

Comments from Chuck Willer
Coast Range Association

“There is no better time for Oregon to reinstate a timber Severance tax than today!”

“OSB demand is expected to benefit the few companies that make the material, with Norbord, Louisiana-Pacific Corp., Koch Industries Inc.’s Georgia-Pacific, and Weyerhaeuser accounting for nearly 75 percent of North American production.
MARCY NICHOLSON writing for Bloomberg. Nov 1, 2020

Home Depot’s OSB price 2-23-2021: **\$34.05**
homedepot.com

Weyerhaeuser share price 2-23-2021: **\$34.64**

Weyerhaeuser posts strong Q4 earnings

Sales for the fourth quarter 2020 **jumped 40%** to \$2.1 billion.

Sales for fiscal 2020 **increased 15%** to \$7.53 billion.

The company posted net earnings of **\$292 million for the fourth quarter 2020.**

Net earnings for 2020 climbed to \$797 million.

The company said that it expects improved manufacturing costs across product lines and slightly higher sales volumes, primarily for lumber and engineered wood products.

Weyerhaeuser CEO Devin Stockfish:

Accessed 2-23-2021 from Weyerhaeuser.com See the company’s **investor relations** page.

“Our teams delivered the highest wood products adjusted EBITDA on record,”

What this means: Earnings Before Interest, **Taxes**, Depreciation and Amortization. The company is making so much money it’s paying down debt. High profits result from the company’s ridiculous tax exempt REIT status and low property and harvest taxes in states like Oregon.

“achieved record low cost performance in lumber,”

What this means: The company is making record high Gross Earnings by keeping the screws tight on logging costs through the power of their dominant land ownership position. Logging contractors, log haulers, company loggers and the highly exploited reforestation workforce are not seeing benefits from the company’s massive profits.

“and captured approximately \$100 million of operational excellence improvements across our businesses,”

What this means: Not only is the company not sharing its windfall profits with on the ground workers in

Oregon and elsewhere, they squeezed another \$100 million out of operations.

“we reduced gross debt by more than \$900 million,”

This is good. A better expenditure of company funds than the stock repurchase program currently burning through \$500 million authorized in 2019.

“implemented a new dividend framework,”

The ten largest stockholders of Weyerhaeuser:

The Vanguard Group, Inc.

T. Rowe Price Associates, Inc.

BlackRock Fund Advisors

Cohen & Steers Capital Management

SSgA Funds Management, Inc.

First Eagle Investment Management

Invesco Advisers, Inc.

Geode Capital Management LLC

Fidelity Management & Research Co

Northern Trust Investments, Inc.

“As we embark on 2021, we are encouraged by the macroeconomic tailwinds that continue to bolster strong U.S. housing and repair and remodel markets,”

What this means: There is no better time as now to tax Weyerhaeuser and other big timber companies by returning to the prior level of Oregon’s severance taxes of the early 1990s. The timber industry can more than afford their fair share of taxes.

“and we remain focused on creating value for shareholders through our unrivaled portfolio of assets, industry-leading operating performance and disciplined capital allocation,”

What this means: The company is proud to continue its mission: *sending wealth from Oregon’s forests to the richest U.S. households*. The public’s welfare is not the company’s concern.

There is only one conclusion: There is no better time for Oregon to reinstate a timber Severance/Privilege Tax. The timber industry is consolidated into major players with huge market power. Every tax dollar not collected is simply another dollar going to the wealthiest households in the U.S. or foreign investors.