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Testimony
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United States House of Representatives

Hearing on Keeping the Columbia/Snake a Working River System
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I am Mark Benson, Director of Public Affairs for Potlatch Corporation. Potlatch is a mid-sized forest products company with forest lands and manufacturing operations in several states. We operate a large manufacturing complex next door in Lewiston, Idaho where operations include the manufacture of pulp and paperboard, consumer tissue and lumber. We employ just under 2,000 people here in the Lewis Clark valley and have an annual payroll of just over \$100 million dollars.

During the past century, Potlatch has made considerable investment at our site located along the banks of the Clearwater River. The lumber mill was built in the 1920s followed by the pulp and paperboard operation in the 1950s and the tissue operation in the 1960s. All facilities have been substantially modernized over the decades.

We have always relied on the “working rivers” of the region, most notably the Clearwater and the Snake. In the early days of sawmilling, our log supply was floated down the Clearwater River from the forests of the upper river basins. Much of the log supply needed to run the mill, was delivered by way of the river during a few week period each spring.

When Lower Granite dam and locks were put in place in the 1970s we began using the Snake River to transport our paperboard products outbound to destinations in the Pacific Rim. This transportation alternative allowed us to compete internationally in this very competitive global market. During the past couple of years we have begun to ship limited quantities of wood chips and sawdust upriver to help supply the raw materials needs of our pulp and paperboard operation.

Unfortunately, in the aftermath of the west coast longshoreman work stoppage of a couple of years ago, we were forced to ship much of our Asian bound products by truck and rail to the Puget Sound ports to reach our Pacific Rim customers. It was simply a matter of not being able to meet the needs of our customers through the bottlenecked Port of Portland that necessitated that operational change. Since that time, service through Portland has worsened and we have re-directed most of our Asian bound shipments through the Puget Sound ports.

I would like to point out that this is not the first time we have shifted our shipping from the Snake – Columbia system to the Puget Sound ports. West coast shipping has been and will always be somewhat dynamic. Business will move back and forth between competing ports over time. Let me make it absolutely clear that our current shipping patterns through the Puget Sound Ports do not cause us to view the Snake – Columbia system as any less important to our long-term economic viability. We are an inland producer with substantial Pacific Rim markets. We need economical and efficient transportation alternatives to meet the demands of our customer base. As evidenced by our recent increase in the use of the Snake – Columbia system, when we can effectively access our Asian customers through the Port of Portland, we will utilize the Snake – Columbia system. We would like to increase our use not decrease it. This river system is an important element of our long term shipping strategy.

There is no question that the ongoing debate about the Snake – Columbia system is centered on fish. It is our hope that the fish of this region will continue to increase in numbers and in population viability. We don't view this as an “either – or” proposition. We believe our “working river” can provide habitat for fish and at the same time can provide the other services we in the region depend on.

Being located on a “working river” where endangered species exist adds to the complexity of doing business. It doesn't mean that operations or the use of resources need to stop.

After working for several years with multiple federal and state agencies we have just been granted a new NPDES permit, the permit that governs our effluent discharge into the river. With the newly granted permit, Potlatch is the most stringently regulated pulp mill located on the Columbia River System. The requirements of this permit provide assurances that our effluent discharge does not harm the endangered fish in the river. While the permitting process was painstakingly slow and quite costly, it does demonstrate that the needs of fish and the needs of an industrial operation can be met

simultaneously. Let me add here that there are many examples here in the Pacific Northwest, where resource based industries are demonstrating that we can have viable businesses and also provide for the needs of endangered species.

I believe that the many interests and government agencies in this region can work together to maintain viable fish populations and viable businesses while keeping the Snake – Columbia system a ‘working river’ with the dams in place.

In closing let me thank you for your interest in this matter and ask you to stay the course to keep our river a “working river”.

Thank you for the opportunity to comment today. I will be happy to answer any questions.