

HOUSE COMMITTEE ON STATE AND FEDERAL AFFAIRS

March 25, 1991                      Hearing Room E 8:30 a.m.                      Tapes 73 - 75  
MEMBERS PRESENT: Rep. Bill Markham, Chair Rep. Larry Sowa, Vice-Chair  
Rep. Marie Bell Rep. Mary Alice Ford Rep. Tom Novick Rep. Carolyn Oakley  
Rep. Lonnie Roberts MEMBER EXCUSED:                      None VISITING MEMBER:                      Sen.  
Eugene Timms, District 30 Rep. Jerry Barnes, District 52 Rep. Ray Baum,  
District 58 Rep. Sam Dominy, District 44 Rep. William Dwyer, District 42  
Rep. Rod Johnson, District 45 Rep. Tim Josi, District 3 Rep. Randy  
Miller, District 24 Rep. Liz VanLeeuwen, District 37 Rep. John Watt,  
District 50

STAFF PRESENT: Randall Jones, Committee Administrator Carolyn Cobb,  
Committee Assistant MEASURES CONSIDERED: HJM17- Urges Congress to  
Pass Legislation Contained in Community Stability Act of 1991, PH,

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statements made during this session. Only text enclosed in quotation  
marks report a speaker's exact words. For complete contents of the  
proceedings, please refer to the tapes. -

TAPE 73, SIDE A

003 CHAIR MARKHAM: Calls the meeting to order at 8:34 a.m. House  
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HIM 17 - URGES CONGRESS TO PASS LEGISLATION CONTAINED IN COMMUNITY  
"ABILITY ACT OF 1991- PUBLIC HEARING Witnesses: Sen. Eugene Timms,  
District 30 Rep. Jerry Barnes, District 52 Rep. Ray Baum, District 58  
Rep. Sam Dominy, District 44 Rep. William Dwyer, District 42 Rep. Rod  
Johnson, District 45 Rep. Tim Josi, District 3 Rep. Randy Miller,  
District 24 Rep. Liz VanLeeuwen, District 37 Rep. John Watt, District 50  
Evelyn Badger, Co-Chair, Workers of Oregon Development Audrey Barnes,  
Oregon Lands Coalition Phil Coblentz, Oregon Forest Products  
Transportation Association Bud Erland, Citizen Tom Fencl, Citizen Ted  
Ferrioli, Timber Magazine Irvin H. Fletcher, President, Oregon AFL-CIO  
Portia B. Foster, Citizen Rod Harder, Oregon Fur Takers Valerie Johnson,  
Oregon Lands Coalition Robert McKellar, Oregon Forest Products  
Transportation Association Cathie Olcott, Citizen A. Troy Reinhart,  
Executive Director, Douglas Timber Operators, Inc. Douglas Robertson,  
Douglas County Commissioner Toni Silbernagel, Citizen Fred Van Atta,  
Associated Oregon Loggers

010 CHAIR MARKHAM: Makes opening statement on HJM17.

027 EVELYN BADGER, CO-CHAIR, WORKERS OF OREGON DEVELOPMENT; VICE CHAIR,  
OREGON LAND COALITION: Submits and summarizes written testimony (EXHIBIT  
A) in favor of the Memorial.

104 CHAIR MARKHAM: From what you said, thanks to the tie ups in court,  
we will be lucky if five to ten percent of the allowable cuts actually  
reach the sales block.

106 BADGER: That is correct. We are facing some very devastating  
figures to be announced this week.

113                      REP. FORD: The 40 million board feet maximum, 15 million minimum,

is that the allowable cut for this year only?

118 BADGER: That is a maximum figure with litigation. The 15 million is a minimum figure. Those are for one year.

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123 A. TROY REINHART, EXECUTIVE DIRECTOR, DOUGLAS TIMBER OPERATORS, INC.: It could be much longer if congress does not react to get us out from under the litigation. 125 REP. FORD: The approved land management plan which guarantees 339 million board feet, is that for one year, or the life of the forest? 127 REINHART: That is every year for ten years, and the plan will be updated every ten years. 137 REP. NOVICK: Is this litigation that is currently going on, or litigation that has already been decided? 135 REINHART: It is currently going forward. Judge Dwyer in Seattle has already ruled the Forest Service did not meet the intention of the Endangered Species Act. He is expected sometime at the end of this week to put in place a court injunction. That is the Forest Service estimate from his ruling, of what that injunction is going to mean to the national forests. 138 REP. NOVICK: It could be different? 140 REINHART: It could be. 146 CHAIR MARKHAM: The Umpqua National Forest has set 339 million board feet that can be harvested every year for ten years. But due to court action it appears only five to ten percent of that will actually get to the market. 149 BADGER: That is considered a sustainable cut level by the Forest Service. . 153 ROD JOHNSON, STATE REPRESENTATIVE, DISTRICT 45: Another district judge in Seattle has given the U. S. Fish and Wildlife Service until April 29th to come forward with an identification of exactly which lands are critical habitat for the spotted owl. This will include private and state lands, as well as BLM lands. We do not know what the impact of these rulings is going to be. Once those injunctions go into place, they will essentially stop the timber industry as we know it in western Oregon. It will probably take a year and a half to two years to come up with a true recovery plan for the owl. The timber industry cannot be without timber supply for that long. The Community Stability Act allows a reasonable reduction in timber supply. It requires the focus be on communities. The Community Stability Act does allow for a reasonable reduction in timber supply over time. Timber jobs are a way of life for loggers. They are not easily transferred to other jobs, or other jobs to those communities. HJM 17 will give our congressional delegation proof of the support of the people of Oregon for the Community Stability Act. 227 SAM DOMINY, STATE REPRESENTATIVE, DISTRICT 44: I am a mill worker. At the Weyerhaeuser mill where I work, we have seen half of work force disappear in the last two years. The devastating long-range effect is going to be that the timber industry is going to be unwilling to invest in the future. The importance of this piece of legislation is that we as legislators in the State of Oregon show that we want to do something to provide a stable timber industry in the state. There is currently no stability within the law. 262 JOHN WATT, STATE REPRESENTATIVE, DISTRICT 50: It is important that the United . These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the taper House Committee on SB b and Federal Affairs March 25, 1991- Page 4

States Congress understands that the Oregon Legislature supports the passage of the Community Stability Act. In the last year alone, over four of the major mills in the Jackson County area have closed down, which affects over one thousand jobs. If you think Measure 5 has had an effect, just wait until you understand the full economic impact of the loss of timber revenue that is going to happen within the next year. Our state faces numerous threats that will cost thousands of more jobs in the industry. Because the federal government is the source of some of those threats, I believe the federal government has an obligation to recognize and alleviate the negative impact it can have on Oregon communities. Urges the committee to pass HJM17 to the floor for final passage.

304 REP. ROBERTS: Have you had any conversation with Congressman Smith?

315 REP. WATT: Not recently. My office has made contact via letter with other congressmen around the nation, and I would urge other legislators to do the same thing.

321 REP. ROBERTS: Is the State of Washington legislature going to get involved?

326 REP. JOHNSON: It is my understanding, they are.

347 REP. ROBERTS: Do realize there is a suggestion to amend this bill?

349 REP. JOHNSON: I understand the proposed amendments (EXHIBIT B) are only to delete lines 27 and 28.

351 REP. ROBERTS: Do you have any problem with that? ~

357 REP. JOHNSON: No, but I do not want to imply by that I like the '84 protection act either.

371 LIZ VAN LEEUWEN, STATE REPRESENTATIVE, DISTRICT 37: Expresses support for HJM17. I was not aware of the amendments that were being proposed, but if you are aging to amend lines 27 and 28 of the bill, I suggest that you change the language to include humans as being equally important with some of the other things the government is protecting. -Submits and reviews article from the Oregonian newspaper dated 3/20/91 (EXHIBIT C). -Submits and reviews article from a Pope & Talbot publication dated 3/8/91 (EXHIBIT D). I come with strong support for HJM17.

TAPE 74, SIDE A

026 JERRY BARNES, STATE REPRESENTATIVE, DISTRICT 52: As policy makers here and at the federal level, we must be ever mindful of the community livelihood. In this country there has appeared a cult of earth worshipers. Someway we must work around this so called "new world order". Change is inevitable in our society, but we must manage and plan for it. The federal government has not been responding promptly to our problems. We should send a strong message, and this Memorial will do that. Urges support of HJM17.

066 REP. ROBERTS: I did not know how many trees had to be replanted for each one cut down. The folks back east believe that we are going to run out and cut down all the trees, and there are never going to be any more there. They should be educated to the fact that this is a renewable

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resource.

078 REP. BARNES: There has been a program called Fundamental and Adaptive Forest Intensified Research. We know how to grow trees if they would just let us carry on with it.

082 REP. ROBERTS: I am not sure they know the difference between a regular tree and a fastgrowing tree. Somebody from New York City would not understand unless you present an educational program to them.

086 RAY BAUM, STATE REPRESENTATIVE, DISTRICT 58: My understanding is the federal court has said the Jack Ward Thomas spotted owl study means insufficient protection for the northern spotted owl. The new commission which is now meeting, is going to come up with something that will be twice as bad as the news brought by the Thomas Report. They will probably double the acreage to be set aside for spotted owl habitat, which will almost double all the resulting consequences in job loss and economic impact on the timber communities in this state. I would recommend the legislature seriously consider endorsing the Thomas Report as an option in facing the fact, if we do not do something, the acreage amounts are going to double. This is a national issue. We are facing a much more serious economic situation than we were a year ago.

136 REP. NOVICK: We export so many raw logs to Japan and other countries, taking jobs out of the State of Oregon. Would you join me in a memorial to congress asking that we be allowed to ban log exports from federal lands and private lands, as well as state lands, in order to keep jobs in Oregon?

143 REP. BAUM: We succeeded in banning the export of logs off state and federal ground, which leaves you on a district by district basis on what is best for you. My district is eighty percent federal lands, ten percent private, so you can ban all the private sales you want and it will not impact my timber supply.

151 REP. VAN LEEUWEN: The one thing I have found to be so typical is that they will not talk about Oregon alone, they talk about the Pacific Northwest. That is because out of the State of Washington, forty percent of the cut were exported as raw logs, while in Oregon it was between eight and twelve percent.

164 REP. BARNES: I would hope our timber companies would not do it, but to flourish, our private enterprise must operate with reduced government regulations.

196 REP. VAN LEEUWEN: In the February issue of First Interstate Bank's Economic Indicator publication it was reported that in 1990 in Oregon alone, thirty-nine mills closed, causing a loss of 3,514 jobs. In 1990 another forty-nine mills have had extensive curtailments in their operations affecting another 2,450 jobs. Congressman Jim Jonz was in Sweet Home recently, but declined to visit the replanting sites and did some other things instead.

226 EUGENE TIMMS, STATE SENATOR, DISTRICT 30: Requests name be added to

the Memorial as a sponsor. The Community Stability Act deserves the support of Oregonians. Natural resources are the base we have to work from. Legislators have looked to the small woodlot owner, the value added, and retraining to solve our forest problems. What I want to see

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us do is fight the Congress of the United States into having practical common sense management of our natural resources. If we let Washington, DC manage them, we are not going to have any.

275 RANDY MILLER, STATE REPRESENTATIVE, DISTRICT 24: Endorses Memorial. We need to continue to educate those we send to Washington, DC. Those in congress can be removed if they are unresponsive to the needs of the state. People who have invested a great deal to grow a renewable resource ought to be able to sell that product to the best market available to that private party.

332 TONI SILBERNAGEL, CITIZEN: I represent loggers' wives. I am concerned about what is going to happen to the families. My huSB and was off work for three and half months last winter, and we cannot live with that. Explains on-going expenses of families who are laid off. Why can't someone tell people in the east the truth about what is old growth, what is second growth? We are harvesting second growth.

388 A. TROY REINHART, EXECUTIVE DIRECTOR, OREGON TIMBER OPERATORS: Submits and summarizes written testimony (EXHIBIT E) in support of HJM17.

TAPE 73, SIDE B

038 DOUG ROBERTSON, DOUGLAS COUNTY COMMISSIONER: Describes new industry that has come into Douglas County due to efforts to diversify. Compares timber industry tax revenue with tax revenue from other industries. The Community Stability Act and HJM17 go to the heart of our concern about stability and predictability. Urges consideration and support of HJM17 with the amendments.

094 VICE CHAIR SOWA: Has there been any thought on the predictions that if we continue to cut at the current rate, no matter what we do, there is going to be a tremendous decline in the timber industry? What is going to happen when we get to the point we are cutting more that we are regrowing?

113 ROBERTSON: It is my conclusion in reading the long list of acts aimed at forest management, the intent of the federal government to manage on a sustained yield basis. The principal of sustained yield has been adhered to, but the land base is shrinking. The key is to maintain a federal forest land base we can operate on. We are very much opposed to any further reductions in the federal forest land base because we are at a point where the ability to manage these lands and apply the new technology is going to be greatly diminished if we continue to erode the federal forest land base. What we are seeing is a tremendous overcutting of timber on private land, because we are preserving the dead and dying timber on federal land. 146 REP. ROBERTS: Is it correct that some of the older forest lands pose a hazard because of disease and the forest

fire potential?

152 ROBERTSON: In some cases that is true. We have enormous production capabilities in these forests. Urges support for the Memorial.

190 WILLIAM DWYER, STATE REPRESENTATIVE, DISTRICT 42: Speaks in support of HJM17. Mistakes have been made in the past, such as the exporting of logs to Japan. We have to continue to manage our forests on a multiple use basis. The Memorial sends a message to

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Congress that says help us to manage our resources to provide for the human equation. Cites practices which waste forest resources.

263 TIM JOSI, STATE REPRESENTATIVE, DISTRICT 3: We can offer incentives to woodlot owners, but what happens if the spotted owl moves in. Expresses shock at the number of houses in Willamina and Sheridan which are empty. When the timber jobs disappear, the towns die. Supports HJM17 because it takes into consideration not only the environmental impacts, but also the social and economic impacts that environmental policies have on everyone.

296 REP. ROBERTS: Discusses the ripple effect of adverse economic conditions.

317 REP. JOSI: Thirty seven or thirty eight cents of every dollar generated in 1989 in Oregon came from timber industry. 333 BOB MCKELLAR, OREGON FOREST PRODUCTS TRANSPORTATION ASSOCIATION: There are 3,488 truckers in the state of Oregon with permits. A one-truck owner/operator cannot get unemployment benefits. There is uncertainty about when they will lose their livelihood. The forest products industry is more than someone with a saw. We are in support of the Memorial.

403 FRED VAN ATTA, ASSOCIATED OREGON LOGGERS: We want you to take affirmative action on this Memorial. The shutting down of the Oregon forest products industry is going to cause widespread effects across the country. Timber related employment in twenty four of our thirty six counties accounts for more than one third of the available jobs. In seventeen of our counties, more than half of the jobs are timber related. 422 REP. ROBERTS: How many of those jobs rely on the federal timber? 441 VAN ATTA: I do not have those figures with me.

TAPE 74, SIDE B

021 VAN ATTA: One of the difficulties of the small business people is that a few dollars for retraining does not help them pay debts they have outstanding. The Community Stability Act and its consideration of the people factor in this matter is very important. I encourage your affirmative action on this measure.

033 REP. ROBERTS: I think it is broader than that, with one out of four jobs in Oregon is related to the timber industry in some way. I don't think a lot of people understand it is a statewide problem.

042 VICE CHAIR SOWA: Does your organization have a position on restricting log exports?

045 VAN ATTA: Our association has not taken a position on the log export question.

048 VICE CHAIR SOWA:: A lot of loggers have lost their jobs through modernization. Does it concern you that as we go away from old-growth harvesting toward modern methods of harvesting the new fast growing trees, there may be considerably more loss of logging jobs?

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055 VAN ATTA: If you look at the broad flow of history, attempting to stand in the way of modern methods of greater efficiency and modernization does not do anyone any good. This issue addresses the harvesting of trees at all. The preservationists are trying leave our wood fiber for bugs, fungus and fire to harvest. It is a dramatic difference from the results of efficiencies.

071 IRVIN H. FLETCHER, OREGON AFL CIO: Submits and summarizes written testimony (EXHIBIT F) in support of the Memorial. The Jonz bill is dead, but the Vento bill is very much alive and it is unacceptable to the timber workers' unions. The importance of this bill is not that it will probably be passed into law, but it adds pressure to call for a solution. It bothers me that Congressman Jim Jonz is saying he has as much right of determining the future of the timber communities in Oregon as those of us who live here. Only two weeks ago did he decide to meet with people in the timber communities. 133 REP. ROBERTS: These people should see the before and after pictures of the Tillamook Burn, and see what reforestation and good management mean. I doubt if some of those people have ever seen a Douglas fir up close. 141 FLETCHER: There were 137 co-sponsors of the Jonz bill last session. Most of them did not have the foggiest notion of what it was all about. 147 REP. ROBERTS: Rather than follow the lead of the northwest congressional delegation, they are trying to take the lead on something the ~ do not understand. 154 VICE CHAIR SOWA: You heard the amendments that would delete references to the Ancient Forest Protection Act, would you object to those amendments? 161 FLETCHER: I have not seen the amendments, so I do not know. 173 ROD HARDER, OREGON FUR TAKERS, TRAPPER AND SHEEP GROWER: Appears in support of the Memorial. We are trying nationwide, to make people aware of the bill and generate more support. National forests are for multiple use. Wants to send a message to four Oregon congressmen, that Oregon is in trouble, it's economy is in trouble, our timber dependent communities are in trouble. 194 VALERIE JOHNSON, OREGON LANDS COALITION: Reads short list of people who are supporters of the Community Stability Act legislation. It is imperative that you as our legislators, send a strong, hopefully unanimous, message to the Congress of the United States that when they are making decisions concerning our natural resources, people must be part of those decisions. The recent trend to leave people out of those decisions 'is ludicrous. We appeal to you to not only support this measure yourselves, but to encourage the support of your fellow legislators. 260 TED FERRIOLI, TIMBER MAGAZINE AND LANE COUNTY RURAL RESOURCE COMMISSION: Makes statement in support of HJM17. Without the means to live, people must move off the land. The Community Stability Act will be attacked by environmentalists. Urges committee to stand in support of thousands of Oregon families who live, work, and play in harmony with Oregon's

forests. Please adopt HJM17. 363PHIL COBLENTZ, CHAIRMAN OF THE BOARD OF OREGON FOREST PRODUCTS

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TRANSPORTATION ASSOCIATION: Explains he is an independent owner/operator of a log truck. I am dependent on community stability. In our area not more than 1 % of the timber is exported. Support of the Oregon Legislature is a first step to convince the Oregon congressional delegation that Rep. Smith's bill is absolutely necessary. Every person will be affected by the great reduction in timber harvest.

TAPE 75, SIDE A

042 AUDREY BARNES, CITIZEN, ROSEBURG: Residents of these communities deserve protection and respect, as much as the environment they make their living from does. We need to put people back into the equation.

060 TOM FENCL, MILL CITY: Submits and summarizes written testimony (EXHIBIT G) in favor of HJM17. - Discusses changes in the allowable cut in the Willamette National Forest (EXHIBIT H).

114 GREGORY A. MILLER, EXECUTIVE VICE PRESIDENT, SOUTHERN OREGON TIMBER INDUSTRIES ASSOCIATION: Submits and summarizes written testimony (EXHIBIT I) in support of HJM17.

193 BUD ERLAND, CITIZEN, PORTLAND: Requests the legislature defeat HJM17 because he feels it is passing along the wrong message to the nation about how the people in Oregon value their resources. We are cutting old growth trees at a rate we cannot replace. 218 REP. BELL: Were you aware of the amendments deleting lines 27 and 28?  
220 ERLAND: No.

238 PORTIA B. FOSTER, CITIZEN, YAHATS: I am sympathetic with people in logging communities, but I think they need to realize if we destroy these natural resources, we are going to be creating much more of a job problem in the future. It will endanger other resources in the future. Urges the defeat of HJM17.

259 REP. FORD: Does the witness have any suggestions to the legislature on how to subsidize the people who are losing their jobs and the communities that are losing their tax bases?

269 FOSTER: One of the things is to change our whole set of priorities. Our health care system should be improved. We should support a good mass transit system so we do not have to depend on automobiles. Let's retrain some of these people to think in terms of the possibilities that might be ahead for all kinds of things.

307 REP. FORD: I am concerned about what some of these timber areas will do without jobs. Where are we going to get the money to do these transitions?

319 ERLAND: Suggests people in Oregon must work together. We have really decimated our stock of trees that are over three hundred years old. We have been exporting timber and jobs. There are entrepreneurial



interests in this state who are building up cottage industries such as furniture making, making various wood things for homes and commercial use, even pre-packaged housing

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that can be exported to places like Kuwait. This is done not from old growth timber, but from new stands that have been raised on our tree farms.

370 CATHY OLCOTT, CITIZEN, SALEM: I want us to preserve our ancient forests for the future of Oregon. Wants the northern Cascades in Oregon to be an old growth study center. Suggests the lottery money be used to develop resources community by community.

Submitted by:      Reviewed by:

Carolyn Cobb      Randall Jones Assistant Administrator

EXHIBIT LOG:

A - Testimony on HJM17 - Evelyn Badger - 3 pages B - Amendments to HJM17 - Rep. Rod Johnson - 1 page C - Testimony on HJM17 - Rep. Liz VanLeeuwen - 1 page D - Testimony on HJM17 - Rep. Liz VanLeeuwen - 1 page E - Testimony on HJM17 - A. Troy Reinhart - 4 pages F - Testimony on HJM17 - Irvin H. Fletcher - 2 pages G - Testimony on HJM17 - Thomas J. Fencl - 1 page H - Testimony on HJM17 - Thomas J. Fencl - 1 page I - Testimony on HJM17 - Gregory A. Miller - 4 pages

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