



October 5, 2010

MEMORANDUM

TO: S.B. 513 Ad Hoc Group Members

FROM: Debra Nudelman and Daniel Grant, Kearns & West

SUBJECT: S.B. 513 Ad Hoc Group – September 28 Meeting Action Items

Thank you for your participation and efforts at the S.B. 513 Ad Hoc Group meeting held September 28, 2010 at the law offices of Perkins Coie in Portland, Oregon. This memo includes the upcoming meeting dates, agreed-upon action items, and a meeting summary.

Upcoming Meeting Dates	Who	Location
<ul style="list-style-type: none"> October 20, 2010 	Working Group	Salem, State Lands Building

Action Items	Who	When
1. <u>Information follow up</u> <ul style="list-style-type: none"> Develop and distribute action items and meeting summary 	OWEB/K&W	By cob, October 6
2. <u>Executive Summary and One-Pager</u> <ul style="list-style-type: none"> Review draft for language and rhetoric, keeping audience in mind 	OWEB/Ad Hoc Group members/K&W Communications team	ASAP
3. <u>Final Report Revisions</u> <ul style="list-style-type: none"> Submit comments and edits Incorporate suggested edits and modifications provided by Ad Hoc Group members and distribute revised draft 	Ad Hoc Group members to Renee Renee	ASAP, but ideally by October 8 ASAP in advance of October 20 Working Group meeting

Action Items	Who	When
<p>4. <u>Legislative Contact</u></p> <ul style="list-style-type: none"> Identify legislators and their spokespeople who might advocate for the report and set up meetings - Individual contact first, then conference call if needed 	Renee to draft list, then Ad Hoc Group responds	ASAP
<p>5. <u>Media</u></p> <ul style="list-style-type: none"> Distribute Parametrix video from CP/CTE website Consider creating new video clip Consider adding another visual piece to report to show where being discussed Consider PowerPoint presentation 	<p>Bobby/Renee to Ad Hoc Group</p> <p>OWEB/Project Team</p> <p>OWEB/Project Team</p> <p>OWEB/Project Team</p>	<p>ASAP</p> <p>In advance of 2011 Legislative session</p> <p>ASAP</p> <p>In advance of 2011 Legislative session</p>

Meeting Documents
<p>The following documents were distributed at this meeting:</p> <ul style="list-style-type: none"> Proposed Agenda SB513 Ad Hoc Group 9.28.10 Meeting Action Items Memo – SB 513 Ad Hoc Group 7.29.10 Meeting Draft Final Report 9.16.10 version – SB 513 Ecosystems Services Markets Working Group Policy Proposals: 9.16.10 DRAFT of the Senate Bill 513 Ecosystem Services Markets Report <p><i>Copies of these documents can be obtained by contacting Kearns & West</i></p>

Meeting Notes

Executive Summary

- What does this do for a green economy and for Oregon—why are we doing this?

Next Steps

- Next week: incorporate Sustainability Board/Ad Hoc Group feedback
- 10/20: Last Working Group Meeting—finalize/consensus
- 11/17: Report to Sustainability Board—approval to send to legislature

Meeting Summary

Ad Hoc Group Members: Annabelle Jaramillo (Benton County Board of Commissioners), John Miller (Wildwood Mahonia), Indigo Tiewes (Earth Advantage), Christine Svetkovich (for Dick Pedersn, Oregon Department of Environmental Quality [ODEQ]), Martin Goebel (Sustainable Northwest)

Working Group Members: Tom Byler (Oregon Watershed Enhancement Board [OWEB]), Sara Vickerman (Defenders of Wildlife), Rick Glick (Davis Wright Tremaine), Meta Loftsgaarden (Natural Resources Conservation Service), Bobby Cochran (Willamette Partnership), Sally Duncan (Institute for Natural Resources), Catherine Macdonald (The Nature Conservancy)

Staff/Other Attendees: Renee Davis-Born (OWEB), Turner Odell (Oregon Consensus)

Facilitation Team: Debra Nudelman and Daniel Grant, Kearns & West

Welcome, introductions, and review of agenda:

Deb welcomed the group and invited attendees to introduce themselves.

Update about SB513 Report progress to date:

Tom provided an update on the SB 513 Working Group progress and gave context for the meeting. Tom and Renee will do a report with the natural resource agency directors in two weeks. Deb then reviewed the agenda. Renee gave additional context and requested that a portion of today's discussion focus on message for two critical outreach materials: the 513 report Executive Summary and one-pager for use with legislators and interest groups.

Renee then reviewed the current version of the Policy Proposals. She mentioned that Policy Proposals #1-8 are ones that a) could be hindrances or limitations to ecosystem services or b) suggest ways to encourage use of ecosystem market approaches. She said that anywhere that state agencies are mentioned, local government should also be mentioned per Annabelle Jaramillo's previous comment, and that emphasis should be placed on public/private partnerships. John Miller observed that Policy Proposal #3 should be aimed at agency and non-profit partnerships. Renee said that Policy Proposals #9-10 are actionable and testable items. She also mentioned that Policy Proposal #6 is new.

Renee and Sara summarized the input that the Sustainability Board members gave. They said that the report was received favorably. John Ledger and Eric Schooler gave good comments regarding considering unexpected consequences that could result from the use of markets, concern over political pressure on agencies causing them to back away from using innovative market based approaches, and the importance of having flexibility with service areas in order to maximize ecological benefits.

Iterative comments, review, and discussion of draft Working Group report, with a focus on policy recommendations

Rick suggested that Policy Proposal #7 should read: "Encourage state and local governments to cost and compare natural infrastructure as an alternative to hard engineering for new development projects and mitigation." He added that there is tremendous potential value in finding mitigation alternatives, and that it is important to look for opportunities in ecosystem markets for solving regulatory problems.

Martin proposed that the Policy Proposals be organized as barriers, opportunities, and actions. He added that he was conscious of what would catch the legislature's eye. He also said that the report does a good job of providing examples, but wondered whether it could be useful to have an appendix that lists places where the Policy Proposals could be applied and where they are being discussed. He also observed that more maps and visuals would be helpful. Renee responded that Gail has given two more examples of the kinds of places Martin referenced.

Indigo Tiewes brought up Policy Proposal #9. She said that Section 3, voluntary market development, limits the potential role of business engagement with the ecosystem service marketplace. She said that the section doesn't provide the opportunity for businesses to provide

ecosystem services through their existing infrastructure. She also proposed that Policy Proposal #3 should include language regarding aggregating credits and incentivizing action by creating opportunities on the supply side, and thus providing more options for the private sector. Cathy asked whether people can participate with small scale projects. The Group agreed that it would be worth identifying aggregators as having an important role in the ecosystem marketplace. Sara mentioned that there are lots of groups considering aggregating carbon. Indigo asked whether the report is enabling aggregation of all different sizes of projects. She added that elaboration on the aggregation concept should be added in the explanation paragraphs below the Policy Proposal, but not in the Proposal itself. Meta mentioned that in order to catch the eye, the aggregation concept should be at the Policy Proposal level, and not in the fine print. Bobby Cochran mentioned that all it would need would be a simple statement about “all sizes” of business.

John mentioned that he likes the size of the Policy Proposal one-pager, and said that it is simple and could be used as a starting point for the 1-2 pager for use with legislators. He had a few language suggestions: in Policy Proposal #6, he said that the phrase, “adaptive management” is not colloquial yet, and that the Proposal should be revised to give it more common language. He asked that Policy Proposal #10 contain more specific language indicating who will continue to be a sounding board for ecosystem services markets. Renee said that the Working Group recognized the need to be conscious of fiscal impact in coming years. Tom said that a Legislative Concept document could address this concern apart from the report. John mentioned that the report should tell the legislature what an alternative is. Sara is concerned about fiscal impact, as well, unless the Group could propose and enact a way to have a small fiscal impact. John and Cathy mentioned the need to establish a cohesive relationship between OWEB and the Sustainability Board looking forward. The Group agreed that Policy Proposal #10 should spell out the ongoing partnership. Cathy mentioned that these actions should be implemented as funds become available.

Martin asked whether there is a PowerPoint presentation that could show legislators early in the 2011 Session while they’re still determining how to allocate the budget. He emphasized the need to engage with them and follow up. Bobby offered to distribute to the Group the Parametrix video on the Willamette Partnership website as material to use when creating a promotional video. Tom mentioned that the report needs advocates before the 2011 session starts so that legislators will be able to take up the cause for committee work. Christine mentioned that Representative Jules Bailey could be a potential ally or advocate. John mentioned that the promotional video would be most effective if it spoke the language of jobs and the budget and, for example, used footage from farmers, Nike and Intel representatives, and other “regular” people.

Executive Summary

Sally mentioned that the executive summary needs to do a good job of explaining the “why.” Meta said that the executive summary should include the “what, why, and how” within four pages. Tom said that the concept of ecosystem services markets should take less than 20 seconds to explain and be about jobs and the budget, and that the executive summary should reflect this. Sara mentioned that it could pitch the idea as a new way of doing that budget that is fiscally responsible and efficient. Cathy voiced concern that the report sounds too “brand new,” when actually these proposals are building on an established precedent. Others suggested describing it as a “different” way of doing business so as not to suggest that the idea is to create something new at a fiscally challenging time. Rick added that the economic benefit should be the lead at the outset. Tom mentioned the benefit of exploring job creation with the interim committee. Christine echoed the importance of speaking about job creation. Tom added that the summary should explicitly indicate what the report means to a developer, landowner, or industry representative.

Deb mentioned that she discussed the messaging aspect with other Kearns & West Communications staff, and that they could assist with this.

John suggested that the Group identify key legislators and whom they trust to establish a network of support and advocacy for the report going into the 2011 session. Tom mentioned that in the last few weeks, he and Renee had talked with several private sector representatives—including agriculture and business—and had productive conversations. He said that Duncan Wyse was positive, and that OWEB would circle back with him about sharing 513 recommendations at the Oregon Business Plan Leadership Summit in December. Bobby cautioned that the business community was reluctant and skeptical three years ago, but he thinks that they have warmed considerably to the idea and would be receptive to it now.

Tom advocated that the document should speak the language of leadership and innovation, and Bobby echoed this, saying that this is the beginning of a fundamental shift. John said that the concept should be pitched to the general public as a blend of both new ideas and new tools for farmers and landowners to build upon existing processes.

Tom asked if it would be possible to read the temperature of the legislature before the report is presented, and urged members of the Group to identify a list of legislative contacts, seek out meetings individually, and conduct a conference call if necessary. Martin invited members of the Ad Hoc Group to his office on November 1 to review ecosystem service markets.

Summary of meeting discussion and next steps

Renee said that a new report would incorporate feedback from the Sustainability Board and Ad Hoc Group in advance of the October 20 Working Group meeting. At the Working Group meeting, the Group will make final revisions and send the report on to the Sustainability Board, which will meet November 17. Pending Sustainability Board approval, the report will be submitted to the Legislature.

Bobby mentioned that he would set up a meeting with a staff person from Metro. Rick said that the Oregon Business Association could be a natural ally; Renee noted that she and Tom were meeting with one of their staff later in the week. Sara voiced the concern that the challenge with the family businesses doing sustainable things is that they are under the impression that they will get paid for things that they have always done. Meta said that the flip side is that the agriculture community fears these practices becoming mandatory. Sara echoed the need to critically consider what perceptions about ecosystem service markets might be. John said that the report should make an argument holistically—on the left and the right.

Deb suggested additional media for information distribution: a video, a “myths/facts” piece, and FAQs. Christine and Sara offered to provide examples for a “Q&A” piece. Cathy mentioned the need to explain the difference between the larger package and the report. The Group decided that the Working Group should spend time at the next meeting discussing products.

The meeting adjourned at 3:30 pm.

This summary respectfully submitted by Kearns & West