

February 20, 2024

Testimony Before the Senate Committee on Finance and Revenue

Thank you for the opportunity to testify today.

My name is Robert Freres, Jr. I am President of Freres Lumber Co., Inc., recently rebranded as Freres Engineered Wood.

My family company employs 430 people in our mills in the nearby Santiam Canyon.

I am opposed to SB1593 which imposes a new tax on my industry. In February, 2021, Ernst and Young's Quantitative Economics and Statistics Team released an analysis of the tax contributions of Oregon's forest industry. Ernst and Young found Oregon's forest industry's tax burdens are greater than other Oregon industries. Oregon's forest industry's effective tax rates are 1.55 times higher than the average of all Oregon businesses and 1.84 times higher than other Oregon manufacturers.

Private landowners provide \$30 million in fire funding annually. SB1593 imposes a new tax on proceeds from the sale of unprocessed timber. I interpret unprocessed timber to mean timber that is exported.

Timber that is exported amounts to 3% of harvests in Oregon.

Is it the intent of this language to tax the harvest of all private timber removed from ownerships over 500 acres? SB1593 is unclear.

Freres Lumber Co., Inc. does not export logs, but we believe that a private property owner who grows a crop of trees that will only be sold once in a lifetime should be free to sell for the highest price at the time of harvest.

It must be noted that during recessions when no domestic market exists that log exports preserves the logging infrastructure and rural communities.

The most important message I need to convey is “forest fires are not the fault of the timber industry!”

For three decades the failed NW Forest Plan reduced harvests over 90% and over 1 billion tons of fuel grew in the woods. Over 15 million acres have burned in the past 20 years, almost all on public land until the disastrous 2020 Labor Day fires torched 771,000 acres of private land.

Urban liberals have forced poor public policy on rural lands and all Oregonians should pay to prevent and extinguish wildfires.

Forcing the responsible forest land managers to pay for a problem they didn't create is like mugging a burn victim.

Please vote no on SB1593.