



Sierra Pacific Industries

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Sierra Pacific Industries Announces Mill Closure at Quincy, California – Blames Environmental Litigation and Market Conditions

Anderson, CA – Sierra Pacific Industries (SPI) today announced it will close its small-log sawmill located in Quincy, California on May 4, 2009. According to SPI, the challenging lumber market combined with litigation over timber harvests on nearby national forest lands were the primary drivers behind the decision to close the plant.

“We are deeply saddened over this announcement, as many hard-working, dedicated employees who have been with the company for a long time will be unemployed” said area manager Matt Taborski. “The reduced availability of national forest timber resulting from litigation forced SPI to transport logs over long distances at greater cost to keep the mill running,” he added. “Today’s lumber prices are not sufficient to cover these increased costs. To make things worse, environmental litigation has not only reduced the mill’s raw material supply, but also increased the risk of wildfires in the area” he continued.

This mill is part of a two-mill complex – one cutting small diameter logs and the other cutting large diameter logs into lumber for domestic consumption. About 150 employees will be affected by this closure. Approximately 160 will remain employed at the large-log facility and biomass electric generation plant.

The Quincy mills rely in large part on the sale of national forest timber for their raw material. Sierra Pacific constructed the small-log mill when it appeared the Herger-Feinstein Quincy Library Group Forest Recovery Act (QLG) would pass in Congress. That law, approved in 1998, promoted tree thinning on national forest timberlands to reduce the threat of wildfires while providing raw material for local manufacturing. It was anticipated that the QLG Act would result in the harvest of enough small diameter trees to run the mill.

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Unfortunately, environmental activists have brought a series of appeals and lawsuits against these projects, drastically reducing the amount of timber available for harvest. Overall, the Forest Service has been able to achieve less than 20% of its QLG sawlog sales target due to appeals and litigation. Nearly two-thirds of the current year's timber sale program is enjoined or withheld from sale pending the outcome of litigation.

Workers at the Quincy mills are represented by the Carpenter's Industrial Council. Employees and union representatives were informed of the mill closure during meetings today. Sierra Pacific spokesman Mark Pawlicki stated "SPI will consider affected employees for other potential opportunities within the company for those who are interested in relocating or transferring."

Sierra Pacific Industries is a third-generation family-owned forest products company based in Anderson, California. The firm owns and manages nearly 1.9 million acres of timberland in California and Washington, and is the second largest lumber producer in the U.S. Sierra Pacific is committed to managing its lands in a responsible and sustainable manner to protect the environment while providing quality wood products for consumers.

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