

TESTIMONY OF KNOX MARSHALL, MURPHY COMPANY

**BEFORE THE
U.S. HOUSE COMMITTEE ON NATURAL RESOURCES
SUBCOMMITTEE ON FEDERAL LANDS**

May 2, 2017

My name is Knox Marshall and I am the Vice President of the Resources Division at Murphy Company, a family-owned wood products manufacturer headquartered in Eugene, Oregon. Murphy Company is a long-time Oregon employer that dates back to 1909 and is presently lead by CEO John Murphy, the grandson of one of our founders. We employ over 750 workers in family wage jobs at four wood products manufacturing plants in Oregon and one in Washington. The Oregon facilities include a veneer plant in White City, a softwood plywood plant in Rogue River, a hardwood plywood specialty plant in Eugene and a laminated veneer lumber (“LVL”) facility in Sutherlin. We are especially proud of the LVL plant in Sutherlin, which demonstrates our commitment to staying efficient and innovative in the North American wood products industry that continues to be pressured by international competition. . In Washington, we own and operate a veneer plant in Elma to augment our supply of raw material for our Oregon plants.

From a raw material standpoint, all five of our manufacturing plants depend upon a consistent quality log supply flowing to our two veneer plants, which in turn produce the veneer utilized in the value-added plywood and LVL manufactured at our three secondary production plants. On an annual basis, I am responsible for coordinating the acquisition of 140 million plus board feet of logs to meet the raw material needs of Murphy Company’s manufacturing operations. In southern Oregon, we depend upon public forests for approximately half of the annual raw material needs of our White City veneer plant. Approximately 20% of this volume is

timber harvested from lands managed by the Bureau of Land Management, and predominately from O&C lands, which are the focus of my testimony today.

President Obama's January 12, 2017 proclamation expanding the boundaries of the Cascade-Siskiyou National Monument jeopardizes our company's continued operations in two ways. First, the Monument expansion removes over 40,000 acres of O&C lands from the timberland base managed by BLM, lands which were specifically designated by Congress in the O&C Act of 1937 for permanent timber production. Over the last 15 years, we have seen an 80% drop in the timber harvest levels from USDA national forest and BLM lands. In timber-dependent counties where federal forests account for more than half of the acreage in that county, there has been a precipitous decline in quality logging and wood products manufacturing jobs that has both devastated the social fabric of our rural communities and crippled county finances. Douglas County in Oregon, for example, has recently closed its entire public library system because timber sale revenues that previously funded those libraries and a robust set of other public services have largely disappeared.

The loss of another 40,000 acres of productive forestlands from ongoing, active management will cause a further reduction in the supply of timber sold annually by BLM, which jeopardizes Murphy Company's log supply and the jobs of over 400 employees at our four Oregon manufacturing plants. Prohibiting responsible forest management activities will only exacerbate the forest health crisis already threatening these forests and neighboring communities.

In expanding the Cascade-Siskiyou National Monument almost entirely with O&C lands managed by BLM, President Obama ignored past legal advice from the Department of Interior's Office of Solicitor that a president has no authority to include in a monument lands which Congress has clearly designated for another purpose. In 1940, when President Roosevelt was

considering expanding the nearby Oregon Caves National Monument to include O&C lands, the Solicitor made clear that the president had no such authority because it would be inconsistent with the utilization of O&C lands “as directed by Congress.” In other words, the top legal officer in the Department of the Interior concluded that it was impossible to reconcile the permanent timber production purpose of the O&C Act with the preservation purpose of the Antiquities Act. Despite the clarity of this legal advice dating back to 1940, President Obama forged ahead with a monument expansion that did not have the support of the local community and which violates the clear designation of these lands for permanent timber production.

Murphy Company feels so strongly about the illegal character of the Cascade-Siskiyou National Monument Expansion that it has filed a lawsuit in federal court in Oregon seeking a judicial order vacating President Obama’s Proclamation 9564. Two other organizations, the Oregon Association of O&C Counties (AOCC) and the American Forest Resource Council (AFRC) have filed their own cases challenging the monument expansion, which are pending in federal court in the District of Columbia. AFRC and AOCC have also submitted written testimony for this hearing, both of which I hope will be included in the hearing record.

There is a second way that the monument expansion hurts Murphy Company. One of the strategic approaches that our company has taken to address the massive decline in federal timber harvests in southern Oregon is to invest in the purchase of company timberlands. In 2014, we purchased almost 50,000 acres of southern Oregon timberland in Jackson, Josephine, Klamath and Douglas Counties. President Obama’s Proclamation also included 2,101 of these acres within the boundaries of the expanded Cascade-Siskiyou National Monument. We also own almost 1,900 additional acres that are immediately adjacent to the boundaries of the monument expansion. I know from the experience of timberland owners in the original Cascade-Siskiyou

National Monument that the value and productivity of private timberland decline significantly whenever those lands are included within the boundaries of a national monument. Access is lost because BLM decommissions or abandons its road system within the monument and refuses to cooperate with private forestland owners on road access issues. The private timberland owner within a national monument also experiences a dramatic increase in the risk of catastrophic wildfires, insects, and disease outbreaks on monument forestlands, which will not be actively managed or thinned to address these risks. This is a very serious threat to our company's timberlands, which represent a major investment for our company.

In conclusion, Murphy Company appreciates the efforts of the House Committee on Natural Resources to provide vigorous oversight of President Obama's use of the Antiquities Act. As the Committee considers its next steps, please consider writing both President Trump and Interior Secretary Zinke urging them to direct the Department of Justice attorneys defending the three lawsuits challenging the Cascade-Siskiyou Monument expansion to concede that the expansion illegally included O&C lands.