



# Sierra Pacific Industries

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## **Sierra Pacific Industries Announces Mill Closures at Sonora and Camino, California**

Anderson, CA – Sierra Pacific Industries (SPI) today announced it will close two sawmills located in Sonora and Camino, California this summer. In addition, a biomass-fueled electric power plant in Sonora supplying renewable energy will also be closed. According to SPI, the difficult lumber market combined with reduced timber harvests on nearby national forest lands and state regulatory burdens were the primary drivers behind the decision to close the plants. In total, 310 workers (164 at Camino, 146 at Sonora) will be affected by these closures.

The company cited a number of specific reasons for these mill closures that fall into two categories – extremely low lumber prices and a costly and difficult regulatory environment.

“First, the downturn in new home construction has reduced both the demand for lumber and the price SPI receives for its finished products” said SPI spokesman Mark Pawlicki. “Second, there has been a fall-off in the amount of national forest and private timber for sale in this area, causing uncertainty of supply. Third, the Timber Harvest Plan review process has become so complex and costly that plan approval has slowed dramatically” he added. “Further, current law limits harvest plans to a three-to-five-year maximum time period. This short timeframe forces landowners to harvest timber, even in bad markets. A longer timeframe would provide greater flexibility to harvest timber when market conditions for lumber are more favorable” Pawlicki noted.

“When combined, these factors leave us no choice but to close the plants” said Pawlicki. “We hope the market will improve and changes will be made in both the state timber harvest plan approval process as well as the national forest timber sale program to help stabilize supply in the future” he went on to say. He added that litigation of national forest timber sales by environmental organizations has put over 400 million board feet of potential sales on hold – enough timber to run five average size sawmills for a year. Pawlicki further noted that in addition to the high cost of forest regulation, businesses in California are also burdened with other requirements that are difficult and costly to comply with.

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“This is yet another sad day for California’s forest products industry” said Ryan Land, area manager for SPI. “These plant closures will put many hard working people out of their jobs and reduce the state’s infrastructure needed to maintain healthy forests” he added. “It is ironic that California is still importing most of its lumber from places with lower environmental standards. We hope the time will come when more of the lumber needed in this state is produced in California’s mills” he went on to say.

Sierra Pacific anticipates that the Camino plant will run until about June 12, and the Sonora sawmill and electric power plant will run until sometime in mid-July to deplete existing log decks

Workers at the two mills are represented by the Carpenter’s Industrial Council. Employees and union representatives were informed of the mill closure during meetings today. 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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