

Committee on Resources

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**Testimony
of
Gerry Mims
Pulp & Paperworkers Resource Council
“ Issues Affecting Jobs in the Paper Industry”
Subcommittee on Forests and Forest Health Resource Committee
United States House of Representatives
Washington, D.C.
February 4, 2003**

“Issues Affecting Jobs in the Paper Industry”

My name is Gerry Mims. I am employed as a General Mechanic at Smurfit-Stone Container Corporation's Pulp and Paper Mill located in Hodge, Louisiana. I am a member of Local 5-1505 of Paper, Allied-Industrial, Chemical and Energy Workers International Union (PACE), a fourteen year member of Jackson Parish School Board, a landowner and have been a leader in our region's Pulp and Paperworkers' Resource Council (PPRC). I've worked closely with our Mill's Wood Procurement Organization to understand the impact Federal Policy is having on our industry.

First, I want to point out that our company and our mill at Hodge is a non-landowning company. We do not have a fee-based ownership from which to draw our supply of raw material, but instead, we rely heavily on forest products grown on public and family forestlands. In Hodge, our procurement organization maintains the largest Cooperative Management Program in the State of Louisiana, with over 1815 landowners. We provide forest management, plans, advice, wildlife information and millions of trees for regeneration efforts. Our Wood Procurement Operations are third-party certified in both ISO 4001 and the Sustainable Forestry Initiative (R) Program (SFI) of American Forest and Paper Association (AF&PA).

The Kisatchie National Forest is located in nine parishes that are within the normal operating area of our mill fiber supply, approximately 40 – 80 miles from our facility. In the 1980's, we enjoyed a regular supply of pulpwood and sawmill residue chips from the forest and sawmills that received logs from these public lands. As a result of revisions to the Forest Plan to meet Endangered Species Act (ESA) court directed edicts for the red-cockaded woodpecker, the harvest levels dropped to 10% of their previous levels. In some years, there have been no harvests at all. The results have been a number of sawmill closings, and our mill has had to go further out to replace the pulpwood at higher cost. The jobs at sawmills were not the only ones lost. The logging community and those that service those families suffered as well. While Congress provided some assistance to the affected school districts that depended on the 25% revenue share, the net result has been reduced funding, both for the affected parishes and the further diluted state funding from the other parishes.

The fallout from the loss of markets and logging capacity in the area sends a strong signal to the family forest owners about the risk of investing in future forest and the liability to them related to the ESA. What species will appear on the scene that will limit their right to harvest their investment? The ESA needs sensible reforms that protect jobs, communities, private property rights and species.

A new issue of regulation currently impacting landowners and loggers in southeastern Louisiana and presenting a serious threat to practicing forestry in forested wetlands throughout the South, is application of Section 10 of the 1890 Harbors and Rivers Act by the New Orleans District of the Corps of Engineers.

The Corps is stopping logging by issuing Cease and Desist Orders to landowners and loggers for not having a Section 10, Harbors and Rivers Act permit before conducting their forestry operations. In the 100 years that forestry has been practiced in these Forested wetlands, there has never been a need or request for a Section 10 permit. The Corps has begun issuing these Cease and Desist Orders within the last year without

cause or reason for their actions.

Congress created the Harbors and Rivers Act in the 1890s to prevent navigable waters from being impeded by structures placed in or near these waters. The New Orleans Corp of Engineers states that cutting trees and placing them before harvesting equipment to prevent rutting the soil is placing a structure in navigable waters that falls under their jurisdiction, requiring a permit. Past and present forest activities have no impact on navigable waters in the area, and the action by the Corps has no justification other than to demonstrate they have the power to affect the lives and livelihood of hardworking citizens.

On one particular tract on which the Corps has issued a Cease and Desist Order, the Environmental Protection Agency (EPA) issued a letter that a Clean Water Act permit was not required because it followed normal silvicultural practices. Not only is the Corp's threat of jail and heavy fines disconcerting to the landowners and operators, the Corps activity has a destabilizing impact on timber markets, prices, and the future of managing forested wetlands.

A cost estimate resulting from the Corp's latest action approaches \$225,000 resulting from lost timber values to equipment downtime to comply with the Corp's directives. If this issue is not resolved soon, the loss of timber supply and the higher costs of replacing this lost material will be felt throughout the forest industry.

We ask that Congress take action to limit this expansion of Corps regulation.

The Total Maximum Daily Load (TMDL) issue impacts over 3,000 stream segments in Louisiana alone. Most landowners, and even the industry, have little ability to analyze and comment on the real impact this issue could have on their lives. The potential for future regulation when the five year review comes forward is even greater, especially if the standard applied is not applicable to Louisiana.

The EPA requires a TMDL to be prepared for any pollutant that impairs a stream, bayou, river or lake. The EPA or state Offices of Environmental Protection have the authority to regulate any activity along, adjacent or near these impaired water bodies in an effort to meet the TMDL. Frequently, the standard for the TMDL is based on data collected from streams outside the affected area.

An example of this is the year-round five mg/liter standard for dissolved oxygen in streams. In Louisiana and other southern states, the summer heat and low water flow limits the dissolved oxygen to only three mg/liter, making streams out of compliance with no possibility of correcting the situation. TMDL's should be structured through use attainability studies on a local level and implemented in a reasonable manner.

Forcing national standards on local situations increases the likelihood that forest industries will have to close because they won't be able to meet the TMDL requirement.

Thank you for the opportunity to present my remarks.