House passage expected soon

WASHINGTON, DC—Congressman DeFazio's (D-OR) legislation, H.R.3759, a measure to provide relief to the struggling Oregon timber industry, passed out of the House Natural Resources Committee by unanimous consent today. Economic conditions have made it unprofitable for companies to move forward with some timber sales and they face having to do projects at a loss or defaulting on their contracts. DeFazio's legislation, which had strong bipartisan support in committee, provides the Department of Interior with the authority to grant one-time contract extensions to Bureau of Land Management (BLM) timber sale purchasers.

"Timber dependent communities are already suffering from high unemployment and teetering on the economic brink. If companies are forced to harvest when prices are low, or default on contracts, we will lose mills and jobs. The Forest Service already has the authority to extend contracts in times of dire market conditions. The type of work being performed under these BLM contracts would be almost identical to the type of work being performed on Forest Service lands," DeFazio said.

Due to the economic recession, the collapse of the housing market, and low timber prices, BLM sales purchasers face the untenable decision of whether to default on their contracts set to expire in 2009 and 2010 or harvest the wood at great economic loss. Timber companies defaulting on their contracts would face a large fine and difficulties securing future contracts. This would have disastrous consequences on their businesses, subcontractors, suppliers and

local communities. DeFazio's legislation would provide the needed short-term relief to sale purchasers while Congress considers a long-term legislative solution. The Forest Service already has similar authorities to provide economic-related timber contract extensions.

In June, DeFazio, along with Representatives Rehberg and Schrader (D-OR) and Senators Wyden (D-OR), Merkley (D-OR), Baucus (D-MT) and Tester (D-MT) wrote to Interior Secretary Salazar and asked him to extend these contracts administratively. Secretary Salazar responded saying he lacks the authority to do that. Fifty companies hold 90 contracts in Oregon that would be eligible to be extended under this legislation. A few contracts have already expired and in order to address those contracts, the legislation is retroactive to all contracts executed on or before December 31, 2008.

"I hope to get this bill to the full House quickly. We are in good shape to take quick, responsible action to provide necessary relief struggling Oregon timber industry," DeFazio continued.