

United States Senate
WASHINGTON, DC 20510

September 18, 2020

The Honorable Sonny Perdue
Secretary
U.S. Department of Agriculture
1400 Independence Avenue, S.W.
Washington, DC 20250

Dear Secretary Perdue:

We are writing to request the U.S. Department of Agriculture's (USDA) assistance in helping to prevent American loggers and log haulers from falling through the gaps of the federal government's COVID-19 economic relief programs, which would threaten the livelihoods of countless hardworking forestry professionals. We believe that USDA is uniquely positioned to respond to the crisis facing so many loggers whose operations have been seriously harmed by the effects of the pandemic.

Loggers and log haulers are critical to America's forest products industry – which is a top-10 manufacturing industry in 45 U.S. states. Our nation's loggers and haulers harvest and transport the raw material that supports over \$283 billion in value-added wood and paper products – with a supply chain that includes nearly one million Americans earning over \$54 billion in combined payroll. The U.S. Department of Homeland Security deemed the forest products industry as part of the essential critical infrastructure workforce during the COVID-19 response. Given how vital this workforce is our economy, it is alarming that loggers in some regions have reported 40-50 percent losses this year due to COVID-19.

The negative impacts of the pandemic on the forest products industry began in late March and have steadily worsened. Initially, COVID-19 crashed lumber markets as housing starts ground to a halt. In the months since, paper mills across the country have shut down or drastically cut output. A recent analysis generated for the American Loggers Council shows that this year's decrease in raw wood material consumption has led to a \$1.83 billion reduction (or 13 percent loss) in the value of logger/trucker-delivered wood. The report found that consumption of raw wood material between January and July 2020 was down 6.7 percent (or 21.4 million tons) compared to the same period in 2019.

In Maine, mill closures and curtailments caused by the pandemic's ripple effects will lead to a 30 percent reduction in harvesting capacity and the layoff of nearly 1,000 people in harvesting and hauling. Over 11,000 truckloads of wood will not be delivered to a Maine mill in 2020. For an industry that is responsible for over \$620 million of direct economic impact in Maine each year, these disruptions will result in a direct loss of over \$186 million of economic activity. In North Carolina, the effects of COVID-19 have equally decimated the logging and hauling industry, resulting in multiple mill closures and causing a \$60-70 million loss to North Carolina's economy since the start of the pandemic. The industry has also suffered setbacks in Minnesota, with the Verso plants in Duluth now shut down and cutbacks occurring at other mills as well. Similar impacts to loggers and haulers are being seen in Arkansas, Louisiana, Michigan, Mississippi, Wisconsin, and Texas.

Unfortunately, the federal programs that have been administered to help businesses cope with pandemic's impact do not work well for loggers and log haulers. Loggers and log haulers, for example, are not included in USDA's Coronavirus Food Assistance Program (CFAP), which provides price support for a limited list of

commodities. Notably, producers of maple syrup, wool, cut flowers, aloe leaves, and upland cotton have all been granted CFAP eligibility. To ensure that loggers and log haulers were afforded assistance similar to their counterparts in other natural resource-based industries such as farming and fishing, we are cosponsoring the *Loggers Relief Act* (S.4233). This bicameral, bipartisan bill would authorize USDA to provide direct support to loggers and log haulers who experienced at least a 10 percent loss in the first seven months of 2020 (as compared to 2019).

In light of the dire situation facing loggers and log haulers, we urge the Department to use its broad authority and funds already provided by Congress to immediately make financial assistance available to loggers and log haulers impacted by the pandemic. The *CARES Act* appropriated \$9.5 billion to USDA – which was leveraged with additional Commodity Credit Corporation funds for a total of \$16 billion – to “respond to coronavirus by providing support for agricultural producers impacted by coronavirus.”

According to current USDA interpretation, however, loggers and log haulers are ineligible to receive any of this relief – despite the fact that there is sufficient USDA precedent for including these individuals in the definition of “agricultural producer.” For example, USDA’s Value-Added Producer Grants define “agricultural producer” as “an individual or entity that produces as Agricultural Commodity [including timber and forestry products] through participation in the day-to-day labor, management, and field operations; or has the legal right to harvest an Agricultural Commodity.” This precedent could be applied to CFAP, similar to what the Department has done for other fiber producers, to ensure these businesses that are the backbone of the forest products industry can emerge from this crisis. We also implore you to identify any and all USDA funding sources, programs, and authorities that could be used to help stabilize these sectors.

Thank you for your attention to this important matter. We look forward to working with you to provide targeted relief to loggers and log haulers impacted by COVID-19.

Sincerely,



Susan M. Collins
United States Senator



Tina Smith
United States Senator



Bill Cassidy, M.D.
United States Senator



Angus S. King, Jr.
United States Senator



Thom Tillis
United States Senator



John Cornyn
United States Senator