

**Testimony of William Kerr
President United Steelworkers Local 1097
Georgia-Pacific Wauna Mill
Pulp and Paperworkers Resource Council Member**

RE: HB 2020, Joint Committee on Carbon Reduction

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February 15, 2019

Co-chairs and members of the committee, my name is Bill Kerr and I am the President of the United Steelworks Local 1097. I am also the Western Region Special Projects Director of the Pulp and Paper Workers Resource Council and I work at the Georgia-Pacific Wauna Mill.

I proudly represent over 600 employees of my local at the Wauna mill not counting the 150 salaried employees, today I am here to represent them all. Georgia-Pacific's Wauna mill is the largest employer in Clatsop County and more than \$370 million is spent annually on labor, goods and service to our area, not counting the charity work, donations and volunteerism we give to our communities.

I am testifying in opposition to House Bill 2020 in its current form because it will negatively impact thousands of jobs in our local pulp and paper industry.

At the Wauna Mill, we are proud of the work we do, how we do it, and why we do it. We are an energy efficient, green mill that utilizes all of the best available control technologies. Our power is generated from hydro, natural gas, biomass and steam. Again, we are a green mill. The Oregon pulp and paper industry as a whole was green before green was cool!!

The Wauna Mill is the only tissue mill on the West Coast, it is an integrated mill (pulping, paper-making and converting all on one site). If House Bill 2020 were to pass, the Wauna Mill would then be the only pulp mill operating under a cap and trade system in the west. While there are paper mills in California, there are no more pulp mills due to the last pulp mill shutting down after California passed their carbon tax. The mills in California who need pulp are now forced to buy it on the open market and a major percentage of it comes from South America - - where their environmental regulations are much less stringent and greenhouse gas emissions are much, much higher than in Oregon.

In Oregon, generally speaking, fiber supply and energy costs are higher than the other states that we compete with in the pulp and paper industry already putting us at a disadvantage. We have been fighting for years to remain in this consumer driven market if we lose the consumer will lose as price will inevitably rise!!

The only slight competitive advantages that the Wauna mill has is our own pulp mill and we do not rely on the fluctuating pulp market keeping the pulping process at a fixed cost. However any increased cost placed on the pulp mill like cap and trade will be detrimental putting us at a major competitive disadvantage to paper mills in other states.

The Wauna mill ships products throughout the western United States and we must be competitive with paper mills in other states. Production can shift internally from mill to mill across the U.S. So if a mill decreases its production another mill outside of Oregon will pick up the work increasing their economic gain. They win Oregon losses plain and simple.

The demand for paper will not change and is actually on a steady incline, shifting production to other states is actually counterproductive to our environment and potentially devastating to our Oregon economy!! I personally would rather be buying paper made in Oregon by Oregonians and supporting my Oregon economy.

Oregon is almost certain to lose jobs to states that have lesser environmental regulations and legislation resulting in far higher emissions. A Steelworkers Economist has estimated that the total loss of jobs to my surrounding community could be as high as 2500 due to the rippling effect of lost revenue due to closing a mill our size. State and local government can expect a loss of 20 plus million in decreased revenues from their tax base, negatively effecting schools and other tax reliant entities

In conclusion, the cap and trade plan does not put the Wauna mill on a level playing field with other GP mills and other competitor mills across the country and puts my Brothers and Sisters of local 1097 at a competitive disadvantage without an exemption from this legislation, we at the Wauna mill have pride and passion for what we do and contribute to our community I ask you to reconsider this bill and not take it away from current and future employees

Thank you for giving me the chance to speak today.