

My name is Greg Bates. I am the owner/operator for Greg Bates Logging, in Hot Springs, AR. I am proud to say I am a 5<sup>th</sup> generation logger. I have been in all aspects of the logging business. I started when I was 18 years old and I'm 59 now. I've seen a lot of changes over the years and so has my Dad, who is 82 years old and runs one of my skidders everyday. That \$300,000.00 piece of equipment with air conditioning is a long way from the mules he used to skid with!

I would first like to share some facts about logging in Arkansas.

- 1.) Arkansas is consistently ranked as a top 10 state for total wood fiber production, valued at over \$6.5 BILLION in production.
- 2.) Arkansas forest covers 19 million acres & 56% of the State is wooded & ranks 17<sup>th</sup> in the nation for the most wooded state.
- 3.) Logging employees over 45,000.00 workers in Arkansas, not to mention the other employers it contributes to such as financial institutions, insurance companies, fuel companies, home builders, mechanics, equipment dealers and retail shops such as tires and parts. The list goes on.

But on a smaller scale, in Hot Springs, AR. Greg Bates Logging produces about 78,000 tons of wood per year. We employ 8 employees. Five who harvest the wood and three who drive our log trucks to haul the wood to the mills. The work is hard, the hours are long. There are battles every day between the weather, the quota's at the mills, the breakdown of the equipment. When there is a major breakdown, it's not a \$100.00 or \$200.00 fix; these machine parts can cost up into the ten & twenty thousand dollars range. Logging can be a profitable business, until unexpected things happen to the economy that are out of the loggers control such as fuel price. We have seen a small surcharge for fuel for the log trucks, but it has not been near enough to cover the exuberant price increase. The logging equipment itself does not travel up and down the road, it stays on the job site cutting, skidding, delimiting and loading the trucks, but during those 9 & 10 hours a day it is running, it is burning fuel. It takes 200 gallons per day just for the equipment, not including the trucks. So every morning the equipment is fired up, it's an automatic \$1,000.00 per day. During the entire year of 2021, we spent \$74,000.00 in fuel for the equipment and the trucks. This year from January to June 16, we have already spent \$125,000.00 in fuel and we are only half way through the year. So instead of spending \$6,175.00 a week in fuel, we are not having to spend \$14,650.00 a week. That is an increase of 59% in fuel cost. The logger has no way to pass this cost on to anyone, we have no way to recuperate this loss. We are at the mercy of the mills and what rates they are paying. During the Covid 19 pandemic, when the sawmills were making record profits due to the increased price of lumber, the Arkansas Logger did not see a penny increase in the rate for the wood harvested.

We have been in contact with numerous other loggers in our area and everyone is struggling right now. The funds the logger had saved to invest back into their business is slipping away. Many are barely making ends meet and just trying to hang on & praying something changes soon. If not, it will have a devastating effect on the states economy- not only now but in the future for our kids and grandkids.

There are many changes that need to be made in the logging industry, but first and foremost, the emergency right now is the outrageous fuel prices, that not many will be able to withstand for much longer. We personally know many that have already gotten out, some by choice because the future looks so bad and some because they had no choice. We only have this one logging crew, there are others that have 2 or 3, so imagine their cost.

The market is going to be flooded with used logging equipment because the logger will not be able to pay for the equipment. There is no way the banks and finance companies will be able to sell it and get their money out of it. Everyone will be taking a hit.

I talked with our fuel provider who is hurting as well. He has to pay for his fuel up front in order to sell it to his customers, the loggers. The loggers are in turn struggling to pay him, so he has had to take out a loan to cover his expenses in order to accommodate the loggers that are still in business and provide them with the most necessary tool, fuel. How long can he continue to go in debt to stay in business? Probably not long, as most business owners can't.

We truly appreciate this opportunity to share the plight of the Arkansas Logger, and loggers across this country. We hope to have a voice of common sense and reasoning to represent us because we know the current administration doesn't and they are destroying this country one rural community at a time.

Thank you so much for your time and consideration.

Sincerely,  
Greg & Tammy Bates  
Greg Bates Logging  
Hot Springs, AR.