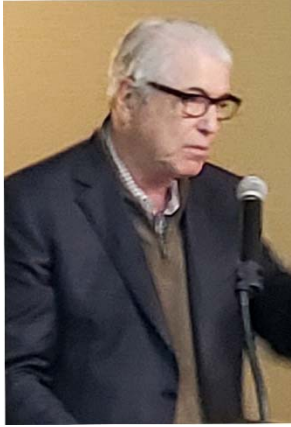


Timber supply is the largest issue facing the Oregon timber industry, according to two local leaders of that industry, John Murphy of Murphy Plywood and Steve Swanson of the Swanson Group. The two chief executives agreed that restrictions on logging were a major challenge to the industry and lead to the incongruous result that while Oregon has perhaps the largest supply of standing timber, much of the lumber we using, particularly the laminated products, comes from either the southeastern United States, or, even more concerning, from other countries such as Brazil and Vietnam.



John Murphy



Steve Swanson

Although Swanson owns several hundred thousand acres of timberland, both companies pointed to the challenges of logging the O&C lands, those lands that were originally dedicated to the Oregon and California Railroads, but reclaimed by the federal government and are managed by the Bureau of Land management. They pointed out, as City Club heard in a December 19 presentation by Chris Cadwell, an analyst for the Association of Oregon and California Counties, that the harvest from those lands is far below what is called for as a minimum harvest under provisions of the 1937 O&C Act, passed by the congress.

Although the industry recently prevailed in litigation seeking to force BLM to increase the harvest on its lands, they each pointed to litigation as a major impediment to harvesting. In particular, they asserted that some groups attacked timber sales on a wide variety of bases and, if the succeeded on even one, their attorneys recovered the full amount of their attorney fees under the federal Equal Access to Justice Act. The delays occasioned by these lawsuits resulted often in timber being unharvestable because three-year-old dead trees are no longer useable as lumber.

They both pointed to increased regulation as a major obstacle, noting their opposition to both the current proposal for a cap and invest strategy to regulate carbon emissions and to the Corporate Activities Tax passed by the last session of the Legislative Assembly.



Although each executive asserted that the industry recognized the impact of changing climate, and worked to be stewards of the environment, they opposed the current proposal as simply a new tax. When asked what the industry solution was, they described the problem as complex and not solvable by Oregon acting on its own. They also pointed to the need for better forest management, particularly in the area of reducing fuel loads to prevent disastrous fire.