



# Associated Oregon Loggers, Inc.

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*"Voice of forest management working families since 1969"*

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May 10, 2021

The Honorable Nancy Nathanson, Chair  
House Committee on Revenue  
Oregon State Capitol  
Salem, OR 97301

Subject: HB 2357-5 **OPPOSE**

Chair Nathanson, Vice Chairs Pham and Reschke and Committee Members:

## **Introduction**

For the record, my name is Amanda Astor. I am here on behalf of the Associated Oregon Loggers (AOL) as their forest policy manager. AOL is the statewide trade association and voice of Oregon's forest operators, based in Salem. I am a forester with undergraduate degrees in forest management, forest biology and a graduate certificate in forest carbon: science, policy and management. I am a leader in Oregon Women in Timber, Oregon Society of American Foresters, Lane Families for Farms and Forests, and the Lane County Climate Advisory Committee.

As this Committee has heard before, AOL represents nearly 1,000 generational family businesses working daily to steward Oregon forests. These honorable small businesses led by forestry professionals employ more than 22,000 Oregonians who provide sustainable forest management services for Oregon's public and private forestlands, while producing economic stability for their communities and living wage jobs for their employees and families.

AOL's members are a critical link in the forest product supply chain. The forest contracting workforce is comprised of over 17,000 employees in forestry support and transportation; plus an additional 4,500 employees that provide support for contractors, are immigrant workers or are self-employed owner operators. Forestry is their livelihoods and having factual information shared about their profession is necessary for their ability to support their families and communities. Forestry is the workforce that Oregon was built on. The forest sector is a vital part of Oregon's economy and Oregon's forest sector is top in the nation! This sector is one of many that is not only known in the US, but around the world.

## **Background**

The Oregon Forest Resources Institute (OFRI) was formed in 1991 by the Oregon Legislature with the recognition, according to [ORS 526.605](#), that, "[t]he welfare of the state is [...] largely dependent on the health and vigor of the forest products industry." The importance of the timber industry to Oregon's gross domestic product (GDP) and welfare is just as true today as it was in 1991.

According to [OFRI in collaboration with many other state agencies, partners, experts and scientists](#), the forest sector generates more than \$18 billion in base economic output, more than 61,000 total jobs that average \$56,000 a year in wages and around \$8 billion in GDP for Oregon. This accounts for 4.7 percent of total state output, more than 3 percent of state payroll employment and 3.7% of state GDP.

## **Timber Jobs**

According to the [Oregon Blue Book](#) which is developed by the Secretary of State's office, "The forestry sector is another crucial piece of Oregon's economy that supports employment in many private-sector industries and in government agencies. The combined categories of forest sector employment totaled 61,051 jobs in 2017" and "[f]orestry jobs have an outsized impact on the economies of rural counties and pay higher wages." The average wage for timber industry jobs is more than \$56,000 which is 3% higher than the state average.

Rather than diminishing the marketing of these jobs, the products that are created by them and the sector as a whole, this legislative body should be doing all it can to ensure there is increased demand and safeguards for this important sector moving forward.

## **Timber's Economic Output**

AOL believes the overall impact of the timber industry on Oregon's welfare, employment and GDP warrants the continuation of OFRI's activities that are similar, although hampered, compared to other commodity commissions.

When added together, the value of production for the top 20 agricultural commodities in Oregon for 2019 equated to \$4,972,798,967 according to the [Oregon Department of Agriculture](#). Oregon's forest products sector adds around 48% more GDP to the state than these other commodities combined and more than half of the top 20 agriculture commodities have commissions or boards. All of these commodities are important to Oregon, and AOL is not here to say any one is "better" than another, but we find it unfair that agricultural commodity commissions and boards have added flexibility in scope of work compared to OFRI even though the contribution to Oregon's GDP is greater from the timber industry than these agricultural commodities.

Now, HB 2357-5 is trying to reduce the ability for OFRI to protect these economic outputs even more. The timber industry deserves its commodity commission to remain whole.

Additionally, [ORS 526.605](#) also notes in OFRI's findings statute that, "The Oregon Forest Resources Institute's objectives support this important industry and the wise stewardship of natural resources for the benefit of Oregonians." It is important to acknowledge that the word *support* was utilized in this statute, furthering the similarities of OFRI's goals to other commodity commissions.

Oregon's timber industry and its economic impacts aren't just important in Oregon, but the entire United States.

## **Oregon is #1**

Interestingly, the timber industry in Oregon isn't only important to Oregon. The [Oregon Blue Book](#) also says, "Oregon is one of the most trade dependent states in the nation." Our export markets are a huge part of Oregon's economic health. Since Oregon is the United States' top producer of softwood lumber, plywood and engineered wood and considering around 75% of all forest products milled in Oregon are exported, it is easy to see the importance of this specific industry to the global wood marketplace. The ability for Oregon's timber industry to remain whole has huge effects on the rest of the United States, if not the world.

Nationwide business rental and real estate costs (including those for small businesses), economic growth via business development, general housing costs, amount of affordable housing developments, etc. are all dependent upon Oregon's timber industry and the supply of fiber we push into the global marketplace. Oregon owes it to the rest of the country to protect this vital industry.

## **Who Controls OFRI?**

The facts presented above, provide substantive evidence as to why OFRI should continue providing public education and science to all Oregonians about the practice of forestry. The timber industry deserves a commodity

commission commensurate with the other commissions in Oregon. Just as those other commissions are charged with the betterment of the sector they represent through assessments levied upon the producers, OFRI is beholden to a board of rate payers as well.

HB 2357-5 seeks to add additional non-rate payers to the board, thus watering down the ability for OFRI to achieve its mandate. Rate payers fully pay for OFRI, not the general public nor the general fund. These new board members are not required to be “rate payers” of the Forest Products Harvest Tax (which pays for OFRI), nor are they required to “Have demonstrated [...] a profound interest in the development of Oregon’s forest products industry.” It should be a requirement for all, but the one at-large member, of OFRI’s board to be a rate payer. By adding two additional non-foresters, non-rate payers and people that do not need to have the best interest of the rate payers in mind, there is a major disconnect to other commodity commissions and the professionalism of OFRI by way of real forest practitioners making up the board.

### Assessed Rate

As mentioned above, the tax levied upon the producer to fully fund OFRI comes from the Forest Products Harvest Tax. This self-assesses rate is determined by the OFRI board, just like all other commodity commissions. HB 2357-5 seeks to give the Board of Forestry the power to set this rate rather than the rate payer board, but the Board of Forestry does not and should not control OFRI because OFRI is not publicly funded. OFRI is funded by a voluntary assessment levied in the form of a tax on producers. The Board of Forestry is not chosen by these producers. It is appointed by the Governor and confirmed by the Senate. OFRI is not an accessory for the Board of Forestry to control. AOL believes it is wrong for the Board of Forestry to set OFRI’s voluntary rate for producers to pay as a part of the Forest Products Harvest Tax.

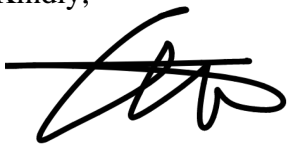
### Conclusion

By watering down the objectives of OFRI, removing recognition of the economic impacts of the timber industry to Oregon’s GDP and employment, turning a blind eye to the recent Secretary of State’s Oregon Blue Book, forgetting that foresters are scientists with professional degrees and experience and not recognizing that OFRI is fully funded through voluntary payments by timber producers, HB 2357-5 unjustly attacks an entire profession and global marketplace.

AOL cannot support HB 2357-5.

Thank you for allowing us to testify in **OPPOSITION** to HB 2357-5.

Kindly,



Amanda Astor (she/her/hers)  
Forest Policy Manager  
Associated Oregon Loggers