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"Representing the logging industry since 1969"

May 28, 2020

The Honorable Brad Witt, Chair
House Interim Committee on Natural Resources
Oregon State Capitol
Salem, OR 97301

Email: hnr.exhibits@oregonlegislature.gov

Subject: Adverse Impacts of COVID-19 on Natural Resource Industries, Organizations, Constituencies

Dear Representative Witt and Natural Resources Committee Members:

I am here today speaking for Oregon's small-business forest professionals. We are working families providing contract services and land stewardship. **It's now time to end the COVID shutdown, and its harmful economic impact on our two small business sectors:**

- A. Forestry contract trades – with more than 23,000 working families
- B. Family forestlands – with more than 79,000 small forestland owners

Small Family Businesses provide forest-to-market services. They:

- Protect from unwanted wildfire and pests;
- Renew with reforestation and young forest care;
- Access construct for recreation and management;
- Sustain biodiversity and the cleanest water land use;
- Transport people and production;
- Harvest society's wood fiber; and
- Own diverse forests with many values.

COVID-19 Disruption Impacts on **Forestry Contract Trades**

1. Nationwide markets have reduced Oregon production by as much as 40%
2. We are producing under Covid protocols with healthy workers; added costs
3. Higher cost of less output; no profit; cash-flow crush; small business is *not* capitalized for this crush
4. Most small business subject to CAT "tax that keeps on taking" from its unprofitable output
5. Workforce is being lost to other trades and unemployment benefits
6. Permanent closures and capacity loss are happening; future shortage
7. Loans are no panacea; debt delays the pain; mortgages the future
8. "V-shaped recovery" urgently becomes unlikely beyond this 2-months
9. Small business impacted the greatest; impacts are irregular; as much as 100% loss to some

COVID-19 Disruption Impacts on **Family Forest Landowners**

10. Small suppliers were first-cancelled; some family forest projects reduced by up to 100%
11. Can produce under Covid protocols; but many markets are closed
12. Higher cost of output; prices are unprofitable
13. Idled family forest projects become irreplaceable gaps; no income; crushed cash-flow
14. Markets and production now-forgone are lost
15. Future shortage of contract capacity will deeply-impact family forest landowners

Rural areas have not seen virus infections. It's NOW time to fully reopen business!

Thank you for future consideration of valued small business forestry contractors and landowners.

Sincerely,

Rex Storm, Certified Forester
Executive Vice President; Associated Oregon Loggers, Inc.
