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Karen Goschen

April 29, 2019

The Honorable Jay Inslee  
Governor, State of Washington  
P.O. Box 40002  
Olympia, Wa 98504-0002

**RE: Urging Approval of E3SHB 1324 to Extend the Current B&O Tax Rates for Wood Products Manufacturing**

The forest products industry continues to be a vital component of Clallam County's economy, with more than 650 direct jobs paying above a living wage and improving the overall financial well-being of our community. The industry provides more than 1,500 total jobs when considering indirect and induced jobs in Clallam County. The wood products manufacturing industry has one of the highest job multipliers of any industry in rural communities. The Port of Port Angeles' log sorting and handling facilities alone provides services that support about half of the jobs in the forest products industry and helps to bring or deliver logs to mills in Western Washington.

Today, the Port and others are working with McKinley Paper to assist in their efforts to re-open their mill, bringing new jobs and economic activity to our region.

Accordingly, the Port urges your approval of E3SHB 1324 to extend the sunset date for the current B&O tax rate for wood products beyond its current 2024 sunset date. The Port is also delighted that E3SHB 1324 includes Mass Timber manufacturing to the tax rate schedule. We are working closely with firms that are innovating to incorporate recycled carbon fiber from aerospace manufacturing into mass timber products. E3SHB 1324 may be invaluable in bringing these innovations to scale.

The lower B&O tax rate for wood products was enacted at a time when many mills in Washington state were at risk of curtailments or closure. The lower tax rate has given the sector some confidence in investing in new plants and equipment, and growing jobs. As mentioned, today, advances are being made with new products combining mass timber and carbon fiber, potentially opening the door to continued growth in the industry within our region.

We are grateful for the leadership and effort of Representative Mike Chapman, Representative Jacqueline Maycumber and Senator Kevin Van De Wege on this important rural economic development policy. We urge you to sign E3SHB 1324 into law. Doing so will assist in maintaining and growing a vibrant forest product sector that is critical to supporting rural communities, addressing forest health issues, and strengthening the emerging advanced wood products industry to create affordable, renewable, and carbon-friendly wood products every Washingtonian uses every day.

Best Regards,

Karen F. Goschen, Executive Director  
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