

Back in my younger and more intelligent years, I used to work in the forest industry for a forestry and fire services contractor. We performed work for Weyerhaeuser from time to time primarily related to prescribed burning, wildfire protection, and aerial fertilization. I remember one of the Weyerhaeuser chief foresters telling me that their company had a license from the public to operate that could be revoked if they failed to act in the public good.

According to an article published by The Oregonian and ProPublica on June 11th, "*Lincoln County lost an estimated \$108 million in timber payments after the federal government restricted logging on public lands. But the sharp drop in federal forestland revenue is only partly to blame for budget cuts that have led some counties to force-release inmates from jail or [reduce sheriffs patrols](#) to the point that [911 calls for break-ins and assaults went unanswered](#).*

Tax cuts for large timber companies that log on private lands cost the county an estimated \$122 million over the same period.

Before lawmakers began chipping away at the tax through multiple measures, Lincoln County collected an average of \$7.5 million a year in severance taxes. Last year, the county received just under \$25,000."

The article continued, "*Investors jumped at the opportunity to own timber, and existing companies like Weyerhaeuser restructured to take advantage of the tax breaks. The longtime Seattle-based timber company [converted into a real estate investment trust](#) in 2010.*

Timber investment companies, a rarity in the 1990s, now control a share of the forestland in western Oregon roughly the size of Delaware and Rhode Island combined.

Weyerhaeuser, the largest of such companies, has more than doubled its size in western Oregon over the past 15 years, the investigation by the three news organizations found. The company owns more than 1.5 million of western Oregon's 6.5 million acres of private forestland.

Despite its growth, Weyerhaeuser employs fewer people than it did two decades ago and has shed most of its mill operations. It has three wood products facilities in Oregon and directly employs about 950 people, fewer than a quarter of the 4,000 employees the company listed in a 2006 [news release](#). The decrease stems from factors that include consolidation and automation of jobs in mills.

I reviewed Weyerhaeuser's 2019 Environmental, Social and Governance document which is found at <https://www.weyerhaeuser.com/sustainability/social-responsibility/#communities>

We operate in rural communities across North America, and we are proud to give our time and money to help ensure they are thriving places to live and work. In 2019, we provided \$5.1 million in charitable grants, in-kind donations and sponsorships in our communities, and our employees led 280 community projects and volunteered nearly 23,000 hours of their time to causes they care about. Through our companywide employee giving platform, we provide all employees an easy way to donate to their favorite charities using payroll deduction. In 2019, we

also added a company matching program of up to \$1,000 per employee, and together we raised nearly \$430,000 for deserving charities in our communities.

Let's put the \$5.1 million of corporate donations (including in-kind) in perspective for a corporation the size of Weyerhaeuser. Weyerhaeuser released its 4th quarter 2020 and annual financial reports on January 21, 2021 which highlighted:

- Generated full year net earnings of \$797 million, or \$1.07 per diluted share
- Increased full year Adjusted EBITDA by 72 percent to \$2.2 billion
- Highest full year Wood Products Operating Income and Adjusted EBITDA on record

Let's compare its full net earnings of \$797 million dollars and its increase of adjusted EBITDA to \$2.2 billion to its paltry \$5.1 million corporate donations to communities.

Contrasting Weyerhaeuser with other natural resource corporations

I like to invest and lose money on gold and silver mining companies. In addition to reading their financial reports, I also read their Environmental, Social and Governance (ESG) reports. These gold and silver mining companies operate in developing countries such as Mexico, Peru, Tanzania, Argentina, etc. These companies recognize that they need to be socially responsible. Companies such as First Majestic, Barrick, and Newmont discussed their Covid 19 efforts in terms of donations of both money and supplies to the local communities in their ESG reports. Newmont, the largest gold mining corporation in the world has established a goal to reduce its greenhouse gas emissions by 30% by 2030 and to become carbon neutral by 2050.

I contrast how these gold and silver mining corporations recognize that they need to be good community partners to operate in these developing companies. Weyerhaeuser, on the other hand, seems to think that the company can set up a Real Estate Investment Trust to avoid paying corporate tax and takes for granted its operations here in the United States. What the company donates to local communities is pitiful. Weyerhaeuser believes that the corporation only needs to invest in high-powered lobbyists, tax accountants, and attorneys to avoid paying its fair share of taxes.

Returning to the comment of one of Weyerhaeuser's chief foresters twenty five years ago, Weyerhaeuser is no longer operating in the public good. The corporation needs to start paying its fair share of taxes.