

Members of the Joint Committee on Transportation, my name is Jason Smith, and I am the president of Southport Forest Products. I am testifying here today to ask for your support of HB 3382-4.

Southport operates a modern sawmill and whole log chipping facility, adjacent to Coos Bay in an area known as the NORTH SPIT

Southport has been in business in Coos County for 25 years. Currently we have 250 employees working in various divisions, including forestry, logging, sawmilling, trucking and barging operations.

Marine transportation is very important to us. In 2005, when we built our second area sawmill, we specifically chose our mill location because of its access to both rail and our on-site dock and barge loading facilities.

Currently, 20-30% of the logs that we need to run our mill come from outside of our area. Southport currently purchases logs in Greys Harbor and Port Angeles Washington. In addition, we purchase logs throughout the BC mainland and Vancouver Island. These logs are consolidated and loaded onto our log barge and transported to our mill for processing.

In addition to barging logs into our mill, we are also engaged in loading chip barges and transporting these chips to pulp mills on the Columbia River and Canada.

Last year Southport imported via barge over 400,000 tons of logs and exported over 200,000 tons of chips.

Without access to barging capabilities, we would be at a competitive disadvantage to inland mills. Because we are located on the coast, we can only source logs from 180 degrees to our mill. Inland mills can source logs from 360 degrees of their mills. Because of our location, in order to be competitive, we need to lean on our deep-water port and outside buying to stay in business.

Southport has shown a pattern of investing in our business in order to maintain a growth trajectory. We have struggled through difficult market conditions and want to be in business for many more years to come.

In order to maintain this growth trajectory and capitalize on our natural shipping port, Southport would like to expand our barging capabilities to include a new dock with the ability to load ships. The most cost-effective location to do this is adjacent to our sawmill.

Current regulations will make this quite difficult. Construction of the dock would require dredging between the federal navigation channel and our proposed new dock facility. The required dredging would require a very long and complicated application process that could eventually be denied, without any recourse. HB 3382-4 fixes some of

the overly burdensome regulations and gives certainty to companies such as Southport.

Thank you for your time and consideration.