

Economic forecast grim if Elgin mill closes

Boise Cascade closure would lead to \$21 million less in labor income across region

By KALEB LAY
La Grande Observer

ELGIN — If the Boise Cascade plywood plant in Elgin closes this year, it could cost Eastern Oregon 446 jobs, nearly \$21 million in labor income, and more than \$78 million in economic output within a year.

That’s according to an economic impact analysis conducted by the Eastern Oregon Center for Economic Information, a division of the Eastern Oregon University College of Business.

“The reason I wanted to do something on this is really just to bring people to the table so that they can figure something out, because it would be catastrophic for our region,” said Scott McConnell, an economics professor at EOU, who led the forecasting project.

Boise Cascade announced it may close or reduce hours at the plywood plant in Elgin — which employs 230 people — after a permitting dispute with the Oregon Department of Environmental Quality



Dick Mason/The Observer, File

Vapor trails through the air the morning of Oct. 22, 2020, at Boise Cascade’s plywood plant in Elgin. The wood products company has announced it could reduce workers’ hours or even close the plant, at least temporarily, in 2021. A new economic analysis predicts major losses in Union County and Eastern Oregon if the mill shuts down.

over dioxin-contaminated wastewater broke out in late October 2020.

The EOCEI found the closure of the Elgin facility would have far-reaching effects across Eastern Oregon, but Union County would bear the brunt

of the blow.

“Not only will the economic effects affect the lumber and plywood industry, but local area restaurants, schools and grocery stores will feel the economic impacts of this closure as well,” the report stated.

In the fallout of the mill’s closure, according to the analysis, 76% of the job and economic output losses would fall on Union County, particularly in Elgin. That comes to 339 jobs, almost \$16 million in lost labor income, more than \$59.6 million in

lost economic output and about \$79,600 in lost tax revenue at the county level.

But the effects of the Elgin plant’s closure would extend across the region. The analysis found that total losses in Union, Baker, Wallowa, Malheur, Umatilla, Grant and Harney counties would be 446 jobs, just shy of \$21 million in labor income and almost \$78.4 million in economic output.

McConnell said most of the additional losses would be felt in Umatilla County.

The commercial logging industry would lose 52 jobs as an indirect consequence of an Elgin mill shutdown, and another 14 would be lost in support activities for agriculture and forestry. Crop farming, truck transportation, hospitals, restaurants and even real estate also could lose jobs.

The report estimated tax revenue across all affected counties would drop by more than \$195,000 at the county level, more than \$920,000 at the state level and almost \$2.5 million at the federal level.

“This analysis shows that, along with the direct and indirect economic loss, there will be significant economic losses throughout the region due to the ‘multiplier’ effects of the lost incomes,” the

report stated. “These effects will be felt by businesses of all types, primarily within Elgin, but throughout Union County and the greater region.”

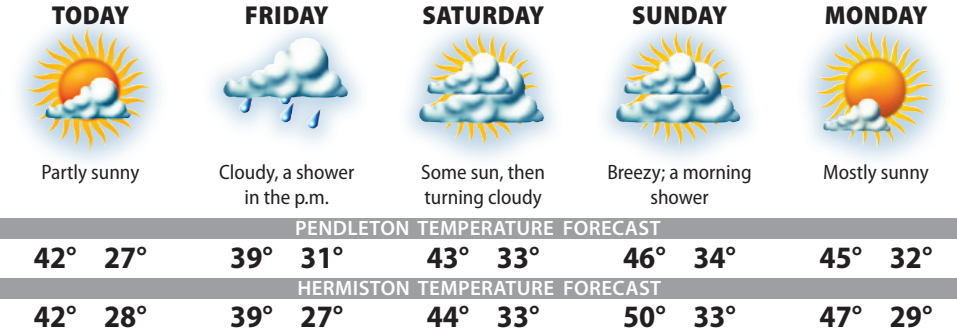
Importantly, the analysis did not account fully for the effects of the COVID-19 pandemic. Using data from the second quarter of 2020, the EOCEI found the mill’s closure could yield even greater losses that were predicted in the analysis.

“There is evidence that the impact could be potentially greater with new COVID numbers,” said Cedric Riel, an EOU economics student who helped develop the analysis. “That’s a point of emphasis for me, is that this is developed off of 2018 economic data. With the new COVID data, there’s evidence that the indirect employment loss increased by a factor of 12.”

The COVID-19 pandemic did not reach its state of protracted severity in Union County until the fourth quarter of 2020, which suggests the pandemic could exacerbate the effects of the mill closure. Sarah Buddingh, another student who worked on the EOCEI analysis, agreed.

“The really scary thing is that it could be so much worse,” she said.

Forecast for Pendleton Area



SUNDAY

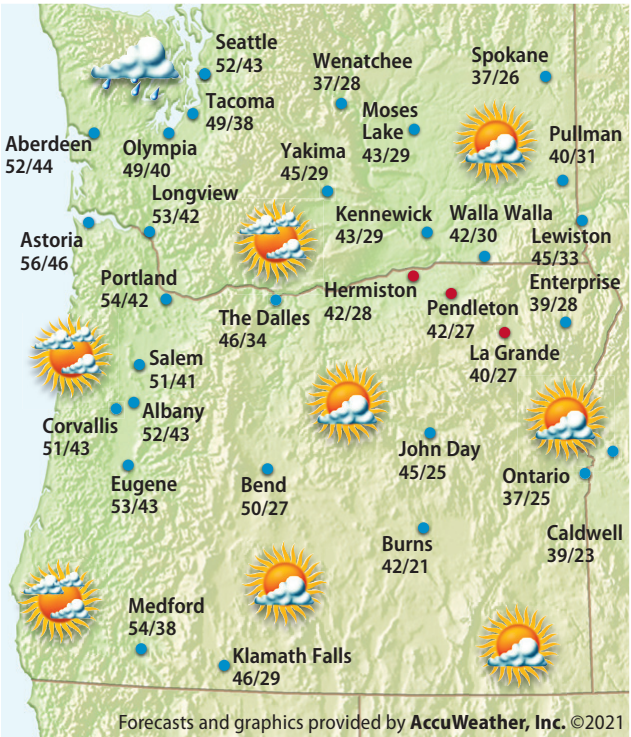
Breezy; a morning shower

MONDAY

Mostly sunny

OREGON FORECAST

Shown is today's weather. Temperatures are today's highs and tonight's lows.



ALMANAC

PENDLETON

through 3 p.m. yest.

TEMP.

HIGH

LOW

Yesterday

63°

43°

Normals

41°

27°

Records

70° (1923)

-8° (2017)

PRECIPITATION

24 hours ending 3 p.m.

0.02"

Month to date

0.43"

Normal month to date

0.72"

Year to date

0.43"

Last year to date

0.55"

Normal year to date

0.72"

HERMISTON

through 3 p.m. yest.

TEMP.

HIGH

LOW

Yesterday

68°

46°

Normals

41°

28°

Records

68° (2021)

-12° (2017)

PRECIPITATION

24 hours ending 3 p.m.

0.02"

Month to date

0.34"

Normal month to date

0.53"

Year to date

0.34"

Last year to date

0.13"

Normal year to date

0.53"

WINDS (in mph)

Today

Fri.

Boardman

NNE 4-8

SE 3-6

Pendleton

NNE 4-8

S 4-8

SUN AND MOON

Sunrise today

7:33 a.m.

Sunset tonight

4:37 p.m.

Moonrise today

9:00 a.m.

Moonset today

6:23 p.m.

First

Full

Last

New









Jan 20

Jan 28

Feb 4

Feb 11

NATIONAL EXTREMES

Yesterday's National Extremes: (for the 48 contiguous states)

High 81° in Oceano, Calif. Low -13° in Crested Butte, Colo.

NATIONAL WEATHER TODAY



BPA names new administrator

John Hairston gets top job at Bonneville Power Administration

East Oregonian

WASHINGTON — John Hairston, a three-decade veteran at the Bonneville Power Administration, has been named the agency’s new administrator and chief executive.

Hairston has served as the interim administrator and CEO since September 2020. He will lead BPA, the Pacific Northwest’s Federal Power Marketing Administration, which generates about \$4 billion annually, provides roughly 27% of the electric power generated in the Pacific Northwest and maintains more than 15,000 circuit miles of high-voltage transmission line.

“I am truly honored and humbled by the opportunity to lead BPA during this dynamic time. We will continue to deliver on our strategic goals in order to remain a long-term provider of choice for low-cost, reliable, and responsible carbon-

free power,”

Hairston said. “I will continue to work closely with BPA’s utility customers, federal partners, state and local elected officials, tribal leaders and other stakeholders in the region to ensure the federal power system continues to meet a diverse set of needs and purposes as we address the energy and environmental challenges facing the Northwest.”

Hairston has served in multiple capacities in BPA’s power services and regulatory and compliance organizations, including chief operating officer, during his 29-year career.

“John has made a lasting and significant impact on the Bonneville Power Administration over the past 29 years, and I am proud to announce him as the new Administrator,” said U.S. Secretary of Energy Dan Brouillette. “BPA is an important provider of reliable, renewable hydroelectric and clean nuclear power in the Northwest United States,



Hairston

and John’s commitment to serve BPA will support the Department’s critical energy mission.”

Bonneville sells the electricity from 31 hydroelectric dams and a nuclear plant in the region and operates three-quarters of its high-voltage transmission system. It is the primary supplier to more than 130 publicly owned utilities and cooperatives, including Umatilla Electric Cooperative, in the region. BPA’s territory includes Idaho, Oregon, Washington, Western Montana and small parts of Eastern Montana, California, Nevada, Utah and Wyoming.

“On behalf of the Confederated Tribes of the Umatilla Indian Reservation, we congratulate John Hairston as the new administrator for BPA,” said Kathryn Brigham, Confederated Tribes of the Umatilla Indian Reservation Board of Trustees chair. “We have a strong relationship with Mr. Hairston and look forward to working with him as co-manager of natural resource and in protecting our Treaty Rights in accordance with the Treaty of 1855.”

Oregon Gov. Brown expands vaccinations to age 65 and up

SALEM — Gov. Kate Brown said after guidance from the Centers for Disease Control and Prevention on Tuesday, Jan. 12, Oregon will expand COVID-19 vaccination to include people age 65 and older.

Vaccination of Oregon seniors, as well as child care providers and early learning and K-12 educators and staff, will start on Jan. 23, when additional vaccine shipments are expected to start arriving from the federal government.

The governor’s office and Oregon Health Authority will provide more details on the distribution plans, as well as how Oregon will continue to reach populations most vulnerable to COVID-19, on Friday.

“While this is an unexpected change in course from the federal government, receiving more vaccines is welcome news for states — and Oregon is ready to devote all resources necessary to ramp up distribution with our health care partners,” Brown said in a news release.

She also asked that people who will be newly eligible to have patience as providers won’t have answers yet about when exactly they can receive the shots.

“Today’s news arrived with no advance notice from the federal government,” Brown said. “Oregon health care providers are working as fast as humanly possible to shift their vaccine distribution plans to meet this sudden change in national guidance.”

— Associated Press

CORRECTIONS: The *East Oregonian* works hard to be accurate and sincerely regrets any errors. If you notice a mistake in the paper, please call 541-966-0818.

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