

Testimony of John A. Charles, Jr. Before the Oregon State Land Board

December 8, 2009

My name is John Charles, and I am President of Cascade Policy Institute. I am here to urge the Board to sell or lease the Elliot State Forest.

I understand that this is likely to be your LEAST favorite option, because the natural tendency in a dysfunctional situation is to keep doing the same thing over and over again. But state management of the Elliott will never generate the returns that would accrue if you sold the forest.

Your predecessors were told this back in 1994 by John Beuter, a consultant to DOF, who concluded that: ***“Selling the Elliott is the only marketing alternative likely to significantly increase net annual income to the CSF.”***

In 2005, consultants to DSL reached a similar conclusion. They found that the **direct** benefits of selling the Elliott could be as high as \$206 million, in addition to **indirect benefits** \$400 million in the form of new jobs and tax receipts.

Today we will be offering yet another analysis showing that sale of the Elliott would provide 4 to 8 times as much funding to Oregon schools as retaining ownership by the state would.

Now I will turn the presentation over to Dr. Eric Fruits, an economist who has performed this analysis at the request of Cascade.

