

Subject: STIMSON LUMBER ANNOUNCES LAYOFFS AT FOREST GROVE MILL

May 31, 2019

For Immediate Release
Media Contact
Andrew Miller, CEO Stimson Lumber
(503) 222-1676

**STIMSON LUMBER TO SIGNIFICANTLY REDUCE FOREST GROVE MILL WORKFORCE CITING
HARMFUL STATE BUSINESS POLICIES**

*85 year-old mill will reduce workforce by 40% resulting in loss of 60 family-wage jobs
Company leaders blame Oregon's recent labor, regulatory and tax laws*

PORTLAND, OR. – Stimson Lumber Company announced today that it will permanently curtail operations at its Forest Grove sawmill by 40%, resulting in the loss of over 60 competitive-wage jobs with full benefit packages. The mill, built as a state-of-the-art operation designed to keep the company competitive in a crowded market following the Great Depression, opened in 1933 and has employed Oregonians for over 85 years. Andrew Miller, CEO of Stimson Lumber Company and a member of the Stimson-Miller family, cited changes to Oregon's business environment that have undermined the economic foundation of the mill.

"Stimson Lumber has over a hundred years of history in Oregon, providing family-wage jobs, investing in local communities and adding to the culture of our state," Miller stated. "It breaks my heart that due to the rising cost of doing business in Oregon, our company is forced to shift operations to states like Idaho and Montana, where the cost to produce lumber products is 5 to 7% less than in Oregon. This percentage is not wage based, it is due to the accumulation of taxes, fees and regulations that have eroded the competitiveness of the wood products industry in North American and global markets. Each one of these 60 jobs is vital to the surrounding communities. These are mothers and fathers working hard everyday in our mill, earning great wages and benefits for their families. They take pride in their work, and many have been with us for decades. I am beyond sad and frustrated that Oregon's elected leaders don't value jobs like this," Miller said.

The Stimson Lumber family dates back to the mid 1800's, farming trees in Michigan and ultimately moving West into Washington, Oregon and Idaho.

Mr. Miller referred to specific legislation recently passed by the Oregon legislature, and bills currently being debated in this legislative session, as reasons for shifting a percentage of company operations to other states. Oregon's "Clean Fuels Tax" passed in 2015 has driven up the cost of business, while pending cap and trade legislation threatens to put more pressure on businesses, driving fuel prices up \$ 22/gallon in just the first year. The recent passage of Oregon's new Commercial Activity Tax, or Gross Receipts Tax, will raise billions of dollars in new taxes on businesses without any spending reforms. When budget deficits continue in future legislative sessions due to rising PERS and healthcare costs, the pressure to increase those taxes will be unavoidable.

"State Senator James Manning was quoted last week on the Senate floor saying 'Let them leave! Somebody else will come in' referring to Oregon's business community leaving the state under hostile conditions," said Miller. "I wonder what Senator Manning would say to the 60 families without jobs tonight. I wonder if he would have the same tone with a family left wondering how they will pay the mortgage and put food on the table. Are their livelihoods less important than his? Unfortunately, this is what it's come to in Oregon," Miller stated. "Stimson Lumber was able to weather even the Great Depression without laying anyone off, but that is no match for the damage that elite, urban politicians have inflicted on rural Oregon. We have always been ahead of the curve, implementing paid family and sick leave programs before they were mandated, providing some of the best healthcare available to our employees, keeping our employees safe with ongoing training certifications, and paying high wages. We invest in our employees because without them this company would lose its value and purpose."

*Floor letter read with President Courtney's permission under
Article IV Section 26 on June 3, 2019.*

"It is clear to me and colleagues I speak with in the wood products and farming sectors, that despite lazy lip service from Governor Brown and legislative leaders about their concerns for rural Oregon, the policies they are pursuing and the trajectory we are on tell me they simply do not care about rural Oregon." Miller added "Their policies have and will impose disproportionate costs on rural employers and communities compared to urban Oregon. I do not need to be hit with a 2x4 in the face to see that Oregon is an urban state and rural Oregon is a place for urbanites to recreate. Investment capital and jobs are mobile. I see the smoke. I do not need to wait for the fire. It is time to adapt to a changing environment by moving on. I would appreciate our state leaders mustering the courage to be honest with rural Oregon that they do not care about its plight." Miller stated "Their policies demonstrate this loud and clear. They should save their collective breath on insincere words of 'concern and care'."

Located roughly 30 miles west of Portland, the Forest Grove mill sits at the base of Stimson's original timber holdings in Oregon and employs roughly half of its workforce in the state. Most of the employees at this location reside in the surrounding communities of Forest Grove, Hillsboro, Gaston, Yamhill and Carlton. This reduction in workforce constitutes about 20% of the company's overall employment in Oregon.

"I am dismayed as to why Oregon's legislative leadership would actively force business and jobs out of state. These jobs are needed to fund our state government and the services that Oregonians expect. Without a competitive tax and regulatory business environment, wages will continue to stagnate, benefits will be cut and jobs will leave," Miller said. "The formula is quite simple: businesses will go where they are wanted. The unfortunate consequence of Oregon's assault on businesses is that our rural and agricultural communities will continue to pay the price for poor leadership. There is a significant difference between naturally changing and shifting economies, and local government disregarding entire populations of Oregonians. Oregon's leaders have communicated that they don't value natural resource employers like Stimson, and we have been forced to respond by shifting our workforce to states like Idaho and Montana where the environment is more hospitable. For Oregon's sake I hope Senator Manning is right that new businesses will come to Oregon to replace those that leave. I believe time will prove him wrong. Look at what's happened in New York and Illinois. Then, what will Oregon do?"

Stimson Lumber currently operates in Tillamook, Clatskanie and Forest Grove.

###

<https://olis.leg.state.or.us/liz/2019R1/Downloads/FloorLetter/2797>

Floor letter read with President Courtney's permission under Article IV Section 26 on June 3, 2019.