on federal forestland in Oregon. Instead, they suggested that a joint memorial could be a vehicle that the Legislature would act upon and would send a message to the US Congress urging them to work on appropriate legislation.

Meanwhile, staff began to work on political support for the joint memorial. An update to the work of the WCI had previously been provided to the Board of Directors of the Association of O and C Counties, and when the joint memorial was drafted, staff again approached the Association with a discussion about the memorial. Their Board did not take formal action at that time, but did have a discussion about their primary message being that O and C lands are set aside lands by federal statute that is narrowly constructed to suggest that the lands are managed under the principal of sustained yield timber production. Until the Association is convinced that the federal safety net program will be permanently encoded, they are working to ensure that the Western Oregon Plan Revision is implemented and a flow of timber, and thus revenue to counties, is re-established in Western Oregon. The concern expressed over the joint memorial is that if they endorsed this document, it could signal that they are open to other management options on the O and C lands currently designated for timber production.

As a result of this meeting, staff worked with County Counsel to develop some optional language for the joint memorial that includes reference to the O and C lands. If the Board is comfortable with this language, it could be presented to the Association as a possible option during the next Association meeting (February 17), under a proposal to secure their endorsement of the joint memorial (for instance so that the joint memorial may read “at the request of Lane County and the Association of O and C Counties”).

Suggested motion: Move to direct the administrator to direct appropriate staff to bring forth the language in Attachment A to the Association of O and C Counties. If O and C Counties move to endorse, the administrator may further direct staff to pursue the printing of the joint memorial as outlined in Attachment A. If O and C Counties does not endorse the joint memorial as outlined in Attachment A, then the administrator shall direct staff to pursue the printing of the joint memorial as outlined in Attachment B, without the support of the Association of O and C Counties.

ATTACHMENT "A"

Whereas Oregon's land base includes vast stretches of federally owned and managed forests; and

Whereas these federally owned and managed forests, **except those managed pursuant to 43 USC 1181a**, may generate revenue from the carbon sequestration market; and

Whereas revenue from these federally owned and managed forests has historically been shared with (*Oregon's counties*) **the State of Oregon** to support local infrastructure development, schools and public health and safety; now therefore,

Be it resolved by the Legislative Assembly of the State of Oregon:

(1) The President of the United States and the Congress of the United States are respectfully urged to ensure that revenue realized from carbon sequestration initiatives on **appropriately designated** federally owned and managed forests is shared with state (*and county*) governments **for the purposes of contributing to the economic stability of local communities.**