

International Paper's (IP) mill in Springfield manufactures the paper product 'Linerboard' which is used for cardboard boxes and other packaging products. Pause for a moment to consider the boxes used every day to safely and securely move products from fields to the grocery store. Or the ubiquitous Amazon box on our doorstep. Paper manufacturing is an internationally competitive business. Oregon (and the PNW in general) is structurally at an input cost competitive disadvantage to other regions of the country. One of the most significant costs of paper production is fiber, specifically wood fiber in the form of chips.

While IP does not directly own any forestland in OR, we are totally dependent on wood chips sourced from an array of other wood manufacturing businesses who get their logs from the area's abundant forests. It is absolutely essential for International Paper's Springfield mill to have a reliable cost-competitive fiber supply. Additional tax burden on productive forestland will ultimately increase costs for all wood products manufacturers, including IP.

Forestland owners that grow and harvest trees for the production of natural products for our families and businesses should be encouraged to plant and grow more trees. That's what we all want. Besides the economic benefit of healthy wood products manufacturing and employment there is the obvious environmental benefits of productive forests.

One rationale for increasing the tax on tobacco is to encourage people to quit smoking. Well, increasing taxes on growing and harvesting trees will discourage that very thing. Duh.

Imposing a severance tax will increase the cost for OR wood products manufacturers, including IP, competing in an international marketplace and place additional burden on forestland owners. That is not good for business, employment or the environment.

HB 2379 is a loser.

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