

Timber: Employment in logging decreased every year since 2011

Continued from Page A1

Timber harvests on Oregon's federal lands plummeted from more than 4 billion board feet in 1985 to less than 1 billion by 1995 because of environmental concerns. The precipitous drop cost the state around 44,000 jobs, said Mike Cloughesy, the institute's director of forestry.

Timber harvests from all land ownership, including the state and private forests that predominate west of the Cascades, took a smaller hit after the adoption of new environmental protections in the mid- and late-1990s. But harvests stabilized in the early to mid-2000s.

That was until housing starts began to fall in 2005 and the Great Recession hit in 2007. Harvests went more than 4.5 billion board feet of timber in 2005 to 2.5 billion board feet in 2010, Cloughesy said.

"Almost all the timber in Oregon goes to lumber, so when housing starts went from 2 million a year to 500,000 (nationally), that affected lumber greatly," Cloughesy said. "The wood we grow, that's what it's best for, is building."

Cutting back

Steve Zika, CEO of Hampton Lumber, which operates several mills in the region, said the recession led to significant cuts in production.

"Most of our mills today run two shifts, 40-hour shifts," he said. "We responded by cutting back — instead of 80 hours a week, more like 40 or 50 hours a week — for a couple years before it went back to two shifts."

The move was tough on some employees, but the company avoided shutting down any mills, unlike others that lacked the financial reserves or carried too much debt, he said.

Weyerhaeuser Co. slowed down production at the Warrenton mill as the housing crisis hit in 2008. It eventually sold the mill in 2009 to Hampton Lumber, which closed it for 20 months and temporarily put 140 people out of work before reopening in 2011 with a scaled-back workforce.

Zika estimates the lumber production out of Oregon is back to levels in the mid-2000s. Construction activity and employment has reached the highest marks since 2008, as has employment in seafood processing, the county's other large manufacturing sector.

But employment in logging has gone down every year since 2011, while lumber manufacturing has barely recovered from its low of below 250 jobs in the trough of the recession. The number of wood products facilities

statewide has also declined by 30% since 2008.

State economists have pointed to automation and consolidation as the primary drivers of job losses, with smaller mills shuttered and production shifted to larger, more technologically advanced and efficient mills.

Zika argued that innovation has mostly taken away more dangerous, lower-level positions in mills. The mills could run more shifts and operate at higher capacity if there were more logs available, he said.

"Of the decrease in sawmill employment, probably 10 to 20% relates to innovations over the years, over the last 20, 30 years," he said. "And the rest of it just relates to the federal forests being off limits."

Paper manufacturing, the county's largest and highest-paying forestry sector, dropped from 990 jobs in 2008 to 690 last year, according to state figures. Almost all of that relates to Georgia-Pacific's Wauna Mill, the county's largest single employer.

Kristi Ward, a spokeswoman for Wauna Mill, attributes the decline to several factors, from the rising cost of wood chips, energy and transportation to increasing government regulations.

"Competition has increased immensely in the paper industry, including both foreign competition and new domestic competitors, which has led to the removal of less competitive equipment over the years at our mill," Ward said in an email.

Paper mills are considered an energy intensive, trade-exposed industry. Nearly 20 have closed in Oregon and Washington state since 1993. Paper is still a growing global commodity, but much of the industry's growth is expected to happen in Eastern Europe and Asia.

Cap and trade

Representatives of the United Steelworkers, the trade union for papermakers at the Wauna Mill, sounded alarm bells when the state Legislature proposed a carbon cap-and-trade program earlier this year to limit greenhouse gas emissions from large industrial polluters like the mill. They feared the bill would cause Georgia-Pacific to close the mill and shift production elsewhere.

The bill, which passed the state House but stalled in the Senate, included free temporary pollution allowances for trade-exposed industries, while emissions from lumber mills were exempted.

"Our position was and is that we have to be flat-out exempt to remain competitive," said Chris McCabe, the executive director of the Northwest Pulp and Paper Association. "We're competing against other states and countries that don't have



Photos by Hailey Hoffman/The Astorian

Logging and forestry jobs in Clatsop County have declined since 2008.

these regulations."

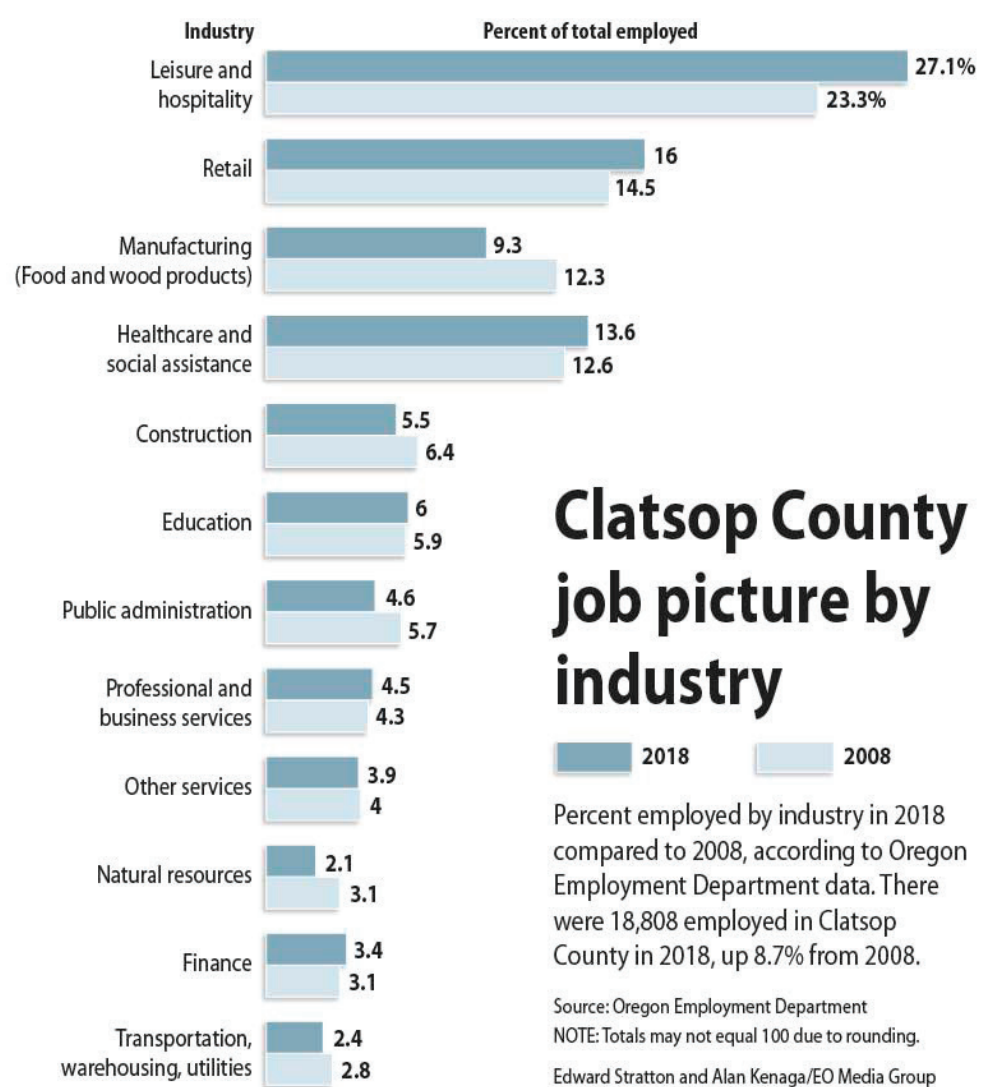
Timber could have its greatest opportunity to claw back in a class-action lawsuit brought by Linn County on behalf of 14 western counties and hundreds of taxing districts. The lawsuit claims the state broke a contract from 1941 to maximize sustainable timber harvests on 600,000 acres of deeded land. The trial started in late October.

The plaintiffs claim the state broke the contract in 1998 when the Board of Forestry passed new rules emphasizing habitat protection and recreation along with sustainable timber harvests. The lawsuit seeks around \$1 billion in alleged lost revenue and could lead to a settlement changing timber management policies.

Clatsop County is the largest recipient of state timber taxes from the highly productive Clatsop State Forest. But the county Board of Commissioners in 2017 opted out of the lawsuit, calling for more balanced forest management. All other eligible counties stayed in, along with approximately 140 separate taxing districts throughout the state, including local school districts, the Port of Astoria and Clatsop Community College.

Zika said the counties have a good case that they have been harmed through a breach of contract by the state.

"It deserves a hearing in court," he said. "And also beyond the courtroom, in society, are we going to have working forests with multi-use ... or are we just going to have parks? Do like they do in the federal forests?"



Clatsop County job picture by industry



A worker adjusts boards to ensure quick, efficient production at Hampton Lumber.

Hampton Lumber: 'If there was more supply, we could add employees'

Continued from Page A1

Great Recession and investing \$18 million in deferred maintenance and modernization, Hampton Lumber is planning to spend another \$25 million over the next five years to get even more out of its logs.

Hampton Lumber purchased the mill in December 2009 and shut it down for 20 months while making upgrades. Weyerhaeuser kept maintenance spending fairly tight and made no capital improvements over the final two to three years as it looked to sell, said Steve Zika, the CEO of Hampton Lumber.

The housing market had crashed, drying up much of the demand for Oregon's lumber, leading to mass layoffs at mills around the state.

"We fixed what we had," said Mike Moore, a sawmill supervisor who worked for Weyerhaeuser in Warrenton



LEFT: Hampton Lumber mill workers use computers that help analyze lumber quality by taking photos of each piece as it passes through. RIGHT: Hampton Lumber CEO Steve Zika helped purchase the Warrenton mill in 2009 and has worked to fix and update the plant to increase production.

before Hampton.

The mill restarted in 2011 with just one shift of around 70 employees, but soon expanded to two. At the heart of the upgrades was a system that scans each log when it enters the mill and several times over as it's broken down into boards, maximizing the usage. Being efficient is important,

with logs being about 70% of the cost of producing lumber.

After being dried in the kiln, boards go through a planer. They are graded using a scanner from Corvallis-based Lucidyne Technologies that blows up an image of the wood, showing knots and other defects as it runs through.

"It's about 90% accurate, so we can extract the value," said Rod Trammel, who manages quality control for Hampton Lumber.

Most of the new investments will focus on further maximizing the value of the logs, from improved saws to scanners that look deeper into the wood. The mill will also add another dry kiln or

two to improve the quality of the product and increase capacity, which could lead to a third shift if the timber becomes available, Zika said.

"If there was more supply, we could add employees," he said. "We have plenty of business. Home Depot and Lowe's are always looking for more

lumber."

State-of-the-art mills can produce around 900 board feet of lumber per man hour compared to around 400 in the olden days, Zika said. The Warrenton mill has gone as high as 690 board feet per man hour in production, Lois Perdue, the mill manager, said.

Zika acknowledges that all the innovation over the past 30 years has caused maybe 10% to 20% of the decline in mill employment, with access to timber from federal forests making up the rest. But many of the jobs eliminated are the more dangerous work, like sawyers, and the less-desirable tasks like cleaning up sawdust, he said.

"You don't need as many of the manual jobs, but you need people that are smart and can use computers and optimization," Zika said. "So it's a higher skill level that we require and train for than in the old days."

Photos by Hailey Hoffman/The Astorian