

Profile of Sierra Pacific Industries

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| | |
|----------------------------------------------------------|-----------|
| Basic Data | 2 |
| History of SPI | 3 |
| A Family-held Corporation | 3 |
| Growing a Land Empire | 3 |
| Mill Closures | 6 |
| Facilities and Operations | 7 |
| Washington State expansion | 9 |
| Divisions | 9 |
| Timber Supply | 17 |
| SPI on the National Forests | 18 |
| Political Activities | 19 |
| Federal election campaign contributions | 19 |
| Federal lobbying | 24 |
| 527 contributions | 25 |
| California politics | 25 |
| SPI and the Environment | 32 |
| Sierra Accord (1991) | 33 |
| Quincy Library Group (1992-1998) | 34 |
| Headwaters Deal (1999) | 35 |
| Habitat Conservation Plans (1998) | 37 |
| State Timber Harvest Plans | 38 |
| Protests against SPI circa year 2000 | 39 |
| SPI / BLM land trade (2000) | 40 |
| Trust for Public Land buyout (2001-2003) | 41 |
| Humboldt Bay pollution lawsuit (2006) | 43 |
| El Dorado National Forest salvage logging (2006) | 45 |
| Selected Legal Actions Involving SPI | 46 |
| Sierra Pacific Foundation | 48 |
| Appendix: California Wood Products Industry | 49 |
| Appendix: future research agenda | 51 |
| Bibliography & References Cited | 52 |
| Endnotes | 55 |

Basic Data

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|-----------------------------------------------------------------|----------------------------------------------------------|
| 19794 Riverside Ave Anderson CA 96007 Phone: 916-365-3721 | PO Box 496028 Redding CA 96049 Phone: 530-378-8000 |
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www.spi-ind.com
 www.sierrapacificwindows.com

President: A. A. (Red) Emmerson
 Vice President Financial: Mark Emmerson
 Vice President Sales and Marketing: George Emmerson

Related Corporations

Elk River Timber, Arcata CA
 Sierra Pacific Foundation, Bend OR
 Sierra Pacific Holding Co, Redding CA
 Sierra Pacific Windows, Red Bluff CA
 SierraPine Ltd, Rocklin CA¹

Unrelated Corporations

Sierra Forest Products, Terra Bella CA
 Sierra Forest Industries, Dinuba CA
 Sierra Forest Products (UCS Forest Group)
 Sierra Land Management

Revenues: \$1.5 billion²
Net profits (1997): \$38 million
Employees: 3,900³
Timberland: 1.5 million acres
Lumber production: 1.3 bill bd ft/year.

- Third largest private landowner in North America with 1.5 million acres⁴
- Largest purchaser of public timber in California, and the third largest in the US, based on purchase of 47 million board feet from the US Forest Service in 2004.⁵
- 205th largest private US corporation in 2005 with revenues of \$1.5 billion.⁶
- Chairman Red Emmerson is on Forbes' list of the world's wealthiest people with an estimated worth of \$1.5 billion in 2005.⁷ (Forbes estimated his worth at \$1.1 billion in 1999⁸)
- Funded timber industry campaign against Forests Forever initiative in California.
- Helped create the Sierra Accord and Quincy Library Groups.

History of SPI

A Family-held Corporation

Raleigh Humes (Curly) Emmerson founded the predecessor of Sierra Pacific Industries (SPI) in the late 1920s with sawmills California and Oregon. Curly and his son Archie Aldis (Red) Emmerson leased a mill in Humboldt County in 1949, and two years later completed construction of a sawmill in Arcata. The current SPI corporation was established in 1969.

In 1974, a rift between SPI founders J.B. Crook and Red Emmerson resulted in the reversion from a publicly-owned to a privately-owned company. Crook resigned as chairman and director, SPI repurchased the stock held by the Crook family, and offered to repurchase any outstanding shares not already owned by the Emmerson family.⁹

Red is now chairman. Red's son George Emmerson is vice president of sales and operations. Red's son Mark Emmerson is chief financial officer. Red's daughter, Carolyn Emmerson Dietz, is president of the Sierra Pacific Foundation.¹⁰

Growing a Land Empire

"I won't say the more the better because you've got to buy it right. And it seems most times when we buy some (timberland) people think we paid too much. I've had people tell me I was crazy. But I don't think we've ever made a bad land acquisition...

"[O]ne of the best things we did was buy the Santa Fe lands, back in 1988. At the time we had 150,000 acres of land, but we were already seeing what was going on with timber supply. I knew at the time there was going to be more pressure on federal timber. I never thought (the federal timber situation) would come to where it is now, but there was controversy all the time. I had always wanted to acquire land, though, because I always felt envious of (mills) that had their own timberland."

-- Red Emmerson, 1999¹¹

In 1973, it was reported that SPI's net profits more than doubled since the previous year, to more than \$12 million (on sales of \$124 million).¹² Twenty years later, sales were estimated to be a billion dollars.¹³

Sierra Pacific Industries had grown by buying land and other companies, gaining a reputation as a "very aggressive, big player" on the West Coast.¹⁴ Between 1976 and 1986, SPI spent \$60 million acquiring the assets of other companies, and held 150,000 acres of timberland, but the biggest was yet to come. In 1987, SPI bought 522,000 acres of California timberland from the Santa Fe Southern Pacific Railroad, which still held public land from the nineteenth century homestead era (see section below on the railroad land grant).

By the mid-1990s, SPI has paid another \$600 million for another 400,000 acres. SPI now holds 1.5 of the 4.5 million acres of timber industry land in California, making it the country's 3rd largest private landowner (after Ted Turner and the Irving family¹⁵). Using an average price of \$1,700 per acre, Sierra Pacific's timber holdings alone are worth more than \$2 billion.¹⁶ According to SPI's website, the corporation's

confidence in the future is solidly rooted in some of the finest timberland in the world. Stretching from the Oregon border on the Pacific Coast to near Yosemite near central California, Sierra Pacific lands grow Ponderosa Pine, Sugar Pine, White Fir, Douglas Fir and Cedar.¹⁷

SPI owns 1.5 million acres,¹⁸ half of the timber industry's 2,982,000 acres in California. Nonindustrial private landowners hold another 4,455,000 acres of timberland. Another 10,086,000 acres of (nonreserved) timberland is held by the US Forest Service.¹⁹

Acquisitions by Sierra Pacific Industries

| Year | Seller | Acres | Notes |
|------|------------------------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| 1974 | Welch Corporation | | SPI bought interest in Welch Corporation ²⁰ |
| 1976 | Feather River Lumber | | Feather River Lumber sold to SPI for \$13+M ²¹ |
| 1978 | (Los Angeles) Times Mirror | 69,000 | 69,000 acres and sawmill for \$36 million ²² |
| 1987 | Santa Fe Southern Pacific Railroad | 520,000 | 220,000 acres north of Lake Tahoe, 200,000 acres north of Redding, 100,000 acres between Grass Valley and Lake Tahoe for \$460 million. |
| 1989 | Fibreboard | 49,000 | Truckee |
| 1989 | Fibreboard | | Sierra Pacific Industries acquired 49,000 acres and a cutting contract on 19,000 acres in the Truckee area for \$11.5 million ²³ |
| 1991 | Bohemia | 33,000 | SPI acquired three mills and 33,000 acres from Bohemia; Willamette Industries bought all the stock of Bohemia ²⁴ |
| 1992 | RLC Industries Co | | SPI bought timberlands and facilities ²⁵ |
| 1994 | Michigan-California Lumber Co | | U.S. Department of Justice approved sale of 102-year-old Michigan-California Lumber Co. mill in Camino (Eldorado County) to SPI ²⁶ |
| 1995 | Fibreboard Corp | | Fibreboard Corp sold 76,000 acres and facilities at Standard, Chinese Camp, Red Bluff and Keystone for \$245 million ²⁷ |
| 1997 | Louisiana-Pacific | 38,000 | Feather Falls near Oroville |
| 1997 | Georgia-Pacific | 127,000 | SPI purchased sawmill and particleboard plant in Martell and 127,000 acres in Amador County for \$320 million ²⁸ |
| 1997 | Louisiana-Pacific | 38,000 | Louisiana-Pacific sold 38,000 acres of white fir and pine near Oroville for \$50 million ²⁹ |
| 2003 | Wetsel-Oviatt Lumber | 17,500 | SPI acquired (and closed) Wetsel-Oviatt's El Dorado Hills mill and 17,500 acres. ³⁰ |
| 2004 | Roseburg Forest Products | 45,000 | SPI agreed to buy 88,000 more acres over next four years ³¹ |

The largest of SPI's land acquisitions was more than half a million acres from the Santa fe Southern Pacific railroad in 1987. More than a century before, between 1850 and 1870, during the homestead

era, the federal government passed dozens of public lands laws which allowed railroad corporations to sell federal lands in order to raise the capital necessary for the construction of the nation's railroad system. Many of the railroads received more public land than they needed for construction, and millions of acres were retained by the railroads or sold to timber, mining, and real estate corporations rather than to settlers.³² The Southern Pacific Railroad acquired one of the largest of the land grants, almost seven million acres. When Teddy Roosevelt's Bureau of Corporations published its report on *The Lumber Industry* in 1913-1914, it showed the three largest holders of timber in the U.S. -- all of them based on the land grants intended for homesteaders.³³

| Owner | Timber (billion bd ft) | Timber land (million acres) | Total land (million acres) |
|------------------|---------------------------|--------------------------------|-------------------------------|
| Southern Pacific | 71 bbf OR, 35 bbf CA | 3.8 | 13.8 |
| Northern Pacific | 36 bbf MT WA and ID | 3 | 9.9 |
| Weyerhaeuser | 77 bbf WA, 19 bbf OR | 1.9 | 1.9 |

Eventually some of the land grants were reclaimed by the federal government, including three million acres wrongfully held by the Southern Pacific's subsidiary Oregon and California Railroad.³⁴ Still, by the 1940s, mergers and acquisitions had boosted the Southern Pacific's land grant holdings to 18 million acres, and by 1970, Southern Pacific still retained almost four million acres in its "Golden Empire," from agribusiness holdings to timberland to urban real estate.³⁵

In 1983, the Southern Pacific Railroad merged with Santa Fe Industries to form Santa Fe Southern Pacific Corporation (SFSP), but in 1987 the U.S. ICC rejected the merger, and SFSP began restructuring by selling off the Southern Pacific Railroad, the timberland and real estate, and some pipelines and construction operations. The sell-off included 520,000 acres of timberland held by the railroad's subsidiary Santa Fe Pacific Timber Company, sold to SPI for \$460 million.³⁶ This land was in three large tracts: 220,000 acres north of Lake Tahoe, 200,000 acres in the Shasta region north of Redding, and 100,000 acres between Grass Valley and Lake Tahoe.³⁷ So much of SPI's timber empire is based on 19th century public grant lands intended for settlers.

Sales by SPI (incomplete)

| | | | |
|--------------|-----------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1974 | Champion International | | Champion International bought a particleboard plant from SPI chairman J.B. Crook. ³⁸ |
| 1975 | Southwest Forest Industries | | Southwest Forest Industries bought SPI's Happy Camp sawmill. ³⁹ |
| 2001 2003 | Trust for Public Land | 6,100 1,900 | Agreement for TPL to buy from SPI more than 35,000 acres along scenic Sierra rivers. ⁴⁰ 6,100 acres on N. Fork American River for \$6M 1,900 acres west of Lake Tahoe to be incorporated into Tahoe National Forest: 628 acres in Barker Pass for \$875,000 and 1,280 acres on N. Fork American River for \$1,990,000. ⁴¹ |

Mill Closures

When Gordon Robinson was hired as a forester by the Southern Pacific in 1937, the railroad owned a million acres of old growth forest. Half a century later, the big trees are gone:

"Sierra Pacific timberlands, which are under modern forest management practices, produce small logs that will supply a substantial portion of future raw materials. Sierra Pacific Industries has mastered the challenge of small log conversion. Modern technology and specialized equipment such as portal cranes, specially designed networks, end-dogging carriage, computer sensors and scanners help keep production levels and product quality high. Many Sierra Pacific mills are efficient producers of high quality lumber from small logs. The log sizes delivered to these facilities will range from six to twenty-eight inches in diameter. Sierra Pacific small log mills complete the effective utilization of the forest resources and provide a source of construction lumber to housing markets worldwide."⁴²

In 1991, the Cromberg sawmill was closed, losing 50 jobs.⁴³

In 1991, the Grass Valley sawmill closed, losing 60 jobs.⁴⁴

In 1995, when SPI bought timberland and facilities from Fibreboard, about 180 employees at the plywood plant in Standard (Sonora County) were laid off.⁴⁵

In 1996 the Hayfork sawmill closed, losing 110 jobs.⁴⁶

In the summer of 1996, "Republican presidential contender Bob Dole... accused President Clinton of 'abandoning' timber country workers by restricting logging on public lands. Addressing a friendly crowd of about 1,500 people gathered at the Sierra Pacific Industries plant [in Anderson], Dole blamed the administration for the closing of about 140 lumber mills in California and the Pacific Northwest. 'You have been abandoned by this administration,' Dole told the rally, ... 'You've got to have a balance between protecting jobs and family... and the environment.' With freshly cut lumber stacked high behind him, Dole criticized Clinton for stalling implementation of a measure to allow more sales of salvage timber from land owned by the U.S. Forest Service. In recent years, the timber industry in Northern California has suffered huge job losses as the supply of available trees declined, partly because of efforts to preserve endangered species such as the northern spotted owl.⁴⁷ Sierra Pacific, the company hosting the event, recently closed its sawmill in Hayfork, a move that cost 150 jobs. The Clinton campaign, however, said the timber industry cutbacks occurred during the Bush administration and that under Clinton logging interests and environmentalists have worked together to conserve forests. 'Bob Dole is practicing the politics of the past, pitting business interests against protectors of the environment,' Clinton campaign spokesman Joe Lockhart said."⁴⁸

In 1997, SPI closed its 110-employee mill in Hayfork, Trinity County, and moved those operations to Lincoln, northwest of Roseville.⁴⁹

SPI to close Amador sawmill; 360 jobs lost (1/30/97).

In 1997, when SPI purchased land, a sawmill, and a particle-board plant from and from Georgia-Pacific, it already owned three other lumber mills within 40 miles of Martell, so it closed the sawmill, saying that some of the 200 millworkers were expected to be hired at the particle-board plant.⁵⁰

SPI acquired the mill complex [from Georgia-Pacific in 1997?] and SierraPine subsequently bought from SPI a particle board plant, the last facility remaining open at the mill complex.⁵¹

In 2000 the Dinuba sawmill closed, losing 125 jobs.⁵²

In 2001 the Loyalton sawmill closed.⁵³

In 2004 the Susanville sawmill was closed.⁵⁴

Facilities and Operations

| LOCATION | OPERATIONS CONFIRMED CURRENT CIRCA 2005-2006 |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Aberdeen WA | Sawmill. ⁵⁵ |
| Anderson | Small log sawmill and pole plant; lumber, timbers ⁵⁶ |
| Arcata | Large log sawmill; lumber, timbers ⁵⁷ |
| Burlington WA | Sawmill ⁵⁸ |
| Burney | Small log sawmill ⁵⁹ |
| Camino | Small log sawmill; lumber, 4/4 ⁶⁰ |
| Chinese Camp | lumber mill ⁶¹ |
| Distribution Center | Selects and commons are shipped to mills ⁶² |
| Eureka Dock | Wood chips from SPI and other sawmills are shipped to domestic pulp mills to make household paper products. Lumber is shipped to foreign and domestic markets. ⁶³ |
| Keystone | Bark processing for bark and mulch products ⁶⁴ |
| Lincoln | Small and large log sawmill ⁶⁵ |
| Loyalton | ? |
| Oroville | Small log sawmill; cedar fencing, boards, rails ⁶⁶ |
| Quincy | Small and large log sawmill ⁶⁷ |
| Red Bluff | Millwork, exterior door frames, base moulding, casing, steel door components ⁶⁸ |
| Red Bluff | Window and door manufacturing ⁶⁹ |
| Richfield | Millwork, interior door frames, window parts, base moulding ⁷⁰ |
| Shasta Lake | Large log sawmill ⁷¹ |
| Sonora | lumber mill ⁷² |
| Standard | Resumed full operations in September 2005 with fire salvage logs from El Dorado National Forest. ⁷³ |

| LOCATION | OPERATIONS APPARENTLY CURRENT CIRCA 1999 ⁷⁴ |
|----------|--------------------------------------------------------|
|----------|--------------------------------------------------------|

| | |
|------------------------------------------------------------|-----------------------------------------|
| Central Valley CA 3735 El Cajon Ave 530-275-8851 | |
| Corning CA Alameda Rd 530-824-2474 | |
| Grass Valley CA 900 Whispering Pines Ln 530-272-2297 | |
| Irvine CA 16641 Hale Ave # B 714-833-0555 | windows |
| Jamestown CA 12001 La Grange Rd 209-984-5853 | |
| Ketchum ID 1009 Warm Springs Rd 208-726-2655 | windows |
| Loyalton CA Railroad Ave 530-993-4402 | sawmill |
| Martell CA Highway 49 209-223-7170 | |
| Newbury Park CA 2393 Teller Rd 805-376-6060 | windows |
| Orinda CA PO Box 1057 925-254-5463 | |
| San Jose CA 2038 Concourse Dr # A 408-577-0280 | windows |
| Spokane WA 9612 E Montgomery 509-927-8252 | windows |
| Standard CA | sawmill |
| Stirling City CA 16980 Skyway 530-873-0530 | |
| Susanville CA Sunkist Dr 530-257-2158 | boards, dimension lumber, pattern stock |
| Weaverville CA 245 Main St 530-623-4301 | |

Washington State expansion

The first mill owned by SPI outside of California was its Grays Harbor (Aberdeen) facility which began operations in 2002. A new stud mill was added in 2005, on 43 acres acquired in a \$2.5 million settlement with 19 Junction City residents.⁷⁵

"Sierra-Pacific Industries decided against building its \$100 million sawmill and power plant at the Port of Everett. The decision was made in part due to permit conditions set by the City. The company is now looking at an 80-acre site in Skagit County — west of Mount Vernon and north of State Route 20. Sierra-Pacific also plans to build an addition to its Aberdeen mill, able to process another 250 million board feet of lumber. But the company says it plans to wait on expansion until it finishes the new mill."⁷⁶

In 2005 Sierra Pacific Industries was "negotiating with Skagit County to build a \$100 million lumber mill and cogeneration plant after dropping plans to build a mill at the Port of Everett."⁷⁷

Divisions

Lumber

SPI clearcut 943 acres in 1992; it clearcut 23,823 acres in 1999.⁷⁸ The mill at Anderson could produce up to 800,000 board feet of lumber every day, and SPI produced about 1.3 billion board feet of lumber a year; only Weyerhaeuser and Georgia-Pacific produced more lumber.⁷⁹

Millwork

"Sierra Pacific is one of the nation's leading manufacturers of mouldings and millwork. The Millwork Division accounts for approximately one-third of the company's sales and employment. This division utilizes a portion of the lumber produced from Sierra Pacific's timberland resources. This "value added" approach through vertical integration of products has led to SPI's reputation throughout the industry of commitment, quality and stability. A variety of products is manufactured and several different markets are served. SPI products include:

- Stiles, rails and jambs for the steel door industry.
- Panels, stiles and rails for the wood door manufacturer.
- Cut-to-length components used in the manufacturing of wood windows.
- Clear or fingerjointed items for export to European and Asian markets.
- Window frames, window sash parts, glazed sash and MDF millwork.
- Traditional moulding and millwork for interior trim throughout North America."⁸⁰

Windows

"Sierra Pacific Windows is one of the fastest growing wood and clad window companies in the United States today. With sales representatives throughout the eleven western states, Sierra Pacific offers a complete line of wood and clad windows and doors... Sierra Pacific's exclusive clad Estate Series windows and doors offer... extruded aluminum, powder coated painting and several glazing options..."⁸¹

Real estate

Residential

RED BLUFF "Mill Street Subdivision located in Red Bluff, California will have 56 single family residential lots available along with a one acre commercial parcel. This project is currently scheduled to be presented to the planning commission in the fall of this year with construction to begin in late 2002 or early 2003."⁸²

REDDING "Placer Pines Subdivision located on Placer Drive near Boston Drive in the west part of Redding, California. Featured among these 44 lots will be view lots of Mt. Shasta, Lassen and the city lights of Redding!! The tentative map has been applied for with presentation to the planning commission later this fall. Construction is scheduled to begin in early 2003 with lots available for reservation in early summer of 2003 and sales by late summer of 2003."⁸³

GRAEAGLE "Sierra Estates Subdivision phase 1, located in the exclusive Mohawk Valley near Graeagle, California, features three parcels remaining from the eleven mini ranch style lots initially developed."⁸⁴

Business parks

SONORA "Sonora Business Park is located on the east side of town near the Sierra Pacific Industries Sonora Division sawmill. Tuolumne Road acts as the south boarder, with Standard Road on the east and Camage on the north. This business park is located in the heart of the available industrially zoned property in Tuolumne county. The available lots range in size from 1 ½ acres to nearly 6 ¼ acres. Nine lots have already sold with a tenth in escrow..."⁸⁵

LOYALTON "Loyalton Business Park is currently in the tentative map stage. Phase 1A is eleven lots, each approximately 1 acre. They will be served with city water and currently will be on septic systems with city sewer services planned for the future. These parcels will have rail access and have flat topography. Tentative map approval is expected in the fall with lots available in late 2002 or early 2003."⁸⁶

###

From the *San Francisco Chronicle*, Oct 7, 2001:

One of the most pleasant prospects in the northern Sierra is Martis Valley, a 45,000-acre expanse of alpine meadow and forest that many visitors see on the way from Truckee to Lake Tahoe.

But the mostly undeveloped valley, which includes an 1,800-acre wildlife reserve, isn't apt to retain its bucolic charm for long. Where sedges, false hellebore and white fir now grow, golf courses and luxury homes seem destined to sprout.

Placer County officials are poised to give the green light to development for a simple reason: The Tahoe region is booming, but there's relatively little room to grow.

Most of the land is federally owned, under the control of the Forest Service or the Bureau of Land Management. And much of the private land that remains is either already developed or under tough building strictures to halt pollution of Lake Tahoe.

But many Tahoe residents and local environmentalists say the developments in Martis Valley would destroy the very qualities that make the northern Sierra special.

"The contractors are trying to build a very high-end resort complex in Martis Valley, primarily for Bay Area residents," said Terrell Watt, interim director and planning expert for SierraWatch, a group attempting to minimize development in the valley.

And, Watt said, developers won't stop at Martis Valley. "They want to create a series of projects throughout the Sierra, where people can live in full-scale luxury homes, play on championship golf courses and shop and eat in exclusive stores and restaurants."

Unfortunately, this will destroy wildlife habitat, increase air pollution and congestion, and deplete water supplies, Watt said. "The big question is," she said, "do we want to see our Sierra Nevada developed this way?"

Four large projects are on the drawing boards for the valley:

-- An as yet unnamed development by Sierra Pacific, a Redding-based timber company, on land it owns in the valley, consisting of 1,350 homes and a small ski resort.

-- Eaglewood, a 475-acre development consisting of 475 homes, an 18-hole golf course, a recreation center, driving range and commercial center.

-- Hopkins Ranch, a development of 87 homes, an 18-hole golf course. Total size of the project, which is part of the existing Lahontan development, is 285 acres.

-- Northstar at Tahoe, a complex of up to 350,000 square feet of commercial space, spa and a conference center, plus 200 residential units, as part of the existing ski resort.

County planners point out that the original plan adopted for the valley in 1974 envisioned more development than is now being contemplated.

"The 1974 plan calls for about 12,000 homes," said Fred Yeager, planning director for Placer County. "We're now looking at a cap of about 7,800 homes -- that's a 40 percent reduction."

Yeager said that Martis Valley has long been considered a reasonable site for growth, and that current moves to develop it are in keeping with that rationale.

"As (development) regulations tightened inside the immediate Tahoe Basin, it was expected that growth would occur in outlying areas," he said. "Martis Valley was a logical place, given its proximity to Truckee and the fact that it can be easily developed."

Yeager said that it took longer than many people expected for intensive development to reach the valley, "but the current economic situation is stimulating growth throughout this entire region. We have this slew of project proposals for the valley, so we have to address them."

Growth in the valley, Yeager said, should take a resort and residential configuration rather than competing with Truckee as a commercial center.

But while he's generally well disposed to three of the proposed projects, he does have some major problems with Sierra Pacific's plan.

Sierra Pacific is the largest landowner in California, and it holds 8,000 acres of land in the valley. The property is held under a special state timber production designation that provides significant tax breaks to the firm as long as the land is managed for forestry.

"We think their project is in substantial conflict with the tax breaks they've received," Yeager said. "The intent of the timber production zone designation was to protect the land. From the standpoint of increased traffic and open space conversion, we have real concerns."

Gary Blanc, a spokesman for Sierra Pacific, said the company's development would be an asset to the Truckee area.

"About 10 percent of the homes would be (low income) employee housing," he said. "There's a huge shortage of affordable housing in the area. And the ski area would also be a real public benefit."

Blanc said the timber production zone designation now in force on the company's land would not be an insurmountable obstacle to the project.

"It can either be removed over a 10-year period following application to the state and the counties, or it can be removed immediately if both the state board of forestry and the county supervisors approve," he said.

Affordable housing is a rallying cry throughout the Tahoe region, but there are no guarantees that developing Martis Valley will substantially increase the stock of low-income -- or even median-income -- homes.

In fact, low-density housing -- luxury homes on 1- to 3-acre lots -- are the rule for the planned projects, not the exception.

"As it stands now, Martis Valley could very easily become an enclave of large-lot trophy homes and golf courses," said David Kean, the North Shore conservation coordinator for the Tahoe chapter of the Sierra Club.

Kean added that the environmentalists also want corridors connecting areas of prime wildlife habitat, and protections put in place for open space, ground water and air quality.

Such goals seem possible. What seems impossible is fending off development altogether, particularly because the new bypass under construction from Interstate 80 to Highway 267 is bound to accelerate growth.

"We know there will be some development in the valley," Kean said. "The property rights issues are just too significant to think otherwise."

"But the plan that's now being promoted is essentially no plan -- it just gives the developers everything they want. It will utterly destroy the wildlife values of the valley and create sprawl. We should be heading in a different direction."⁸⁷

###

From the *San Francisco Chronicle*, Nov 10, 2003:

Truckee -- THE STUNNING vistas of the Martis Valley, a 45,000-acre expanse of forested mountain slopes stretching southeast from Truckee toward North Lake Tahoe, provide a picturesque backdrop for the heated battle being fought over the area's future.

It's a fight best described in imagery: When developers see the wondrous views, their mouths water; when conservationists see the pristine valley, their eyes water.

Those disparate reactions will come to a head next month when the Placer County Board of Supervisors likely will give final approval to a huge development plan that would allow for the construction of up to 8,600 homes, most of them high-end luxury houses and condominiums located in exclusive resort communities. Enough homes are planned to provide for up to 20,000 people -- 6,000 more than live in the quaint former mill town of Truckee.

The growth plan has pitted multimillion-dollar real-estate companies and revenue-hungry county officials against environmentalists and local residents. The clash in views has resulted in one of the biggest land fights in the Tahoe region in decades, with growth proponents pushing a playland for the affluent and opponents trying to stave off the scarring of the natural beauty that has characterized this section of the Northern Sierra.

After four years of debate, Placer County supervisors initially approved the plan by a 4-to-1 vote last month. One supervisor, Harriet White, said she believed that the "public had been served by great deliberation." But it may have fallen a few thousand homes short of good planning.

Its place on the map -- at the borders of one city and two counties, each with its separate planning guidelines, agencies and political agendas -- has allowed exploitation of the region. These are just a few of the planned or new developments in Placer County, where a very pro-development bent has earned it its place as the fastest-growing county in California.

At the heart of the debate is a creaky 28-year-old planning document that originally called for construction of up to 12,000 homes in a valley of montane meadows and pine forests. That development goal was not based on any particular need or long-term study, yet it has been treated as a sacred standard by developers and county officials, who claim they are doing a great public service by building fewer than the magic allowable number of new homes.

So it's a good thing that visitors and homeowners will be able to jet to the new resorts via the Tahoe-Truckee Airport because cars are not going to be as attractive an option - unless you go there shortly after the season's first snowfall, as I did last week.

Anyone who has ever traveled Tahoe's main routes at the height of ski season or amid the summer rush knows that mind-numbing traffic is a byproduct of the region's popularity. If the plan is approved by the supervisors on Dec. 16 and all the proposed developments are built, it will require state Highway 267 to grow from two to four lanes -- a far cry from the days, several decades ago, when the route was a dirt road. That won't happen for another 20 years or so, after most of the new "villages" are complete.

"The truth is, this plan does nothing but put money in my pocket, but it completely diminishes the experience of living here," said Truckee native Stefanie Olivieri, owner of Cabona's, a retail clothing outlet along the town's main street. "It will forever change the Tahoe-Truckee region and ruin the small-town character we have here. This proposal is killing the goose that laid the golden egg."

The Martis Valley has been targeted primarily because of declining space and increased building restrictions around Lake Tahoe. Timber giant Sierra Pacific Industries, the largest landholder in California, has begun moving into real-estate ventures because of tougher federal guidelines on logging -- hence its plan for a village of 1,350 homes and a ski resort.

But it doesn't hurt that the majority of county supervisors who voted for the development plan live in places like Roseville, Lincoln and Auburn -- more than an hour away from where the Truckee-area residents live, work and play.

Small increments of the coming building boom can already be seen along Highway 80 and in areas adjoining Highway 267, the main road from Truckee to Lake Tahoe. The new gated golfing community of Lahontan, a few miles from the towering development of Northstar, is seen by many of the developers as a model for the future; a monied getaway for people who can afford second or third homes in renowned resort areas.

Yet that development is but one of about a half dozen resort subdivisions planned in the area, which spans about 35 miles across the heart of the bucolic valley.

Several major real-estate development companies are involved in the plan, including East West Partners, a prime player in some of the biggest ski resorts in Colorado, such as Beaver Creek.

East West is planning two golf- course communities in Truckee -- Old Greenwood and Gray's Crossing -- and already runs the much-admired Coyote Moon course near Tahoe Donner. The company's best-known proposed development site, Northstar, will more than double in size over the next 20 years, with up to 2,200 new homes and condominiums planned, a new central commercial village and a luxury spa -- nearly \$3 billion worth of new real estate. "Resorts are not just about skiing anymore," said Roger Lessman, a Tahoe- based managing partner for East West. "It's about more diverse recreational activities and dynamic communities that can sustain themselves. In order to remain in a competitive posture with existing resorts, you have to upgrade, and at Tahoe that hasn't happened." But to critics, this snowy lap of luxury falls far short on providing affordable housing for all the employees needed to work at the resorts in the valley, where the average home costs about \$800,000. That means long commutes, traffic and increased pollution. In the brave new world of Tahoe, a golf course is now considered open space. Not surprisingly, the battle will likely be decided in court. Sierra Watch, an environmental group formed specifically to fight the development plan, has vowed to sue to stop the proposed Martis Valley boom -- offering up a modified version that would include plans for about 3,000 homes. So far, that idea has been rejected, and it promises to be a particularly chilly winter of discontent. Resort developers like to say that they're getting better at hiding houses among the trees. With open season for the construction industry expected to soon get under way here, it looks like there will be thousands of opportunities to prove it.⁸⁸

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From the *San Francisco Chronicle*, Dec 16, 2003:

A major development plan to add more than 6,000 new homes in the 45, 000-acre Martis Valley near Truckee and Northstar is set for final approval today by the Placer County Board of Supervisors.

But even before the board approves the controversial proposal, environmentalists said they planned to sue to block it.

"This would drastically change the area as we know it. Instead of open space fresh air and clean water, it will be more like visiting suburbia with pavement, traffic and smog," said Tom Mooers, executive director of Sierra Watch, the lead organization behind the lawsuit.

The battle over the plan, which would add more residents to the area than the population of Truckee, highlights the continuing clash between environmentalists, developers and other interests over land use in the Sierra and its foothills.

The Martis Valley covers the area on either side of Highway 267 between Truckee and Lake Tahoe. The development plan spares the large meadow along the highway as it winds past the Northstar resort.

But the plan envisions enough new high-end homes to warrant eventual expansion of Highway 267 to four lanes.

The original proposal in 1975 envisioned some 12,000 new homes under the rationale that difficulty in building by the lake would make Martis Valley a prime location for affordable housing.

But building restrictions on the lake instead led to new luxury vacation complexes, such as Lahontan, springing up near Truckee.

Placer County Supervisor Rex Bloomfield, who represents the area, says the average home price in the valley is already more than \$800,000.

The final plan, which won support from the board of supervisors in October after four years of negotiations and numerous public hearings, allows for nearly 6,100 new homes to be built by various developers, plus 270 units of employee housing and a 250-room hotel at Northstar. There are already 2,500 homes in the area.

Four of the county's five supervisors said the reduction in density contained in the plan reflected public concerns over too much growth. Eighty percent of the valley is left undeveloped, they noted. New housing would be screened by trees to protect the scenic vistas. Bloomfield, the lone "no" vote, said the plan allows for more homes than the city of Auburn and is too much for the area to accommodate.

Once the board votes today for final approval, opponents have 30 days in which to file a challenge. Mooers said Sierra Watch, the League to Save Lake Tahoe and the Mountain Area Preservation Foundation plan to do just that.

Some environmental groups want to reduce the number of new houses by convincing some property owners to sell to land trusts to preserve the area as open space.

The plan contains a mechanism to do so but no money.

A prime acquisition target for those groups is 750 acres of the 7,343 acres owned by Sierra Pacific Industries near Brockway Summit, across the highway from the entrance to Northstar. The timber giant -- the largest private landowner in California -- has a land-use designation that, with additional county approval, would allow the construction of 1,356 houses and a small ski resort on those 750 acres.

Having the potential to develop the land makes it more valuable, boosting the price for a potential buyer.

"Sierra Pacific is a land speculator, and development approval helps pump up the paper value of their land," said Mooers.

Sierra Pacific almost lost its land-use designation.

Shortly after Placer County began re-evaluating its 28-year-old community plan for Martis Valley in 1999, it removed Sierra Pacific's ability to develop the 750 acres.

The county planning director did so because the parcel was part of a 7,343-acre tract zoned for timber production, a special classification that gives property owners a tax break in return for keeping the land open space.

Development and open space seemed incompatible.

Sierra Pacific insisted the ability to develop should be restored because it was in the original plan.

The company hired Marcus LoDuca, a Roseville lawyer who represents developers, to help make its case with the county that the classification should stick.

The final plan restored the land-use designation allowing potential development.

"I feel the Sierra Pacific property is not suitable for development because of its distance from infrastructure," Bloomfield said.

Calls to Sierra Pacific and LoDuca were not returned.⁸⁹

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From the *San Francisco Chronicle*, Oct 3, 2004:

It's the last great, sweeping vista of the open Sierra before you climb Brockway Summit on Highway 267 and drop into the Tahoe cup. Martis Valley, a 45,000-acre expanse of sagebrush, ponderosa pine and riverine meadow, provides a wild and much-loved buffer between the towns of Truckee and Kings Beach.

But this nonpareil landscape may soon go the way of snow in the spring melt. Shared by Placer and Nevada counties, Martis Valley is scheduled for big changes. Several thousand luxury homes, to be exact. The north Sierra is in the grip of a construction boom unparalleled in its history, one that promises to shape both the land and the demographics of the resident populations.

This seismic development trend extends north from Martis Valley. The clamor for luxury vacation homes and 5-acre ranchettes is reaching deep into the northern mountains, tracking up Highway 89 into Sierra and Plumas counties.

Intensive legal fights are under way in Sierra Valley, a spectacular bowl of open meadow and wetland in Sierra County. Here, ranchers with large holdings are allied with environmentalists against landowners who want to subdivide their properties.

And east of Sierra Valley, a complex of golf resorts is transforming the land -- pine forests are becoming manicured fairways and landscaped home sites.

But Martis Valley is the epicenter.

And money is the prime mover.

"The billionaires are driving out the mere millionaires right around Lake Tahoe," said Tom Mooers, the director of Sierra Watch, an environmental group based in Truckee. "So the millionaires are coming over the hill into Martis Valley."

Development in the valley largely is guided by the 2003 Martis Valley Community Plan, a Placer County document that authorizes up to 6,000 new homes, as well as resort hotels, shopping malls and golf courses. The new developments could push the valley's population to more than 20,000 people -- up almost twentyfold.

That, say critics of the plan, would unravel the valley's fragile ecology.

"Martis Valley is a nexus for a variety of Sierra habitat types and is critical to a large number of migratory wildlife species," said Ray Butler, a member of the Nevada County Wildlife Commission.

Butler said the valley is essential range for the Truckee/Loyalton mule deer herd, which has suffered catastrophic declines in recent decades.

"In 1984, there were about 10,000 deer in the herd," Butler said. "Now there are fewer than 3,000, and there is no doubt that a significant factor in their decline is habitat fragmentation. If the community plan is implemented, it's going have a very negative effect on the wildlife of the entire region."

Much of the planned construction is expected to occur within exclusive gated communities. One such project has already been built by the DMB/Highlands Group, operated by developer Ron Parr. Lahontan, a tony development in the central Martis Valley, features 509 sites for lavish homes and an 18-hole golf course set among piney glades.

Parr also has secured Placer County approval for two other developments in the valley -- Siller Ranch and Hopkins Ranch. Like Lahontan, they would be gated communities with golf courses, together comprising 539 home sites on 775 acres. A third gated community with golf course, Eaglewood, has also been approved, and will be built by a consortium of developers from San Francisco and Truckee. It will consist of 474 homesites on 475 acres.

The developments are facing some roadblocks. Mooers said the community plan violates the California Environmental Quality Act, or CEQA, which requires the consideration of environmental impact in all local and state land use decisions. In conjunction with three other environmental groups, Sierra Watch has filed suit against the county to try to overturn its approval of the plan.

"Placer County overlooked the impacts of the plan on both Truckee and Lake Tahoe," said Mooers, who said the county also ignored opposing comments from the state Department of

Fish and Game, the Tahoe Regional Planning Agency and California Attorney General Bill Lockyer.

But Fred Yeager, the planning director for Placer County, said all the rules were followed. "The county (staff) did everything possible to inform the board (of supervisors) so that it could make a considered decision on the effects of development in Martis Valley," Yeager said. "That is the critical test in regard to CEQA -- not whether there are differences of opinion (about the impacts)."

Yeager said the 2003 community plan is a significant improvement over an earlier Martis Valley General Plan, because it cuts the maximum allowable number of homes in the valley from about 12,000 to 8,000, and includes significant provisions for environmental mitigation and employee housing.

The DMB/Highlands Group Web site contains a lengthy question-and-answer section addressing queries about the environmental and social impact of the proposed developments. But Parr declined to respond to specific questions about the projects, saying the issues were too complex to be addressed in a newspaper article.

On the Web site, DMB stated: "When, and if, the Martis Valley Community Plan is fully built out, the Placer County portion of Martis Valley will still look much as it does today: Forested slopes surrounding a pastoral valley floor of sagebrush and meadows ... "

That is where opinions differ with the plan's critics.

"As it stands, the plan will result in developments that will wall much of the valley off from the Sierra," Mooers said.

Mooers and other environmentalists favor an alternative plan that restricts new projects to areas already developed in the valley, and earmarks large tracts owned by Sierra Pacific Industries and the Pritzker family -- who control the Hyatt hotel chain -- for purchase and preservation.

Mooers said conservationists want to work with developers, not against them.

"We worked with Northstar (ski resort) on their big redevelopment project," Mooers said.

"They came up with a development that made sense environmentally and economically, and they contributed \$5 million for land preservation. We can all do the right thing here."

Sierra Watch has appealed the Placer County supervisors' approvals of the Eaglewood and Siller Ranch subdivisions. The board will consider the Eaglewood appeal at 4 p.m. Monday in Kings Beach and will hear the Siller Ranch appeal in the same town at 10:30 a.m. Tuesday. Regardless of the outcome of the appeals, the big forces now in play may be difficult to slow, let alone stop. But when the north Sierra turns into the Hamptons or Malibu, say many observers, California will lose an essential part of its heritage.

"I've lived in Truckee for 20 years, and it is no longer a middle-class community," said Steve Frisch, the director of the Sierra Business Council.

"You see it in the schools," said Frisch. "Enrollment has gone down while the general population has gone up. This development is a double-edged sword. If we can use the wealth driving it to implement pro-active change and good infrastructure, well, that's great. But if the community is buried in growth, you lose the values you want to preserve."⁹⁰

Timber Supply

In a 1999 interview, Red Emmerson said company land supplied half the timber it consumed:

"We're growing more trees than we harvest, but we are still dependent on buying about 50% of our production on the open market (mostly private, some public)."⁹¹

SPI on the National Forests

SPI has been one of the top three purchasers of timber from the US national forests since the early 1990s.⁹²

Timber purchased by SPI from the US National Forests:⁹³

| Calendar year | Board feet |
|----------------------|-------------------|
| 2000 | 51,506,000 |
| 2001 | 489,313,000 |
| 2002 | 41,449,000 |
| 2003 | 29,004,000 |
| 2004 | 75,646,000 |
| 2005 | 205,203,000 |

Subsidizing SPI

According to Common Cause, SPI topped the list of timber corporations benefiting from national forest road construction subsidies from 1991 to 1997:⁹⁴

| | \$ millions |
|-----------------|--------------------|
| Sierra Pacific | 20.3 |
| Boise Cascade | 18.9 |
| Willamette | 8.8 |
| Weyerhaeuser | 7.5 |
| Stone Container | 5.3 |
| Plum Creek | 4.6 |
| Potlatch | 4.2 |

Note that the land holdings of all but Willamette and Stone Container are based upon 19th century public land grants.⁹⁵

Political Activities

Federal election campaign contributions

The following tables list federal election campaign contributions by SPI and Emmerson family members.

1997-98 election cycle⁹⁶

| Contributor | Date | Amount | Recipient |
|---------------------------|----------|---------|--------------------------------|
| A.A. Emmerson | 2/26/98 | \$1,000 | Alby, Barbara |
| A.A. Emmerson | 4/23/98 | \$5,000 | American Forest & Paper Assn |
| Mark Emmerson | 5/20/97 | \$5,000 | American Forest & Paper Assn |
| Mark Emmerson | 3/20/98 | \$5,000 | American Forest & Paper Assn |
| Mark Emmerson | 7/20/98 | \$250 | Chenowith, Helen |
| A.A. Emmerson | 9/24/98 | \$500 | Fazio, Vic |
| A.A. Emmerson | 5/27/97 | \$500 | Fazio, Vic |
| A.A. Emmerson | 10/6/97 | \$500 | Fazio, Vic |
| A.A. Emmerson | 10/6/97 | \$500 | Fazio, Vic |
| A.A. Emmerson | 8/15/97 | \$1,000 | Feinstein, Dianne |
| Mark Emmerson | 9/14/98 | \$100 | Fong, Matt |
| Mark Emmerson | 8/14/98 | \$900 | Fong, Matt |
| A.A. Emmerson | 10/12/98 | \$1,000 | Fong, Matt |
| A.A. Emmerson | 3/31/98 | \$1,000 | Fong, Matt |
| A.A. Emmerson | 10/12/98 | \$1,000 | Fong, Matt |
| A.A. Emmerson | 4/27/98 | \$1,000 | Fong, Matt |
| Carolyn Emmerson Dietz | 8/14/98 | \$1,000 | Fong, Matt |
| Carolyn Emmerson Dietz | 8/14/98 | \$1,000 | Fong, Matt |
| Mark Emmerson | 8/14/98 | \$1,100 | Fong, Matt |
| A.A. Emmerson | 8/14/98 | \$2,000 | Fong, Matt |
| A.A. Emmerson | 8/14/98 | \$2,000 | Fong, Matt |
| A.A. Emmerson | 11/24/97 | \$300 | Golding, Susan |
| A.A. Emmerson | 8/8/97 | \$400 | Golding, Susan |
| A.A. Emmerson | 8/27/98 | \$250 | Herger, Wally |
| A.A. Emmerson | 5/20/98 | \$250 | Herger, Wally |
| A.A. Emmerson | 5/29/98 | \$250 | Herger, Wally |
| A.A. Emmerson | 10/30/97 | \$400 | Herger, Wally |
| Mark Emmerson | 5/29/98 | \$500 | Herger, Wally |
| A.A. Emmerson | 5/30/97 | \$600 | Herger, Wally |
| Sierra Pacific Industries | 11/27/97 | \$1,500 | National Republican Senate Com |
| A.A. Emmerson | 6/30/98 | \$1,000 | Ose, Douglas A |
| A.A. Emmerson | 8/12/98 | \$1,000 | Ose, Douglas A |
| A.A. Emmerson | 8/19/98 | \$500 | Ose, Douglas A. |
| A.A. Emmerson | 9/4/98 | \$500 | Ose, Douglas A. |
| Mark Emmerson | 4/27/98 | \$1,000 | Ose, Douglas A. |
| Mark Emmerson | 6/30/98 | \$1,000 | Ose, Douglas A. |

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|---------------|----------|---------|-------------------------------|
| A.A. Emmerson | 4/30/98 | \$2,000 | Republican National Committee |
| A.A. Emmerson | 4/30/98 | \$3,000 | Republican National Committee |
| Mark Emmerson | 9/25/98 | \$1,000 | Senatorial Majority Fund |
| Mark Emmerson | 10/31/97 | \$500 | Smith, Gordon |
| Mark Emmerson | 12/31/97 | \$500 | Smith, Gordon |
| Mark Emmerson | 12/31/97 | \$500 | Smith, Gordon |
| A.A. Emmerson | 1/29/98 | \$1,000 | Thompson, Mike |
| A.A. Emmerson | 3/17/98 | \$1,000 | Thompson, Mike |

2002-2004 election cycles⁹⁷

65 contributions for a total of \$75,800

| Contributor | Occupation | Date | Amount | Recipient |
|-------------------------------------------|--------------------------------------|------------|---------|--------------------------------------------|
| EMMERSON, GEORGE BELLA VISTA, CA 96008 | | 10/13/2004 | \$250 | Feldkamp, James Lee |
| EMMERSON, MARK D REDDING, CA 96049 | | 10/13/2004 | \$250 | Feldkamp, James Lee |
| EMMERSON, AA MR REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES | 10/11/2004 | \$1,000 | Ameri, Goli Yazdi |
| EMMERSON, MARK REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES/LOGGER | 9/30/2004 | \$1,000 | Doolittle, John T |
| EMMERSON, MARISA REDDING, CA 96002 | HOMEMAKER | 9/28/2004 | \$1,000 | Bush, George W |
| EMMERSON, AA REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES/OWNER | 9/25/2004 | \$1,000 | Lungren, Dan |
| EMMERSON, AA REDDING, CA 96049 | SIERRA PAC. IND./LUMBERMAN | 9/4/2004 | \$1,000 | Thompson, Mike |
| EMMERSON, AA MR REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES/PRES | 9/1/2004 | \$1,000 | Cmte for the Preservation of Capitalism |
| EMMERSON, GEORGE BELLA VISTA, CA 96008 | SIERRA PACIFIC INDUSTRIES/VP MANU | 9/1/2004 | \$1,000 | Cmte for the Preservation of Capitalism |
| EMMERSON, MARK D REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES/CFO | 9/1/2004 | \$1,000 | Cmte for the Preservation of Capitalism |
| EMMERSON, TAMARA VENTURA, CA 93003 | SELF/OFFICE MANAGER | 8/3/2004 | \$300 | National Republican Congressional Cmte |
| EMMERSON, A A REDDING, CA 96049 | A.A. EMMERSON RANCHER/RANCHER | 7/3/2004 | \$1,000 | Cardoza, Dennis |
| EMMERSON, A A REDDING, CA 96049 | | 6/18/2004 | \$2,000 | Nethercutt, George R Jr |
| EMMERSON, A A REDDING, CA 96049 | | 6/18/2004 | \$2,000 | Nethercutt, George R Jr |
| EMMERSON, A A MR REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES | 5/24/2004 | \$2,000 | Jones, Bill |
| EMMERSON, MARK D REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES | 5/21/2004 | \$2,000 | Jones, Bill |

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|-------------------------------------------|-------------------------------------------|------------|---------|---------------------------------|
| EMMERSON, MARK D REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES | 5/21/2004 | \$2,000 | Jones, Bill |
| EMMERSON, GEORGE BELLA VISTA, CA 96008 | SIERRA PACIFIC INDUSTRIES | 5/20/2004 | \$500 | Jones, Bill |
| EMMERSON, MARK REDDING, CA 96002 | SIERRA PACIFIC INDUSTRIES/CFO | 5/18/2004 | \$2,500 | American Forest & Paper Assn |
| EMMERSON, A A REDDING, CA 96049 | SIERRA PACIFIC IND./LUMBERMAN | 4/15/2004 | \$1,000 | McMorris, Cathy |
| EMMERSON, A A REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES | 12/23/2003 | \$2,000 | Jones, Bill |
| EMMERSON, WILLIAM DR HEMET, CA 92544 | SELF-EMPLOYED | 12/22/2003 | \$250 | Specter, Arlen |
| BOND, EDWARD | SIERRA PACIFIC INDUSTRIES/HUMAN RES | 11/25/2003 | \$250 | Herger, Wally |
| EMMERSON, AA REDDING, CA 96049 | SIERRA PAC. IND./LUMBERMAN | 10/27/2003 | \$1,000 | Thompson, Mike |
| EMMERSON, ROD REDDING, CA 96049 | SIERRA PAC IND | 9/8/2003 | \$1,000 | Feinstein, Dianne |
| EMMERSON, ROD REDDING, CA 96049 | SIERRA PAC IND | 9/8/2003 | \$1,000 | Feinstein, Dianne |
| EMMERSON, GEORGE BELLA VISTA, CA 96008 | | 9/3/2003 | \$1,000 | McCrery, Jim |
| EMMERSON, MARK D REDDING, CA 96049 | | 9/3/2003 | \$1,000 | McCrery, Jim |
| EMMERSON, MARK REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES/V PRES | 8/15/2003 | \$2,500 | American Forest & Paper Assn |
| EMMERSON, A A MR REDDING, CA 96002 | SIERRA PACIFIC INDUSTRIES/ | 6/30/2003 | \$2,000 | Bush, George W |
| EMMERSON, GEORGE BELLA VISTA, CA 96008 | SIERRA PACIFIC IND./EXECUTIVE | 6/30/2003 | \$2,000 | Bush, George W |
| EMMERSON, SUSAN BELLA VISTA, CA 96008 | HOMEMAKER | 6/30/2003 | \$2,000 | Bush, George W |
| EMMERSON, AA REDDING, CA 96049 | SIERRA PAC. IND./LUMBERMAN | 6/24/2003 | \$1,000 | Thompson, Mike |
| EMMERSON, AA REDDING, CA 96049 | | 4/22/2003 | \$2,000 | Pombo, Richard |
| EMMERSON, MARK REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES/LOGGER | 3/4/2003 | \$1,000 | Doolittle, John T |
| EMMERSON, MARK D REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES/V PRES | 10/25/2002 | \$1,000 | Radanovich, George |
| EMMERSON, MARK D REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES/CFO | 9/6/2002 | \$1,000 | Ose, Doug |
| EMMERSON, GEORGE BELLA VISTA, CA 96008 | | 8/28/2002 | \$1,000 | McCrery, Jim |
| EMMERSON, MARK D REDDING, CA 96049 | | 8/28/2002 | \$1,000 | McCrery, Jim |

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|---------------------------------------------|----------------------------------------|-----------|-----------|---------------------------------|
| EMMERSON, A A REDDING, CA 96049 | | 8/19/2002 | (\$1,500) | Smith, Gordon H |
| EMMERSON, RED REDDING, CA 96049 | SIERRA PAC IND | 6/13/2002 | \$1,000 | Feinstein, Dianne |
| EMMERSON, RED REDDING, CA 96049 | SIERRA PAC IND | 6/13/2002 | \$1,000 | Feinstein, Dianne |
| EMMERSON, A A REDDING, CA 96049 | SIERRA PACIFIC/CHIEF EXECUTIVE OFFI | 6/12/2002 | \$1,000 | Cardoza, Dennis |
| EMMERSON, A A REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES | 5/1/2002 | \$2,000 | Smith, Gordon H |
| EMMERSON, MARK REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES/V PRES | 4/23/2002 | \$5,000 | American Forest & Paper Assn |
| EMMERSON, JOHN ENCINO, CA 91316 | CAPITAL GUARDIAN TRUST CO | 3/25/2002 | \$1,000 | Blinken, Alan John |
| EMMERSON, A A REDDING, CA 96049 | | 3/20/2002 | \$1,000 | Craig, Larry |
| EMMERSON, MARK REDDING, CA 96049 | SIERRA PACIFIC IND./FINANCIAL OFFIC | 2/2/2002 | \$1,000 | Cardoza, Dennis |
| EMMERSON, A A REDDING, CA 96049 | A.A. & K./PARTNER | 10/1/2001 | \$1,000 | Herger, Wally |
| EMMERSON, GEORGE R BELLA VISTA, CA 96008 | A.A. & K./PARTNER | 10/1/2001 | \$1,000 | Herger, Wally |
| EMMERSON, MARK REDDING, CA 96002 | SIERRA PACIFIC INDUSTRIES/MANAGE | 10/1/2001 | \$1,000 | Herger, Wally |
| EMMERSON, AA REDDING, CA 96049 | SIERRA PAC. IND./LUMBERMAN | 8/18/2001 | \$1,000 | Thompson, Mike |
| EMMERSON, AA REDDING, CA 96049 | SIERRA PAC. IND./LUMBERMAN | 8/18/2001 | \$1,000 | Thompson, Mike |
| EMMERSON, MARK D REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES/CFP | 5/8/2001 | \$1,000 | Ose, Doug |
| EMMERSON, A A REDDING, CA 96049 | | 5/7/2001 | \$1,000 | Craig, Larry |
| EMMERSON, SUSAN BELLA VISTA, CA 96008 | SELF-EMPLOYED/ REGISTERED NURSE | 4/13/2001 | \$500 | Herger, Wally |
| EMMERSON, A A REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES | 4/10/2001 | \$1,000 | Wyden, Ron |
| EMMERSON, A A REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES | 4/10/2001 | \$1,000 | Wyden, Ron |
| EMMERSON, GEORGE BELLA VISTA, CA 96008 | SIERRA PACIFIC INDUSTRIES | 4/10/2001 | \$1,000 | Wyden, Ron |
| EMMERSON, MARK REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES | 4/10/2001 | \$1,000 | Wyden, Ron |
| EMMERSON, AA REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES/OWNER | 3/29/2001 | \$1,000 | Ose, Doug |
| EMMERSON, AA REDDING, CA 96049 | SIERRA PAC INDUSTRIES/ | 1/23/2001 | \$1,000 | Condit, Gary A |
| EMMERSON, GEORGE R BELLA VISTA, CA 96008 | SIERRA PACIFIC INDUSTRIES/V PRES | 1/23/2001 | \$1,000 | Condit, Gary A |

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|-----------------------------------------|--------------------------------------------|-----------|---------|----------------|
| EMMERSON, MARK D REDDING, CA 96049 | SIERRA PACIFIC INDUSTRIES/CFO | 1/23/2001 | \$1,000 | Condit, Gary A |
| EMMERSON, VICTORIA REDDING, CA 96049 | SHASTA EMERGENCY MEDICAL GROUP /PHYS | 1/23/2001 | \$1,000 | Condit, Gary A |

2006 CYCLE

20 "Emmerson" donations totalling \$25,150⁹⁸

| Contributor | occupation | Date | Amount | Recipient |
|-------------------------------------------------|-----------------------------------------|------------|---------|--------------------------------------------|
| EMMERSON, MARISA REDDING, CA 96002 | City of Redding/accountant | 12/21/2005 | \$2,100 | Herger, Wally |
| EMMERSON, MARK REDDING, CA 96002 | Sierra Pacific Industries/managemen | 12/21/2005 | \$900 | Herger, Wally |
| EMMERSON, CRAIG PARADISE VALLEY, AZ 85253 | Emmerson Enterprises, Inc./real est | 11/23/2005 | \$1,900 | Kyl, Jon |
| EMMERSON, CRAIG PARADISE VALLEY, AZ 85253 | Emmerson Enterprises, Inc./real est | 11/23/2005 | \$2,100 | Kyl, Jon |
| EMMERSON, MARK REDDING, CA 96049 | Sierra Pacific Industries/logger | 11/2/2005 | \$300 | Doolittle, John T |
| EMMERSON, MARK REDDING, CA 96049 | Sierra Pacific Industries/logger | 11/2/2005 | \$700 | Doolittle, John T |
| EMMERSON, MARK REDDING, CA 96049 | Sierra Pacific Industries/logger | 9/1/2005 | \$400 | Doolittle, John T |
| EMMERSON, MARK REDDING, CA 96049 | Sierra Pacific/cfo | 8/26/2005 | \$1,000 | Walden, Greg |
| EMMERSON, GEORGE R BELLA VISTA, CA 96008 | Sierra Pacific Industries/manager | 8/10/2005 | \$250 | Herger, Wally |
| EMMERSON, GEORGR BELLA VISTA, CA 96008 | Sierra Pacific Industries/vice pres | 7/22/2005 | \$1,000 | Hatch, Orrin G |
| EMMERSON, MARK D REDDING, CA 96049 | Sierra Pacific Industries/vp of fin | 7/19/2005 | \$1,000 | Nunes, Devin Gerald |
| EMMERSON, MARK D REDDING, CA 96002 | Sierra Pacific Industries/manager | 6/30/2005 | \$1,000 | Pombo, Richard |
| EMMERSON, MARK DRAPER, UT 84020 | Ellis Software/pres. | 5/23/2005 | \$1,000 | Superior California Fed Leadership Fund |
| EMMERSON, MARK D REDDING, CA 96049 | Sierra Pacific Industries | 5/10/2005 | \$1,000 | Burns, Conrad |
| EMMERSON, WILLIAM REDLANDS, CA 92374 | Ca State Legislature/assemblym an | 5/3/2005 | \$500 | Lincoln Club of San Bernardino County |
| EMMERSON, AA | Sierra pac. | 4/18/2005 | \$1,000 | Thompson, Mike |

| | | | | |
|------------------------------------------|----------------------------------------|-----------|---------|-------------------------------------|
| REDDING,CA 96049 | Ind./lumberman | | | |
| EMMERSON, MARK REDDING,CT 96049 | Sierra Pacific Industries | 4/12/2005 | \$3,500 | American Forest Resource Council |
| EMMERSON, GEORGE BELLA VISTA,CA 96008 | Sierra Pacific Industries/senior ex | 4/5/2005 | \$2,000 | Radanovich, George |
| EMMERSON, MARK REDDING,CA 96049 | Sierra Pacific Industries/logger | 3/30/2005 | \$1,000 | Doolittle, John T |
| EMMERSON, MARK MR REDDING,CA 96002 | Sierra Pacific Industries/cfo | 2/4/2005 | \$2,500 | American Forest & Paper Assn |

Soft money contributions, 1998-2006⁹⁹

4 records totalling \$43,000

| Cycle | Organization | Total | to Dems | to Repubs |
|---------------------|---------------------------|---------|---------|-----------|
| 1998 election cycle | Sierra Pacific Industries | \$1,500 | - | \$1,500 |
| 2000 election cycle | Sierra Pacific Industries | \$2,500 | - | \$2,500 |
| 2002 election cycle | Sierra Pacific Industries | 0 | - | - |

Federal lobbying

Federal lobbying 1997-2005¹⁰⁰

| Year | Expenditures | Firms Hired | Lobbyists |
|------|--------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1997 | \$120,000 | Washington Counsel | Crippen, Dan L Doney, John L Fitzgerald, Jayne T Garrett-Nelson, LaBrenda Gasper, Gary J Gates, Bruce A Leonard, Robert J Meltzer, Richard Rozen, Robert M Urban, Timothy J Weinberger, Mark A Weise, George J |
| 1998 | \$25,000 | Washington Counsel | Crippen, Dan L Doney, John L Fitzgerald, Jayne T Garrett-Nelson, LaBrenda Gasper, Gary J Gates, Bruce A Leonard, Robert J |

| | | | |
|------|-------------|--|--------------------------------------------------------------------------------------------------|
| | | | Meltzer, Richard Rozen, Robert M Urban, Timothy J Weinberger, Mark A Weise, George J |
| 1999 | no activity | | |

In 1997, SPI spent \$120,000 on lobbying in support of H.R. 2015 and S. 947 (Balanced Budget Act of 1997).¹⁰¹

In August 1998, Congressman Wally Herger introduced H.R. 4407, the Biomass Equity Act of 1998. "This needed legislation would ensure the continued growth and development of the biomass power industry by including all biomass power facilities in an already existing energy production tax credit. The American biomass energy industry consists of approximately 125 clean-burning powerplants in more than 25 states that combust biomass materials under controlled conditions and generate renewable electricity for consumer use. These facilities consume approximately 20 million tons of agricultural and forestry residues annually. The "Biomass Equity Act" is endorsed by a wide range of groups, organizations, and businesses, including: the California Forestry Association, the Quincy Library Group, the Union of Concerned Scientists, the Central Sierra Environmental Resource Center, the Northeast States for Coordinated Air Use Management (NESCAUM), the Placer County Air Pollution Control District, the Northern Sierra Air Quality Management District, Burney Forest Products, Sierra Pacific Industries, Operational Energy Corporation, the California Licensed Foresters Association, Wheelabrator Environmental Systems Inc., the California Biomass Energy Alliance, the National Biomass Energy Alliance, Agrilectric Power, Inc., Ogden Power Pacific, Inc., and the Natural Resources Defense Council."¹⁰²

527 contributions

SPI's contributions to 527 non-profit political committees include \$5,000 in 2003 to the Republican Governors Association (Report M09)¹⁰³

California politics

California election contributions by SPI-affiliated parties:

2003-2004 Cycles

Contributions totalled \$321,573.¹⁰⁴

| DATE | RECIPIENT | CONTEST | AMOUNT |
|---------|--------------------------------------------------------|---------|----------|
| 5/17/04 | CALIFORNIA REPUBLICAN PARTY | | \$50,000 |
| 7/15/03 | CALIFORNIA REPUBLICAN PARTY | | \$25,000 |
| 8/21/03 | CALIFORNIANS AGAINST THE COSTLY RECALL OF THE GOVERNOR | | \$25,000 |
| 2/17/04 | SCHWARZENEGGER'S CALIFORNIA RECOVERY TEAM, GOVERNOR | OTHER | \$25,000 |

| | | | |
|----------|--------------------------------------------------------|--------------------------|----------|
| 9/13/04 | CALIFORNIA REPUBLICAN PARTY | | \$20,000 |
| 10/8/03 | CALIFORNIANS FOR SCHWARZENEGGER | GOVERNOR | \$11,000 |
| 5/21/03 | FROMMER ASSEMBLY LEADERSHIP | STATE ASSEMBLY PERSON 43 | \$10,000 |
| 4/8/03 | MACHADO FOR SENATE | STATE SENATOR 05 | \$10,000 |
| 9/8/03 | CALIFORNIANS FOR SCHWARZENEGGER | GOVERNOR | \$10,000 |
| 5/10/04 | SCHWARZENEGGER 2006, CALIFORNIANS FOR | GOVERNOR | \$10,000 |
| 5/10/04 | SCHWARZENEGGER 2006, CALIFORNIANS FOR | GOVERNOR | \$10,000 |
| 10/12/04 | SCHWARZENEGGER'S CALIFORNIA RECOVERY TEAM, GOVERNOR | OTHER | \$10,000 |
| 2/6/04 | CALIFORNIA FORESTRY ASSOCIATION PAC | | \$5,300 |
| 1/31/03 | CALIFORNIA FORESTRY ASSOCIATION PAC | | \$5,000 |
| 10/31/03 | WESTLY FOR CONTROLLER | STATE CONTROLLER | \$5,000 |
| 5/30/03 | LA MALFA FOR STATE ASSEMBLY 2004, DOUG | STATE ASSEMBLY PERSON 02 | \$3,200 |
| 11/14/03 | LA MALFA FOR STATE ASSEMBLY 2004, DOUG | STATE ASSEMBLY PERSON 02 | \$3,200 |
| 3/23/04 | NAKANISHI FOR ASSEMBLY 2004 | STATE ASSEMBLY PERSON 10 | \$3,200 |
| 7/26/04 | LESLIE FOR STATE ASSEMBLY, TIM | STATE ASSEMBLY PERSON 04 | \$3,200 |
| 8/7/03 | LESLIE FOR STATE ASSEMBLY, TIM | STATE ASSEMBLY PERSON 04 | \$3,000 |
| 5/17/04 | BOSETTI, COMMITTEE TO ELECT RICK | COUNTY SUPERVISOR | \$3,000 |
| 6/29/04 | KEENE FOR ASSEMBLY 2004, RICK | STATE ASSEMBLY PERSON 03 | \$3,000 |
| 10/26/04 | MACHADO FOR SENATE 2004 | STATE SENATOR 05 | \$3,000 |
| 10/10/03 | AANESTAD FOR SENATE 2006 | STATE SENATOR 04 | \$2,500 |
| 9/22/04 | AANESTAD FOR SENATE 2006 | STATE SENATOR 04 | \$2,500 |
| 8/7/03 | COGDILL 2004, FRIENDS OF DAVE | STATE ASSEMBLY PERSON 25 | \$2,000 |
| 12/8/03 | BAUMAN, COMMITTEE TO RE-ELECT HELEN | COUNTY SUPERVISOR | \$2,000 |
| 12/8/03 | DOWDIN FOR SUPERVISOR, FRIENDS OF ALICE | COUNTY SUPERVISOR | \$2,000 |
| 1/19/04 | BOSETTI, COMMITTEE TO ELECT RICK | COUNTY SUPERVISOR | \$2,000 |
| 6/9/04 | COGDILL 2004, FRIENDS OF DAVE | STATE ASSEMBLY PERSON 25 | \$2,000 |
| 6/14/04 | GAINES FOR ASSEMBLY | STATE ASSEMBLY PERSON 04 | \$2,000 |
| 1/15/04 | KRANZ, FRIENDS OF BRUCE | COUNTY SUPERVISOR | \$2,000 |
| 1/16/04 | LEACH FOR SUPERVISOR, STAN | COUNTY SUPERVISOR | \$2,000 |
| 6/14/04 | LEACH FOR SUPERVISOR, STAN | COUNTY SUPERVISOR | \$2,000 |
| 6/14/04 | STUDLEY, COMMITTEE TO ELECT DAVID | COUNTY SUPERVISOR | \$2,000 |
| 9/2/04 | COX, TAXPAYERS FOR DAVE | STATE SENATOR 01 | \$2,000 |
| 8/20/04 | DICKERSON, COMMITTEE TO ELECT DICK | CITY COUNCIL MEMBER | \$2,000 |
| 8/20/04 | SPENCER, COMMITTEE TO ELECT JOHN | COUNTY SUPERVISOR | \$2,000 |
| 5/22/03 | COGDILL 2004, FRIENDS OF DAVE | STATE ASSEMBLY PERSON 25 | \$1,000 |
| 6/24/03 | COX, TAXPAYERS FOR DAVE | STATE SENATOR 01 | \$1,000 |
| 6/24/03 | HORN FOR SUPERVISOR, SUE | COUNTY SUPERVISOR | \$1,000 |
| 2/26/03 | KUEHL FOR SENATE | STATE SENATOR 23 | \$1,000 |
| 5/30/03 | SWEENEY FOR SUPERVISOR, JACK | COUNTY SUPERVISOR | \$1,000 |
| 5/9/03 | WYLAND FOR ASSEMBLY 2004, MARK | STATE ASSEMBLY PERSON 74 | \$1,000 |
| 5/9/03 | YAMAGUCHI, FRIENDS OF KIM | COUNTY SUPERVISOR | \$1,000 |
| 7/23/03 | BEELER FOR SUPERVISOR, BOB | COUNTY SUPERVISOR | \$1,000 |
| 12/19/03 | EMMERSON FOR STATE ASSEMBLY, BILL | STATE ASSEMBLY PERSON 63 | \$1,000 |
| 5/20/04 | BOGH, TAXPAYERS FOR RUSS | STATE ASSEMBLY PERSON 65 | \$1,000 |
| 1/15/04 | COMSTOCK-CORREIRA, CAMPAIGN TO ELECT ROSE | COUNTY SUPERVISOR | \$1,000 |
| 5/17/04 | EMMERSON FOR STATE ASSEMBLY, BILL | STATE ASSEMBLY PERSON 63 | \$1,000 |
| 1/15/04 | ESCAMILLA, ELECT RICH | COUNTY SUPERVISOR | \$1,000 |

| | | | |
|----------|----------------------------------------------------|--------------------------------------------|---------|
| 3/9/04 | NO ON PROPOSITION 56 | State Budget, Related Taxes and Reserve 56 | \$1,000 |
| 1/15/04 | TRYON FOR SUPERVISOR, TOM | COUNTY SUPERVISOR | \$1,000 |
| 5/17/04 | WYLAND FOR ASSEMBLY 2004, MARK | STATE ASSEMBLY PERSON 74 | \$1,000 |
| 11/5/04 | CA MANUFACTURING & TECHNOLOGY ASSN. PAC | OTHER | \$1,000 |
| 10/13/04 | CALIFORNIA REPUBLICAN PARTY | | \$1,000 |
| 9/2/04 | COGDILL 2004, FRIENDS OF DAVE | STATE ASSEMBLY PERSON 25 | \$1,000 |
| 10/12/04 | DOWDIN FOR SUPERVISOR, FRIENDS OF ALICE | COUNTY SUPERVISOR | \$1,000 |
| 8/20/04 | ESCAMILLA, ELECT RICH | COUNTY SUPERVISOR | \$1,000 |
| 9/21/04 | FARM PAC | OTHER | \$1,000 |
| 9/30/04 | MURRAY, COMMITTEE TO ELECT KEN | CITY COUNCIL MEMBER | \$1,000 |
| 10/12/04 | YES ON 1A | OTHER | \$1,000 |
| 9/25/03 | CALIFORNIA REPUBLICAN PARTY | | \$790 |
| 2/9/04 | AVILLA, COMMITTEE TO ELECT GREGG | COUNTY SUPERVISOR | \$750 |
| 10/8/04 | BOSETTI, COMMITTEE TO ELECT RICK | COUNTY SUPERVISOR | \$739 |
| 4/8/03 | CITIZENS FOR RESPONSIBLE GOVERNMENT | | \$600 |
| 5/20/03 | HUMBOLDT COUNTY REPUBLICAN CENTRAL COMMITTEE | OTHER | \$500 |
| 10/31/03 | GEORGE, COMMITTEE TO ELECT BILL | OTHER | \$500 |
| 10/31/03 | OSBORNE, COMMITTEE TO ELECT GEORGE | OTHER | \$500 |
| 4/27/04 | BOSETTI, COMMITTEE TO ELECT RICK | COUNTY SUPERVISOR | \$400 |
| 4/6/04 | DOWDIN FOR SUPERVISOR, FRIENDS OF ALICE | COUNTY SUPERVISOR | \$400 |
| 4/6/04 | LEACH FOR SUPERVISOR, STAN | COUNTY SUPERVISOR | \$400 |
| 2/12/04 | MILLER, COMMITTEE TO RE-ELECT BILLIE | COUNTY SUPERVISOR | \$400 |
| 4/6/04 | STUDLEY, COMMITTEE TO ELECT DAVID | COUNTY SUPERVISOR | \$400 |
| 2/9/04 | NEVADA COUNTY CITIZENS FOR RESPONSIBLE GOVERNMENT | | \$396 |
| 10/12/04 | ERICKSON, COMMITTEE TO ELECT VICTORIA | COUNTY SUPERVISOR | \$300 |
| 6/29/04 | ROCKHOLM, FRIENDS OF ROCKY | MAYOR | \$250 |
| 1/20/04 | AVILLA, COMMITTEE TO ELECT GREGG | COUNTY SUPERVISOR | \$200 |
| 1/20/04 | BOSETTI, COMMITTEE TO ELECT RICK | COUNTY SUPERVISOR | \$200 |
| 1/13/04 | COMSTOCK-CORREIRA, CAMPAIGN TO ELECT ROSE | COUNTY SUPERVISOR | \$200 |
| 1/20/04 | ESCAMILLA, ELECT RICH | COUNTY SUPERVISOR | \$200 |
| 1/13/04 | LEACH FOR SUPERVISOR, STAN | COUNTY SUPERVISOR | \$200 |
| 9/24/04 | KEENE FOR ASSEMBLY 2004, RICK | STATE ASSEMBLY PERSON 03 | \$200 |
| 9/24/04 | OLSEN FOR LINCOLN CITY COUNCIL, MARY | CITY COUNCIL MEMBER | \$200 |
| 8/20/04 | COSGROVE, COMMITTEE TO RE-ELECT TOM | CITY COUNCIL MEMBER | \$190 |
| 12/8/04 | KRANZ, FRIENDS OF BRUCE | COUNTY SUPERVISOR | \$190 |
| 9/22/04 | ROCKHOLM, FRIENDS OF ROCKY | MAYOR | \$190 |
| 7/9/04 | SANTINI, COMMITTEE TO RE-ELECT PRIMO | CITY COUNCIL MEMBER | \$190 |
| 12/8/04 | WEYGANDT FOR SUPERVISOR COMMITTEE, RE-ELECT ROBERT | COUNTY SUPERVISOR | \$190 |
| 10/8/04 | BOSETTI, COMMITTEE TO ELECT RICK | COUNTY SUPERVISOR | \$177 |
| 9/10/03 | REDDING CHAMBER PAC | | \$150 |
| 5/28/04 | REDDING CHAMBER PAC | | \$150 |
| 9/22/04 | EUSTICE FOR SCHOOL BOARD, MELANIE | OTHER | \$100 |
| 9/10/03 | REDDING CHAMBER PAC | | \$75 |
| 5/28/04 | REDDING CHAMBER PAC | | \$75 |

8/24/04 OLSEN FOR LINCOLN CITY COUNCIL, MARY CITY COUNCIL MEMBER \$71

2005-2006 Cycle

As of March 31, 2006 contributions totalled \$222,338.¹⁰⁵

| DATE | RECIPIENT | AMOUNT |
|-------------|--------------------------------------------------|---------------|
| 1/3/05 | CONNELLY FOR DISTRICT 1 | \$100 |
| 1/26/05 | YES ON MEASURE B | \$45,000 |
| 2/15/05 | CALIFORNIA FORESTRY ASSOCIATION PAC | \$5,600 |
| 2/15/05 | COGDILL, TAXPAYERS FOR DAVE | \$3,300 |
| 2/15/05 | DOUG LA MALFA COMMITTEE, THE | \$3,300 |
| 2/15/05 | KEENE FOR ASSEMBLY 2006, RICK | \$3,300 |
| 2/15/05 | LESLIE - 2006, FRIENDS OF TIM | \$1,250 |
| 2/15/05 | WYLAND FOR SENATE, MARK | \$1,000 |
| 2/15/05 | AANESTAD FOR SENATE 2006 | \$800 |
| 2/22/05 | YES ON MEASURE B | \$25,000 |
| 3/10/05 | MCCARTHY FOR ASSEMBLY 2006, FRIENDS OF KEVIN | \$3,300 |
| 3/10/05 | NUNEZ 2006, FRIENDS OF FABIAN | \$3,300 |
| 3/10/05 | NUNEZ 2006, FRIENDS OF FABIAN | \$1,700 |
| 3/10/05 | FROMMER, FRIENDS OF DARIO | \$1,500 |
| 5/11/05 | FIREBAUGH FOR SENATE, MARCO ANTONIO | \$3,300 |
| 5/16/05 | CALIFORNIA REPUBLICAN PARTY | \$50,000 |
| 6/24/05 | EMMERSON FOR STATE ASSEMBLY, BILL | \$1,250 |
| 6/24/05 | WYLAND FOR SENATE, MARK | \$1,250 |
| 6/24/05 | BOGH LEADERSHIP COMMITTEE | \$1,000 |
| 6/28/05 | ERICKSON, COMMITTEE TO ELECT VICTORIA | \$600 |
| 6/28/05 | ROCKHOLM FOR SUPERVISOR, FRIENDS OF ROCKY | \$190 |
| 7/27/05 | SCHWARZENEGGER'S CALIFORNIA RECOVERY TEAM | \$5,000 |
| 8/1/05 | TAXPAYERS TO SAVE THE 2/3 VOTE | \$5,000 |
| 8/30/05 | FROMMER, CALIFORNIANS FOR DARIO | \$5,000 |
| 8/30/05 | LESLIE 2006, FRIENDS AND NEIGHBORS OF TIM | \$3,300 |
| 8/30/05 | MCCARTHY FOR ASSEMBLY 2006, FRIENDS OF KEVIN | \$1,650 |
| 8/30/05 | COX - SENATE 2008, TAXPAYERS FOR DAVE | \$1,000 |
| 8/30/05 | CIBULA FOR SUPERVISOR | \$500 |
| 9/21/05 | HARMAN FOR SENATE, TOM | \$1,500 |
| 10/12/05 | NAKATA, COMMITTEE TO RE-ELECT KENT | \$190 |
| 10/28/05 | FRIENDS OF DENNIS CRABB FOR EL DORADO SUPERVISOR | \$999 |
| 10/28/05 | COMMITTEE TO ELECT HIDAHL & ROWETT | \$500 |
| 11/1/05 | BAILEY, CAMPAIGN TO ELECT NADINE | \$300 |
| 11/4/05 | GAINES FOR ASSEMBLY | \$1,300 |
| 11/11/05 | MCLEOD STATE SENATE 2006, GLORIA NEGRETE | \$3,300 |
| 11/11/05 | HORTON, CA TAXPAYERS FOR JEROME | \$1,000 |
| 11/28/05 | BERRYHILL FOR ASSEMBLY | \$3,300 |
| 11/28/05 | GARRICK FOR ASSEMBLY | \$1,500 |
| 12/5/05 | MCPHERSON FOR SECRETARY OF STATE | \$5,000 |
| 12/15/05 | MCCLINTOCK FOR GOVERNOR | \$5,000 |
| 12/20/05 | GALGIANI FOR ASSEMBLY, CATHLEEN | \$3,300 |

| | | |
|----------|-------------------------------------------|---------|
| 12/20/05 | WRIGHT FOR SENATE 2006, ROD | \$3,300 |
| 12/22/05 | DOUG LA MALFA COMMITTEE, THE | \$3,300 |
| 12/22/05 | KEENE FOR ASSEMBLY 2006, RICK | \$3,300 |
| 12/23/05 | HAYNES, TAXPAYERS FOR | \$1,000 |
| 12/23/05 | PARRISH STATE TREASURER COMMITTEE, CLAUDE | \$249 |
| 12/28/05 | WESTLY FOR GOVERNOR | \$5,000 |
| 12/28/05 | WESTON, FRIENDS OF HANK | \$1,500 |

California politics: articles

"... On July 7 [1999], timber industry executives feted Davis at a reception in Anderson (Shasta County), headquarters of timber giant Sierra Pacific Industries. The event was held on the same day that his administration proposed stricter regulations for timber harvesting on private lands in order to protect rivers and wildlife..." Who's Protecting California's Environment? San Francisco Chronicle, Nov 14, 1999.¹⁰⁶

"... Another ax SPI wields with a heavy hand is political influence. Emmerson is generous when it comes to political donations. His frequent financial gifts to both Democrats and Republicans - totaling \$231,500 in 1999 - have won SPI a governor-appointed seat on the California Board of Forestry and more access to politicians than environmentalists have ever had. Between 1998 and 1999, SPI gave \$35,000 in direct contributions to California's current governor, Gray Davis (D), and hosted a fundraiser that netted the governor nearly \$130,000..."
Source: Sierra Club Planet Newsletter, Sept 2000.¹⁰⁷

###

"Sierra Pacific has also become more politically active. Like most of the timber industry, it backed Republican Dan Lundgren in the 1998 governor's race. But after Davis defeated Lundgren, Sierra Pacific hosted a fundraiser for the new governor on July 13 -- the same day Davis' administration issued logging rules that the federal government's National Marine Fisheries Service and environmentalists complained were too weak to protect coho salmon and other threatened species. The fundraiser netted Davis \$129,000 in contributions from Sierra Pacific and other timber industry companies. Five months later, Davis appointed Sierra Pacific executive Mark Bosetti to the state Board of Forestry..."

Source: The California chainsaw massacre. Clear-cutting is tearing up forests in the nation's most environmentally aware state, and opponents blame the timber industry's ties to Gov. Gray Davis. By Mark Hertsgaard, Salon.com, June 9, 2000.¹⁰⁸

###

"Davis faces pressure both from environmentalists, who are confident they have a winning public issue, and from a timber industry that has contributed heavily to his campaign coffers. Sierra Pacific hosted a fundraiser for the governor on July 13, 1999 -- the same day Davis' administration issued logging rules that both environmentalists and the federal government's National Marine Fisheries Service complained were too weak to protect coho salmon and other threatened species. The fundraiser netted Davis \$129,000 in contributions from the timber industry. Five months later, Davis appointed Sierra Pacific executive Mark Bosetti to the state Board of Forestry."

In June, when Davis' office was asked how Californians could be confident Davis would fairly balance environmental and timber-industry arguments, spokesman Byron Tucker replied, "You're making a connection between campaign contributions a year ago and a decision being made now? Clear-cutting is legal in California, so what's the beef?"

But clear-cutting has been generating more and more public opposition. Sierra Pacific's logging near Big Trees State Park sparked local demonstrations and high-profile coverage by the San Francisco Chronicle, the Los Angeles Times and CNN. On July 24, the company announced it would halt all clear-cutting in the area for 30 days while it modified the project "in response to some of the concerns of Calaveras County residents."

Those opposed to clear-cutting celebrated the partial ban, but weren't satisfied. Sierra Pacific proposed changing the size and appearance of the clear-cuts and expanding water-quality monitoring after the logging was finished. Local activist Warren Alford dismissed those modifications as a transparent effort to co-opt opposition. Moreover, noted Alford, Sierra Pacific's moratorium applied only to new logging. Since the company had already clear-cut about one-fourth of its targeted area, it has remained busy during its moratorium period hauling away the freshly harvested timber. Last Tuesday afternoon, this reporter watched seven trucks loaded with logs drive through the nearby town of Arnold.

Sierra Pacific's suspension of logging at Big Trees ends Monday. But it could then face a legislatively imposed moratorium on all of its clear-cutting operations. Given the stakes, Keeley acknowledges it won't be easy to win passage of his bill or get it signed by a governor who sees forestry issues through an industry-friendly lens. As Keeley puts it, to Davis, "forestry is part of agriculture. Trees are just big, tall crops."

Source: California could end clear-cutting. A bill to make the practice illegal puts politicians in the hot spot between the timber industry and the increasingly tree-friendly public. By Mark Hertsgaard, Salon.com, Aug. 23, 2000.¹⁰⁹

###

"... Environmentalists have long sought to ban the clear-cutting of forests until its impacts can be thoroughly studied, something that would have been accomplished by last year's Assembly Bill 717. Clear-cutting is currently legal only on private lands, and the largest holder of private forests in California is Sierra Pacific Industries, which threw a fund-raiser for Davis on July 13, 1999, that netted the governor a cool \$129,000. After that, Davis said he would only sign clear-cutting reforms that were the product of compromise between environmentalists and loggers. Meetings predictably went nowhere, and the bill died in committee because of the threatened veto. With that threat still hanging out there, no significant clear-cutting reforms were proposed this year..."

Source: Gray & Green: Analyzing California's million-dollar man. Chico News & Review, August 9, 2001.¹¹⁰

###

"... Figures recorded before the Nov. 5 election reveal that Rick Keene's blitz toward the state Assembly has collected \$293,776, including a \$100,000 self-loan and contributions of \$3,000 from Phillip Morris tobacco company, \$3,000 from the Gun Owners of California, \$2,000 from Sierra Pacific Industries, \$1,000 from Wal-Mart out of Bentonville, Ark., and \$1,750 from Pacific Lumber Company..."

Source: They're in the money. By Tom Gascoyne, Chico News & Review, October 31, 2002.¹¹¹

###

"... Two companies with large timber holdings in California, Sierra Pacific Industries of Redding and Simpson Investments of Seattle, each gave \$25,000 to Davis' anti-recall effort this month. Both companies supported Republican Dan Lungren for governor in 1998 but switched sides once Democrat Davis was elected..."

Source: The Recall Campaign: Davis Leads Fund-Raising Drive. By Jeffrey L. Rabin and Doug Smith, Los Angeles Times, Aug 27, 2003.¹¹²

###

"A flier flaunting sickly fish flopped into the mailboxes of many Grass Valley residents recently, adding a hostile twist to the formerly civil race for the county's top office. Sponsored by Nevada County Citizens for Responsible Government, the conservative political group best known for its assistance to former supervisor Drew Bedwell, sent the flier, which bashes Bruce Conklin, a left-leaning candidate for Bedwell's former District 3 seat on the Board of Supervisors... Previous contributions [to CRG] this year have come from development and lumber interests including Julia Amaral, BP Properties LLC, Joe Griggs, Sierra Pacific Industries, Robert Ingram, Kubich Lumber Company, and co-owner of B&C True Value Hardware Kim Janousek..."

Source: Group attacks Conklin with 'fishy' flier. By Becky Trout, The Union.com, October 27, 2004.¹¹³

###

"...Since the campaign for the Grass Valley-based District 3 began in June, candidate John Spencer tallied \$38,796 in donations - more than both his opponents, Stevens and Bruce Conklin - combined. All three are vying to fill the opening created with the resignation of Supervisor Drew Bedwell, who was diagnosed this year with Hodgkin's disease.

While Spencer racked up large donations from conservative legislators, contractors and businesses such as Sierra Pacific Industries, Stevens (\$11,347 raised) and Bruce Conklin (\$15,258 raised) pieced together small donations from supporters across the community..."

Source: Campaign finance reports show who is bringing in the most - and who is giving it. By Britt Retherford, Union.com, October 7, 2004.

###

SPI and the Environment

SPI's website claims that all its forest lands "are managed by professional foresters who practice responsible land stewardship. While providing long-term sustained yields of quality timber, care is taken to preserve the healthy and diverse ecosystems of our forests. SPI's commitment to the protection of the environment has earned respect and approval from governmental agencies and environmental groups as well..."¹¹⁴

SPI's record has also earned criticism from environmental groups, such as Citizens for Better Forestry, which has prepared detailed analysis of SPI's "Granite" Timber Harvest Plan northeast of Weaverville. CBF objects to the THP's cumulative impacts on environmental, scenic, recreational, and archaeological grounds.

And as CBF notes, SPI has also earned lawsuits: "Trinity County's District Attorney, David Cross, recently filed a civil suit against SPI for polluting water with hexazinone, the active ingredient in the herbicide Pronone. SPI faces potential fines up to \$1 million."¹¹⁵ (*See Appendix 2: Legal Actions Involving SPI*).

In public testimony against the 1993 Forest Biodiversity and Clearcutting (Bryant) bill, SPI defended clearcutting as a tool for protecting spotted owl and other forest species:

"Sierra Pacific Industries uses even-age forest management as a component in a careful program to assist recovery of the Northern Spotted Owl. Since 1990, our timberlands have been operating under the guidelines of a U.S. Fish and Wildlife Service approved Northern Spotted Owl management plan. While limiting the extent of clearcutting on our property, the plan requires that we use a variety of silviculture systems -- including clearcuts and other even-age methods -- to insure that we can provide the necessary types of habitat for the owl on a sustained basis.

"A large portion of our private timberlands with Northern Spotted Owls were originally acquired through the development of railroads in the last century -- hence, they are "checkerboarded" -- with every other section owned by the Forest Service. Ecologically, our lands are very similar to adjacent Forest Service holdings. Elimination of even-age techniques, as called for in HR 1164, will leave the agency without the critical tools to insure survival of the owl.

"Sierra Pacific Industries timberlands provide habitat for over 400 different species of wildlife on its timberlands. While most of the public concern has focused on those species most often associated with larger and/or older trees as a component of their habitat, the majority of those 400 species require early successional vegetation. In California, that habitat can only be provided by wildfire or even- age silviculture. We prefer to use even-age silviculture and mitigate the potential environmental damage rather than suffer the adverse environmental consequences brought on by massive, searing, intense forest fires."¹¹⁶

It is ironic that SPI uses the square-mile checkerboard pattern and the danger of forest fires as rationales for clearcutting, since both are fundamentally reasons for *not* clearcutting. The checkerboard pattern of clearcuts destroys the ability of alternating checkerboard forest to provide habitat for old growth-dependent species, since square-mile forest is essentially all edge. And while the majority of forest fires are caused by nature (lightning), most large forest fires, those which cause the most damage, are caused by logging operations.

The level of SPI's arguments are also illustrated by its invocation of John Muir's love of the forest as a reason to cut them down:

"In the mixed-conifer forests of the Sierra Nevada, John Muir described the forests he found in 1894 as having, "the inviting openness of the Sierra woods as one of their most distinguishing characteristics. The trees of all species stand more or less in groves, or in small irregular groups ...!"¹¹⁷

SPI equates its desire to clearcut public lands with *science*, and accuses others of having a *political* agenda, while claiming that a ban on clearcutting would destroy the forests of California:

"[The Forest Biodiversity and Clearcutting bill] represents nothing less than the total elimination of forestry on federal lands. It eliminates the scientific approach to resource management and replaces it with a political agenda. If passed, H.R. 1164 would result in the destruction of our forests in California as fires, insects and disease ravage the federal forest lands and threaten adjacent non-federal lands."¹¹⁸

SPI's willingness to promote its own political agenda is apparent in its reliance on public relations. In a 1991 lecture at the University of California, SPI vice president Dan Tomascheski invoked SPI's use of "rigorous science" while emphasizing the need to reeducate the public, which is "uninformed and not generally favorable" and "driven by their feelings." While Tomascheski admitted that he was "willing to grant, to major elements of the environmental community, some legitimacy in terms of their viewpoint and goals," he also portrayed environmentalism as "a pseudo-scientific vision that left people and human needs out of its prescriptions" and as "providing a spiritual value system [environmentalists] were missing." He added that "environmentalism was also big business." He sees a need for a "shift in the public perception of private land forestry," and SPI's strategy is to "help create the public perception that forestry practices as conducted in the State were sensitive to other resources values" SPI will do this by being "a credible participant at the legislative, policy and regulatory level."¹¹⁹

In 1997, SPI spent \$120,000 on lobbying in Washington DC.¹²⁰

As part of its ongoing work with "the key players in various groups who may be interested in solutions and not just in adhering to an ideology" SPI has initiated negotiations with environmental and community organizations, notably the Sierra Accord and the Quincy Library Group. While SPI's public pronouncements usually emphasize compromise and reconciliation, its executives have also stated they've "had some success here as the more radical elements castigate the middle of the road groups about 'selling out' in supporting the Accord and subsequent legislation" -- even though the "radical elements" opposing the legislation ended up including the Sierra Club.¹²¹

Sierra Accord (1991)

In March 1991, the Sierra Club and SPI reached an agreement to limit clearcutting on private timberland, hoping to avoid a repeat of the 1990 legislative fight between Propositions 130 ("Forests Forever") and Proposition 138 (the timber industry's alternative). After a \$17-million campaign, both ballot measures had been rejected by the voters.¹²² The Sierra Club's Gail Lucas, who led negotiations for the environmental organizations, claimed that the new Sierra Accord "provides the basis for historic

legislation to settle the timber conflict that's been raging in California."¹²³ SPI chairman Red Emmerson said the Accord "was designed to end the acrimony over forest practices that resulted in a costly initiative fight last year," claiming that "my company and most others can't tolerate those extreme measures."¹²⁴ The Accord was endorsed by the National Audubon Society, the Wilderness Society and California Trout, and several legislative packages were introduced to put the Accord's provisions into law, and in the words of one lawmaker, to "resist those who would prefer more radical solutions."¹²⁵ But the Accord was rejected by other environmental groups, such as Forests Forever, and by other timber corporations, such as Louisiana-Pacific, Georgia-Pacific, and the Timber Association of California, which submitted its own plan for legislation, saying the Sierra Accord only represented the views of Sierra Pacific.¹²⁶

In October 1991, Governor Wilson vetoed the "Sierra Accord" legislative compromise, saying it could lead to "economic hardship on companies, their employees and local governments," since Plumas, Lassen, and Sierra Counties were dependent on timber revenues for more than half their budgets.¹²⁷ Newspapers described the disagreement:

"Backers of the package criticized Wilson for selling out to logging companies who opposed the compromise... The plan vetoed by Wilson would have allowed clear cutting of up to 20 acres. Wilson had sought clear cuts of up to 40 acres. The legislative compromise allowed cuts of up to 15 percent every 20 years. Wilson wanted cuts of up to 27 percent. Over months of changes, negotiations and attacks by timber companies on the North Coast --such as Pacific Lumber and Louisiana-Pacific -- the plan was watered down so much that the Sierra Club switched its position and finally opposed the plan. Environmentalists said Wilson's alternative contains so many loopholes that it is worse than current law."¹²⁸

The Sierra Accord failed to be passed into law, but SPI soon initiated a new round of negotiations at the Quincy Library -- though the provisions had to be passed into law via a controversial legislative rider.

Quincy Library Group (1992-1998)

SPI forester Tom Nelson helped start the Quincy Library Group (QLG) coalition of environmentalists, timber industry representatives, and local elected officials in Northern California. Since 1992 the QLG has sought to reach agreement on national forest management issues -- including the level of timber cutting.¹²⁹ Early on in the process, the QLG sought to give Sierra Pacific (already the largest purchaser of public timber in California), Collins Pine, and Big Valley Lumber exclusive access to public timber in the Lassen and Plumas national forests and the Sierraville district of the Tahoe National Forest, under a rarely exercised 50-year-old "sustained-yield units" law designed to stabilize timber communities. Independent companies objected to the proposed monopoly arrangement. "It's going to hurt companies like ours that are already strapped for ways to find logs," said Gerry Bendix, vice president of Hi-Ridge Lumber Co. in Yreka.¹³⁰ In fact, five years later Hi-Ridge went out of business.¹³¹

The Quincy Library Group Forest Recovery and Economic Stability Act, first introduced in March 1997, finally passed Congress as one of the many riders to the Omnibus Appropriations bill in October 1998.

Quincy plan proponents, including Senator Dianne Feinstein, claim that the legislation was the result of "local consensus decision making" and that it will "reduce the threat of forest fires, provide for sustainable harvest of forest resources, and protect environmentally sensitive lands. This legislation explicitly requires the Quincy Library Group pilot project to comply with all environmental laws. For these reasons, it is strongly supported by local environmentalists, labor unions, elected officials, the timber industry, and 27 California counties."¹³²

Others stated that

"the real motive of the timber barons and their operatives was not 'common ground' but rather splitting local forest activists from their regional and national allies in order to stem the rising tide of forest protection and return to the good old days of dominance by Big Timber...

The California environmental community - grassroots, regional and national organizations... offered to support the QLG program through strong language and funding in the 1998 Forest Service Appropriations legislation [but] QLG rejected that proposal... [revealing] that there was another, hidden agenda. In the hands of the anti-environmental Republican Congress, the QLG has become the model for returning western public lands to Industry control in the guise of 'community consensus'...

[But] members of the QLG den[ied] meaningful involvement by national environmental groups [and] failed to include or involve critical local stakeholders... [such as] the Pit River Tribe, whose unceded ancestral lands comprise a good part of the Lassen National Forest."¹³³

The American Lands Alliance claimed that a coalition of 140 local and national conservation organizations opposed the legislation primarily because it would increase logging dramatically on the Lassen, Plumas and Tahoe National Forests in the Sierra Nevada (up to 187 percent greater than what the Forest Service planned and budgeted for FY 1998), and that it would cost federal taxpayers \$70 million.¹³⁴

See editorial on the Quincy Group by Roy Keene.¹³⁵

Headwaters Deal (1999)

In September 1996, Charles Hurwitz, the head of Maxxam Inc., which controls Pacific Lumber, reached an agreement with state and federal officials on the \$480 million plan to protect about 7,500 acres of Headwaters Forest of ancient redwoods, 300 miles north of San Francisco. The agreement calls for Pacific Lumber to turn over about 3,000 acres of Headwaters land plus 1,200 acres of a surrounding buffer zone to the government.¹³⁶ In return, Hurwitz would get various state and federal properties, including Humboldt County acreage, petroleum deposits in Kern County, surplus property at San Francisco's Transbay Terminal complex, 1,100 acres around a state prison in Chino, and more than 9,000 acres of the Latour State Forest in Shasta County.¹³⁷

The Elk River Timber Co. of Arcata owns 9,600 acres adjacent to the Headwaters Forest, and SPI chairman Red Emmerson is Elk River Timber's main shareholder. In December 1996, the U.S. Forest Service offered to trade 17,000 acres of Tahoe, Plumas, Eldorado, and Stanislaus National Forests in the Sierra Nevada for land owned by Elk River Timber. Emmerson could choose up to 10,000 acres of public land in exchange for his 9,600 acres of redwoods. If the swap is accepted, only 1,800 acres of these redwoods would then be included a \$450 million package of state and federal assets. The

remaining 7,600 acres are to be traded for the 3,000-acre Headwaters Forest and a habitat conservation plan covering 200,000 acres.¹³⁸ Alternatively, the federal government could arrange a transfer directly to PALCO, funded by the Land and Water Conservation Fund with approximately \$80 million of the Headwaters money included in the 1997 interior appropriation dedicated to Emmerson's Elk River timber lands.¹³⁹

Dave Walsh of Ancient Forest International says that

"Elk River Timber has manipulated their role in the Headwaters transaction by first threatening to cut and then clearcutting right up to and adjacent to some of the most pristine areas of the Headwaters Forest, in an area they knew would soon be purchased by the public, irrevocably damaging future public resources for which they will still get paid. On December 31, 1997 they again submitted a Timber Harvest Plan for 700 acres right in the middle of the area slated for public acquisition. The California Department Of Forestry approved the plan two days before the California legislature appropriated \$230 million for the acquisition of this parcel and, if the deal does not close on time, Emmerson is threatening to log important habitat central to the future reserve."¹⁴⁰

SPI and the Headwaters Deal by Dave Walsh (Ancient Forest International, Redway CA)

"Red Emmerson is the dominant shareholder in Elk River Timber Company. The 9,600 acres of Elk River Timber Company lands on the South Fork of the Elk River lie directly North of the Headwaters Grove proper and the 80 year old second growth forest contiguous with the grove is some of the oldest in Humboldt County. These forests are the only forests adjacent to the Headwaters Grove and are the only viable buffer to the Headwaters Forest Reserve.

"In 1993 ERT filed a Timber Harvest Plan with the California Department of Forestry THP 1-93-096 HUM in an attempt to clear-cut 155 acres along 1.5 miles of the northern border of Headwaters Grove. California Fish and Game did nothing to address the significant wildlife values in the plan area. Then Congressman Dan Hamburg, EPIC and representatives from the Sierra Club along with Red himself, the forester for ERT and Red's partners in ERT, negotiated a voluntary moratorium on operations on 096 until the Hamburg's Bill could move through congress. This agreement called for a one-year moratorium and a phased in cutting schedule if the bill did not pass. The bill was passed in the House of Representatives but was never voted on in the Senate.

"Because of restrictions on cutting within 1/4 mile from Marbled Murrelet habitat during nesting season, operations began in September 1995. There was much direct action and active communication was sought with the company to no avail. At this time, after the Hamburg Bill had raised the level of debate, Federal regulators were well aware of the values going down on the plan and did nothing to abate the impacts of a clear-cut taking place in the most pristine part of the grove just north of the old growth area. Throughout 1996, the Clinton administration announced they were negotiating the protection of Headwaters. They were again informed of the value of ERT lands contiguous with the Grove and the environmental community was assured that they were also negotiating with Emmerson. Operations on 096 commenced again on September 15th 1996 and the chainsaws kept rolling until the Headwaters deal was signed. At the same time, ERT was cutting heavily on a 395-acre plan (1-95-059 HUM) in the same watershed, and even though all of their properties were to be acquired in the deal they continued to operate and eventually completed this plan.

"The South Fork of the Elk River is one of the 5 best Coho salmon spawning streams in California. During the winter of 1997-98 a huge landslide of over 1,000,000 cubic feet of

material occurred on 059 and directly impacted the Salmon spawning reaches of the stream. No agency action was forthcoming although the slide occurred in the middle of one of the recently clearcut blocks. Several other landslides impacting the stream have occurred on this plan yet the agencies have turned a blind eye and are now reviewing a new THP that would basically result in total deforestation of the South Fork watershed and all of the existing buffer to the Headwaters Grove.

"On December 31st 1997, ERT submitted a THP for 705 acres with 107 stream crossings *inside* of the funded Headwaters Forest Reserve boundaries. The timetable for the submittal of this plan is particularly telling. The company is attempting to push approval through prior to the opening of public comment on the Federal EIS. Though this plan is literally central to the future reserve, the public has not yet seen the EIS for the establishment of the reserve let alone the PL HCP. The public comment period has now expired and the THP awaits approval or denial by CDF. Since operating this plan would have major impacts on both economic and environmental resources and, if operated would 'preclude alternatives' under the EIS, it is likely to be litigated. There are some 100 comment letters in the record, some from elected officials. No where in the plan was the acreage identified as central to the Headwaters Reserve.

"This current THP identifies Emmerson's callous disregard for public resources (intact forestland, public access, fish and wildlife) and exemplifies cut and run. There is precedent for this kind of action. During the Redwood National Park creation, Simpson Timber and Louisiana Pacific held twenty four-hour shifts under floodlights logging out lands the public would own the next day.

"Acquisition of the Emmerson/ERT land in the South Fork of the Elk is an 'imminently funded' action. The way the deal is currently set up, the 705 acres in the middle of the acquisition area are to be conveyed to Maxxam. 7,600 acres in all will be transferred from ERT to Maxxam/PL, increasing their acreage after the deal by more than 1,000 acres.

"As it stands now there is no public information available regarding the status of an agreement between the Government and Red Emmerson. There is no signed agreement and, though it is some of the most important land in the transaction, approved THP's in the area could be cut at anytime."¹⁴¹

In March 1999, the Headwaters agreement was signed.

Habitat Conservation Plans (1998)

In the late 1990s SPI drafted a multi-species HCP/ITP and Agreement, including proposed land exchanges. Species: Northern Spotted Owl and multiple others. The proposed is being negotiated privately with the U.S. Fish and Wildlife Service.¹⁴²

From a March 1999 article on Habitat Conservation Plans in the Wall Street Journal: "In addition to providing for the sale of the Headwaters Forest, the Pacific Lumber HCP sets aside about 100,000 acres of adjoining company-owned land in protected zones, where logging is severely restricted. In exchange, Pacific Lumber gets broad leeway to harvest timber in the rest of the roughly 111,000 acres it owns in the region. Over the contract's 50-year life, the northern spotted-owl population in both protected and unprotected Pacific Lumber property will be allowed to decline to about 100 from 150, according to Phil Dietrich, a Fish and Wildlife Service biologist."¹⁴³

From a March 1999 Update And Action Alert from the Environmental Protection Information Center:

What We Have Gained

- Public acquisition of 7,470 acres of land, including just over 3,000 acres of uncut ancient forest.
- Fifty-year protection for an additional 7,728 acres, including 1,446 acres of uncut ancient redwoods.
- Potential acquisition by the state of California of more than 2,000 additional acres, including about 450 acres of uncut ancient forest.

What We May Lose

- The HCP clears the way for quick liquidation of about 450 acres of uncut old-growth redwood, 8,300 acres of residual ancient redwood, and more than 9,000 acres of uncut and residual Douglas-fir forest.
- The HCP provisions are inadequate to protect salmon, steelhead, other aquatic species and downstream residents from the erosion, landsliding and sedimentation associated with intensive industrial logging.
- The Headwaters deal may encourage other landowners to hold endangered species habitat hostage for public funds while further weakening the resolve of state and federal officials to enforce existing laws.
- Pacific Lumber inherited a disastrous logging plan from the Elk River Timber Company as part of the deal. The plan would cut a whopping 705 acres of mature second-growth redwood on a steep hillside above the South Fork Elk River. Making matters worse, the plan is located in an area entirely surrounded by the new Headwaters Preserve."

"Late in 1997 the Elk River Timber Company proposed a Timber Harvest Plan for a whopping 705 acres situated on the steep hillside above the South Fork Elk River. The plan was approved by the Department of Forestry in 1998 despite the concerns of other state and federal agencies. Elk River Timber never started logging the plan, and when the Headwaters deal went through, the plan became ripe for Pacific Lumber's picking."

"Making matters worse, the plan area is surrounded on all sides by the new Headwaters Preserve. For some inexplicable reason, state and federal negotiators elected to purchase only a small buffer zone along the South Fork Elk River, leaving the entire mountainside above the river in Pacific Lumber's hands. The plan extends from the South Fork all the way to the ridgetop boundary of the main preserve. In essence, there is a big hole in the Headwaters Preserve, and this plan would carve it to pieces."

"[After the agreement], agency officials met to decide what to do about the plan. Incredibly, they chose to allow Pacific Lumber to go ahead and log without even bringing the plan into conformance with the new Habitat Conservation Plan! This smacks of a complete giveaway to Pacific Lumber, one that could have enormous impacts on the few wild coho still struggling to survive in the Elk River." ¹⁴⁴

State Timber Harvest Plans

For list of Timber Harvesting Plans see the California Dept of Forestry website, where THPs are listed under Sierra Pacific Resources and under RH Emmerson & Son LLC.¹⁴⁵

The Citizens for Better Forestry objections to SPI's Granite Timber Harvest Plan were noted above. But SPI has been instrumental in changing the THP process itself.

"On January 10, the Board of Forestry passed a "checklist THP" package originally drafted by Sierra Pacific Industries. A generic checklist THP is only 2 pages and 24 checkboxes, and allows the timber industry to avoid cumulative impacts analysis. Since the forester would be required to disclose much less information than is required by law to evaluate a THP, the burden of obtaining sufficient information falls on an already overworked CDF, and on concerned citizens. This increases an already disproportionate burden, particularly since plan submitters continue to not pay for CDF's plan review, inspection and enforcement. Since 1992, the cost of THP review, inspection and enforcement has been subsidized by the cutting of redwoods on public lands, particularly in Jackson State Forest. Opposition to this package was widespread. EPIC submitted a detailed critique. CDF feared increased workload due to the lack of substantial information and confusion as to who would perform cumulative effects analysis. Fish & Game protested the lack of information needed to analyze habitat loss. Water Quality opposed it because it allows approval of plans violating state and federal water quality standards. The State Board of Equalization opposed it because taxes due from timber harvest cannot be determined. EPIC is devising a strategy to address this travesty."¹⁴⁶

Protests against SPI circa year 2000

Headlines listed; articles available at Endgame website:

SPI plans Yuba River clearcut - The Union, January 26, 2000
 SYRCL study shows surge in clear cuts
 Environmentalists work for deal with SPI - The Union, March 24, 2000
 Learning to disobey: Environmentalist teaches people how to resist SPI logging
 Letter from Yuba Nation to Sierra Pacific Industries, April 17, 2000
 Deal to suspend logging calls for land exchange
 Yuba Nation says SPI's agreement to suspend logging has holes
 SPI's robber baron roots
 Logging giant proposes tree plantations - CNN, May 30, 2000
 Summer protests begin - The Union, June 6, 2000
 Summer of discontent for Sierra tree activists - San Francisco Examiner, June 6, 2000
 Sierra Town Draws a Line - San Francisco Chronicle, June 26, 2000
 The King Of Stumps - San Francisco Bay Guardian, June 28, 2000
 Four activists jailed - The Union, June 21, 2000
 Activists block two logging access roads - Contra Costa Times, June 27, 2000
 Protestors charged - The Union, July 11, 2000
 Small Businesses and County Supervisors ask governor to halt SPI clearcutting - The Union, July 11, 2000
 Thunder in the Sierra: Sacramento Must Listen - San Francisco Chronicle, July 23, 2000

Company Halts Calaveras Clear-Cutting Project - San Francisco Chronicle, July 26, 2000

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SPI / BLM land trade (2000)

From the San Francisco Examiner, Jan 20, 2000:

"A land swap that threatens to end in a clear-cut hillside on Weaverville's front porch is causing the biggest fuss in Trinity County since last summer's fire that destroyed 23 homes. Coincidentally, one of the principals in the swap is the Bureau of Land Management, whose admitted mismanagement of that fire, in nearby Lewiston, cost the agency an estimated \$5 million - and much embarrassment.

BLM has agreed to trade 1,000 acres of mountainside timber at the west end of Weaverville for 3,218 acres in parts of Trinity and Shasta counties to Sierra Pacific Industries. The Weaverville-area timber reportedly would be worth \$4 million.

Anderson-based Sierra Pacific, whose boss, Red Emmerson, has been named by Forbes Magazine as California's largest private landowner, clear-cut a highly visible swatch of Weaver Bally, a 5,000-foot peak above the town last summer.

'A real eyesore'

"It's a real eyesore, right in the middle of the 'viewshed,' " said Weaverville pharmacist Tom Kelly Jr. "They're running out of big trees, and now they're coming into town. We've got to draw the line."

BLM's rationale for the land swap is that it is consolidating its scattered holdings in the Trinity-Shasta counties area to make it easier to manage.

"It's farcical," said Larry Cooper, whose Weaverville homestead is bounded on two sides by BLM land involved in the swap. "They're trading 120-year-old trees for 12-year-old trees." The Weaverville property is a mixed coniferous forest, all second growth.

Trinity County supervisors are scheduled Tuesday to consider the recommendations of an advisory committee they appointed to help them figure out what, if anything, the board should do about the land swap.

Theoretically, BLM is under no obligation to pay attention to the board's opinion on the swap - reputed to be worth \$4 million - "but they'd better," said Supervisor Paul Fackrell, a former logger. Besides, he said, "they've been a lot easier to deal with after the fire."

Trinity County has but 13,000 full-time residents and no incorporated cities, so "we don't have much clout," said Cooper. Still, "300 people signed petitions (to block the swap), so they must be given some weight."

The advisory committee has submitted six alternatives for the board's consideration, but the only one on which it reached unanimity called for asking BLM to put the Weaverville land "on reserve" for three years to give the county or some other entity a chance to buy it at market value.

No compromises

Cooper, a member of the advisory committee, said the weakness of that recommendation was that Sierra Pacific "refuses to compromise on herbicides or allow any kinds of covenants" on the land."

Some of the criticism of the land swap comes from Weaverville-area residents who believe the process was carried out secretly.

"They (BLM) didn't do an adequate job of informing the community, and it's backfired on them," said Scott Morris, who works for the county with at-risk youth and is a seventh-generation Weaverville resident.

BLM resources chief Francis Berg and Sierra Pacific area manager Tom Walz did not return calls for comment on the swap.

John Rapp, a vineyardist and committee member from the end-of-the-road town of Hyampom, said he was "uncomfortable with the whole swap," but believes that "the county doesn't have the money to buy" the Weaverville property.

And he has an unusual take on the situation: "If so many people in Weaverville are in favor of logging, let 'em see what it really looks like. From where I am in Hyampom I get a 260-degree view of clear-cuts, and it's not pretty."¹⁴⁷

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Trust for Public Land buyout (2001-2003)

Sierra land deal announced (San Francisco Chronicle, June 5, 2001):

A deal announced yesterday between the state's biggest private landowner and a national conservation group could preserve up to 50,000 acres of pristine forestland in the environmentally embattled Sierra Nevada.

The agreement between Sierra Pacific Industries -- a forest products company that owns about 1.5 million acres of commercial timberland in California -- and the San Francisco-based Trust for Public Land ultimately could transfer between 30,000 and 50,000 acres of prime wildlife habitat and recreational land in the north and central Sierra to the U.S. Forest Service.

"When completed, this will be one of the largest acquisitions of Sierra Nevada land in California history, assuring that some of the crown jewels of the Sierra will be protected from development," said Reed Holderman, executive director of the California office of the trust. If all goes according to plan, the trust will buy the land from Sierra Pacific for an as-yet-undetermined price and eventually transfer it to the U.S. Forest Service.

The properties consist of square-mile parcels laid out in checkerboard pattern throughout the Sierra's national forests -- inholdings that originated with 19th century land bequests made by the federal government to railroad companies. Many of these properties were eventually sold by the railroads to other parties, such as timber companies.

The acquisition is expected to take place in stages during the next two to three years, and probably will be funded in large part by money from the federal Land and Water Conservation Fund, said Alan Front, the trust's senior vice president.

The first parcels that the trust plans to acquire total 6,100 acres along the North Fork of the American River and its tributaries. These holdings harbor 150 species of birds, including the endangered California spotted owl, as well as predators such as black bear and cougar.

The North Fork of the American is a premier whitewater rafting and kayaking venue, as well as a favorite haunt of anglers and hikers. Its tributaries support numerous groves of old-growth conifers, essential to the survival of the spotted owl.

Though the price tag for the entire project has yet to be negotiated, the North Fork properties are expected to sell for around \$6 million.

The deal follows months of bad publicity for Sierra Pacific. Last year, the company was pilloried for its plans to clear-cut some of its holdings near the Sierra hamlet of Arnold. The

bad press seemed to catch the timber company by surprise. For decades, Sierra Nevada residents welcomed the revenues provided by companies like Sierra Pacific. But in recent years, the demographics of the region have shifted dramatically. Waves of Bay Area and south state professionals have supplanted the loggers, miners and ranchers who once dominated the small communities of the Sierra. Tourism and white-collar businesses have replaced the extraction of natural resources as the linchpins of the mountain economies. Yesterday's announcement by Sierra Pacific seemed to acknowledge these changes. "This land program has been taken on not only with the Sierra's environment (in mind), but also its communities," Front said. Dan Tomascheski, vice president of resources for the timber company, said the deal "allows us to reinvest in our communities and stay strong." Sierra Pacific's chief financial officer, Mark Emmerson, characterized the agreement as "win-win," and said his company would continue to examine its holdings for properties that "are better suited for public ownership."

Tomascheski said no logging would be conducted on lands near the North Fork of the American while a deal is pending. That will also be the case "for most of the other parcels, though there may be some harvest activities on land where we have permits (from the California Department of Forestry and Fire Prevention)," Tomascheski said.

The agreement was viewed by some Sierra residents as good news. "(We are) very supportive of cooperative efforts like this to safeguard the Sierra's natural capital," said Jim Sayer, the president of the Sierra Business Council, a group that promotes a Sierra Nevada economy based on tourism and low-impact industry rather than logging. The sale could help codify ecosystem management in the Sierra Nevada, since it would transfer a significant number of inholdings to U.S. Forest Service control.

"The current checkerboard pattern creates complications for resource management," said Brent Handley, the forest service's deputy director for natural resources management for California. "This will assure (protection of) wildlife habitat and access for recreation," Handley said. Wilderness preservation groups seem generally well disposed to the deal.

"If you want a Sierra Nevada acquisitions program, you have to work with Sierra Pacific," said Jay Watson, the California director for the Wilderness Society. "It's time to do right by the Sierra Nevada," said Watson. "Outside the Lake Tahoe Basin, land acquisitions in the range have been few and far between. This could help break that trend."¹⁴⁸

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From San Francisco Business Times, April 22, 2003:

"The Trust for Public Land, based in San Francisco, and Andersen-based Sierra Pacific Industries on Tuesday announced the sale and protection of more than 1,900 acres in the Sierra Nevada.

Two parcels run along the north fork American River and along the Pacific Crest Trail at Barker Pass. The Trust for Public Land transferred ownership of both properties to the Tahoe National Forest.

The 1,280-acre American River property, valued at \$1.99 million, and the 628-acre Barker Pass property, valued at \$875,000, were purchased using appropriations from the federal Land and Water Conservation Fund. The purchases represent the third and fourth conservation sales under a multi-year agreement signed between forest products company Sierra Pacific and the

Trust for Public Land in 2001 to buy and protect more than 35,000 acres from Sierra Pacific in the Sierra Nevada.

Funding for the acquisitions was secured with assistance from Sens. Dianne Feinstein, and Barbara Boxer, both D-California, and Rep. John Doolittle, R-Rocklin.

"I have long believed that public-private partnerships are the key to effective preservation efforts, and I want to congratulate the Trust for Public Land and Sierra Pacific Industries for their willingness to work together for the benefit of California," Feinstein said.

The Trust for Public Land is a nonprofit land conservation organization, specializing in conservation real estate, applying its expertise in negotiations, public finance, and real estate law to protect land for public use and enjoyment."¹⁴⁹

Humboldt Bay pollution lawsuit (2006)

Battle for the bay - Environmentalists sue to save Humboldt shellfish from dioxins. By Glen Martin, San Francisco Chronicle, Sept 17, 2002, <http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2002/09/17/BA128664.DTL&hw=sierra+pacific&sn=004&sc=579>

Humboldt Bay is like San Francisco Bay once was: an urban estuary that has retained much of its natural splendor, a northern Pacific tidal zone brimming with the ecosystem's signature species -- black brant and eel grass; coho and chinook salmon; halibut...

From a March 2006 news release from the Ecological Rights Foundation¹⁵⁰

In a resounding victory for residents of the north coast and wildlife in the Humboldt Bay and Mad River Slough, the Ecological Rights Foundation (ERF) prevailed in a lawsuit against Sierra Pacific Industries (SPI) in March of 2003 for thousands of violations of the Clean Water Act at their Arcata Mill site. The mill is located on the north coast of California, near the city of Arcata where the Mad River Slough meets Humboldt Bay.

This victory is considered a critical step in holding SPI accountable for their decades-long use of the Mad River Slough as a drain for their contaminated storm-water runoff and in cleaning-up what is viewed by many as the most contaminated site on the Bay.

The History

The Arcata Mill has been in operation since the early 1950's. From the 1960's through the late 1980's, SPI used pentachlorophenol ("penta"), a fungicide used in the treatment of wood.

Penta was banned by the federal government in the late 1980's due to its intense toxicity and its byproduct dioxin, one of the most toxic chemicals known.

During the time of its use, wood was dipped into a 2500-gallon dip-tank of penta. In depositions from SPI workers, ERF learned of carelessness with the contaminants during the wood treatment process. They reported that the chemicals spilled onto the ground as it was applied, splashed out of the dip-tank, and that the sludge from the dip-tank was shoveled directly onto the ground, which, over time, saturated the area. In addition, for years the kiln-drying process of treating lumber created contaminated condensation that drained onto the ground at the site and was discharged into the Mad River Slough. As the practice of using penta (among a long list of other toxic chemicals used at the time) continued, so did saturation and contamination of the site.

Despite the federal ban on penta, the repercussions from its use are still being felt. Penta remains in soils for years, resulting in continuous toxic discharge long after its use was outlawed. Although SPI had replaced its use of this fungicide with other preservatives, it continued discharging the chemical components into the Mad River Slough and into the groundwater beneath the site. The frequent rains in the north coast cause storm water and groundwater to come in recurrent contact with the contaminated soils, repeatedly flushing contaminated sediments into the Mad River Slough, and ultimately into Humboldt Bay. Making matters worse, the groundwater under the site is only 6 feet below the surface, resulting in a profound groundwater contamination. In fact, a groundwater plume underneath the site was found to contain high levels of both penta and dioxin.

SPI's contaminated storm water discharges and contamination of the groundwater supply were of particular concern because of the mill's proximity to the Mad River Slough, Humboldt Bay, oyster farms, and a nearby aquifer, which is a source of drinking water for local residents. In addition, these chemicals are known to bioaccumulate in the tissues of fish and shellfish, causing a health hazard to people and wildlife who consume contaminated fish. Clearly, it was paramount that someone intervene to stop this blatant disregard for the health of residents and wildlife of the region.

The Law

The federal Clean Water Act requires any person who discharges or proposes to discharge pollutants into waters of the United States, including storm water discharges associated with industrial activity, to submit a National Pollutant Discharge Elimination System (NPDES) permit application to the State Water Resources Control Board.

Because of this requirement, SPI was monitoring runoff at the site, and water coming out of the end of drainage pipes which drain storm water runoff from the mill site into the Mad River Slough. SPI found penta to be present, long after its federal ban, in their storm-water runoff. Because of the Clean Water Act monitoring requirements, SPI filed these findings with the Regional Water Quality Control Board (RWQCB).

Based on public documents from RWQCB files, the judge in ERF's lawsuit found SPI responsible for thousands of violations of the Clean Water Act. This included the direct and indirect discharge of pollutants into the Mad River Slough and Humboldt Bay, each time groundwater, contaminated with pollutants by SPI, rose to meet surface waters.

In addition to the runoff data gathered by SPI, ERF tested 3 sites on the Mad River Slough and Humboldt Bay for dioxin: the Mad River Slough at the mill site, a tidally influenced area 2.5 miles north of the mill, and the Hookton Slough, a less impacted area at the southern tip of the bay. ERF found extremely high levels of dioxin in sediments near the pipe coming from the SPI site, with elevated levels of dioxin in mussels and three crab species. At the site north of the mill, there were lower levels of dioxin, but it was still present, with lower levels found in crabs. Finally, there were practically no traces of dioxin found in crabs, mussels, and sediment at the Hookton Slough area, farthest from the site. This monitoring proved that SPI's mill was the source of the dioxin contamination.

In October of 2000, ERF served the company with a 60-day notice of its intent to sue for violating of the federal Clean Water Act.

Added to the lengthy list of violations committed by SPI was one additional charge. In an act of desperation after the 60 day notice of ERF's intent to sue was served on the company, SPI covertly buried mounds of toxic sludge directly into the dunes near the mill site to hide the contaminated evidence. Upon inspection of the site, however, the Department of Fish and Game found the toxic dump-site by following tire tracks onto the dunes where the sludge had been dumped.

The Outcome

The case was resolved by a Consent Decree (an agreement reached by both parties) in March of 2003. In addition to cleaning up the contamination at the mill site, SPI paid \$500,000 to the state to buy wetlands in the area, as part of the \$1.2 million federal settlement. The settlement also requires SPI to conduct a human and ecological health assessment of dioxin in the Mad River Slough, and to create a plan to remediate any adverse environmental or human health effects of their contamination of the area. SPI also removed the sludge dumped in the dunes, and changed their storm water runoff practices, including a filtration for solid materials. Because of ERF's intervention, one of the largest and most biologically important coastal estuaries in California – the Humboldt Bay – is one step closer to recovering from years of industrial abuses.¹⁵¹

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El Dorado National Forest salvage logging (2006)

Court temporarily halts logging in burned forests. Associated Press, March 27, 2006

"A federal appeals court on Friday ordered a temporary halt to logging in two sections of the Eldorado National Forest east of Sacramento that were damaged by wildfires in 2004.

A lower court in August denied a request by two environmental organizations to immediately end the logging, but the 9th U.S. Circuit Court of Appeals ruled the Earth Island Institute and the Center for Biological Diversity are likely to eventually win their lawsuit.

Allowing logging to continue could cause too much damage to the forests while the lawsuit proceeds, the San Francisco-based appeals court ruled.

Many of the trees killed in the fires already have been cut by the contractor, Sierra Pacific Industries, U.S. Forest Service spokesman Matt Mathes said.

"The purpose of removing the trees is to help finance our restoration of that area to its previous condition because waiting for nature would take hundreds of years, and the public likes to see green forests as soon as possible," he said Friday in response to the ruling.

"The trees do lose their value rapidly once they've been killed by the fire because they're just standing there rotting."

The environmental groups claim in their lawsuit the Forest Service used poor science to determine which trees died or are dying because of the fires and failed to compensate for logging's impact on the California spotted owl.

The Fred fire burned 7,700 acres in El Dorado County north of Highway 50, in the northern part of the forest between Ice House Reservoir and Kyburz. The Power fire burned nearly 17,000 acres east of Pioneer, between Bear River Reservoir and Salt Springs Reservoir near Highway 88."¹⁵²

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Selected Legal Actions Involving SPI

Arcata Forest Products Co., Eel River Sawmills, J 7 D Timber, Harwood Investment Co., Sierra Pacific Industries, and Reservation Ranch, v. United States, 915 F.2d 1584; 1990 U.S. App. Lexis 16155, Sept. 13, 1990. Affirmed.

California State Board of Equalization, Appeal of Sierra Pacific Industries, 94-SBE-002 (1/5/94). Tax case.

Environment Now!, Tulare County Audubon Society, Plumas Forest Project, Forest Alert, v. Mike Espy, Secretary of Agriculture, Jack Ward Thomas, Chief, United States Forest Service, et al. 877 F. Supp. 1397, U.S. Dist. Ct. E. CA, Aug. 22, 1994. Sierra Pacific Industries, Michigan-California Lumber Company, and Sierra Forest Products were defendant-intervenors. Plaintiffs claimed that the Forest Service failed to consider new scientific information related to six timber sales, failed to maintain or enhance wildlife diversity in the national forests, and failed to meaningfully monitor [the spotted owl,] an indicator species, in connection with the timber sales, and breached a settlement agreement, in which the Forest Service agreed to prepare an environmental document for the timber sales at issue. The claims of Plaintiffs were dismissed.

Georgia Pacific Corporation, v. County Of Mendocino. International Paper Company, v. County of Siskiyou. Diamond International Corp., v. County Of Tehama, 357 F. Supp. 380; 1973 U.S. Dist. Lexis 14058; 3 ELR 20715, April 12, 1973. Plaintiffs lost their challenge regarding the taxability of their timberland properties. Court denied Sierra Pacific Industries and Western Forest Industries Association ex parte petition to appear as amicus curiae.

Junction City Redevelopment Group v. Sierra Pacific Industries. 18 families whose properties had been negatively impacted by a lumber mill in Aberdeen, Washington. The case was settled through mediation in 2004 after litigating several lawsuits and permit challenges. Settlement included a multi-million dollar buy-out of clients' properties.

Marbled Murrelet (Brachyramphus Marmoratus), et al. v. Bruce Babbitt, in his official capacity as Secretary of the Interior, et al., 918 F. Supp. 318, W. Dist. Washington; Feb. 29, 1996. Sierra Pacific Industries and other corporations were intervenor-defendants. Plaintiffs claimed the federal government had failed to comply with its duty to designate critical habitat for the threatened marbled murrelet; in 1993 and 1995, the court ordered the government to do so; the government claimed a subsequent legislative rider prevented it from designating habitat by the mandated deadline; the court denied the government's claims but extended the deadline.

Sierra Pacific Industries v. Block, 643 F. Supp. 1256; 1986 U.S. Dist. Lexis 21688, August 8, 1986. Sierra Pacific Industries, Eel River Sawmills, Erickson Lumber Co., Hi-Ridge Lumber Co., P & M Cedar Products, Pine Mountain Lumber Co., George A. Schmidbauer and Mary M. Schmidbauer, Schmidbauer Lumber, Inc., v. John Block, Secretary of the United States Department of Agriculture; R. Max Peterson, Chief of the United States Forest Service; Zane G. Smith, Jr., Regional Forester for Region 5 of the United States Forest Service, 643 F. Supp. 1256; 1986 U.S. Dist. Lexis 21688, August 8, 1986. Regarding buy-out of timber sale contracts under the Federal Timber Contract Payment Modification Act. See also *SPI v. Lyng*.

Sierra Pacific Industries v. Joseph H. Carter, 104 Cal.App.3d 579, 163 Cal.Rptr. 764, 766 (April 15, 1980). SPI purchased timberlands and six other pieces of real property, including a ten-acre parcel in

Willow Creek on which five duplexes and two single family units are located. Real estate broker Carter sold the property to his daughter and son-in-law, and retained a \$ 5,000 commission without informing SPI of his relationship to the buyers. Sierra Pacific instituted a fraud action against Carter. Appeals court found that Carter was liable to Sierra Pacific for a minimum of \$ 5,000 and that the jury's verdict to the contrary was in error, and ordered a new trial to determine the extent of plaintiff's damages.. The case has been cited regarding the legality of false or misleading statements, or deliberately concealed them, in a confidential relationship.

Sierra Pacific Industries v. Eel River Sawmills Inc., NDCalif., 86-2708, 1-25. Affirmed in part, reversed in part and remanded. In action under Federal Timber Contract Payment Modification Act, court found factual record insufficiently developed to determine whether secretary's argument was factually supported, and, if so, whether it would affect equities of case. (National Law Journal, June 19, 1989, p. 47).

Sierra Pacific Industries et al v. Richard Lyng, Secretary of the United States Department of Agriculture; R. Max Peterson, Chief of the United States Forest Service; James F. Torrence, Regional Forester for Region 6 of the United States Forest Service, 866 F.2d 1099, 1112 (9th Cir. January 25, 1989). Regarding buy-out of timber sale contracts under the Federal Timber Contract Payment Modification Act; continued the California litigation, *Sierra Pacific Indus. v. Block*, 643 F. Supp. 1256 (N.D.Cal. 1986).

Sierra Pacific Industries v. The United States, 703 F.2d 585; 1982 U.S. App. Lexis 12622 (December 23, 1982).

Sierra Pacific Industries, v. Workers' Compensation Appeals Board and Elvis Hulsey, 67 Cal. App. 3d 413; 1977 Cal. App. Lexis 1235; 136 Cal. Rptr. 649; 42 Cal. Comp. Cas 129, February 22, 1977. Regarding 10 percent penalty for unreasonably delaying payment of a \$975 attorney fee out of an award of \$9,765 in disability payments for injured employee.

State Of California, V. Albert Campbell, Charles Tackman, Robert Tiberiis, Vic Inc., Clay McGowan; Middletown Moulding Co., Sierra Pacific Industries, Fay McGowan; Gerald Richter; Linda Richter; Tupack Verpackungen Gesellschaft, and Chico City v. Western Resources, Inc. 138 F.3d 784; 1998 U.S. App. Lexis 4043; 46 ERC (BNA) 1371; 98 Cal. Daily Op. Service 1676; 98 Daily Journal DAR 2329; 28 ELR 21024, March 9, 1998. Regarding liability for clean-up of Victor Industries, a manufacturing plant where for almost two decades workers disposed of hazardous chemicals by dumping them on the ground.

Trinity County District Attorney David Cross v. SPI. Civil suit against SPI for polluting water with the herbicide hexazinone (Pronone).

Umphlett Lumber Company, Calhoun W. Umphlett And Virginia Umphlett, Vs. Trident Systems, Inc. and Sierra Pacific Industries. US District Court, South Carolina Charleston Division, 878 F. Supp. 844; 1995 U.S. Dist. Lexis 3197; 26 U.C.C.R. Serv. 2d (Callaghan) 759, February 28, 1995. A video and computer scanning system for more efficient sawmilling was sold to Umphlett Lumber by Trident Systems; Sierra Pacific had designed certain software that was incorporated into the system. Umphlett alleged that although the optimizer was supposed to increase lumber production at the sawmill, once the system was in place the lumber yield apparently decreased because the optimizer system was defective, and that plaintiff went out of business as a result of the optimizer's failure to perform adequately. Motion for partial summary judgment was granted.

United States of America, Plaintiff, v. Humboldt Fir, Inc., 426 F. Supp. 292; 1977 U.S. Dist. Lexis 17916; 21 U.C.C. Rep. Serv. (Callaghan) 736; 12 Collier Bankr. Cas. (MB) 533, Jan. 13, 1977. Hoopa Indian to timber sale contract with Humboldt Fir awarded to SPI after Humboldt went bankrupt; court found Humboldt still owed money to Hoopa.

Wilderness Society, Sierra Club, Pacific Coast Federation of Fishermen's Associations, and California Trout, Plaintiffs, v. Robert R. Tyrrel, Forest Supervisor of the United States Forest Service for the Shasta-Trinity National Forests; and Paul F. Barker, Regional Forester of the United States Forest Service for Region Five, Defendants; Sierra Pacific Industries, Intervenor No. CIV. S-88-1322 LKK, United States District Court for the Eastern District of California, 701 F. Supp. 1473; 1988 U.S. Dist. Lexis 14651; 19 ELR 20557, December 12, 1988.

Wilderness Society et al; Sierra Pacific Industries, Intervenor-Appellant, v. Robert Tyrrel et al. 918 F.2d 813; 1990 U.S. App. Lexis 19407; 21 ELR 20157, November 6, 1990. Plaintiffs moved to permanently enjoin implementation of the South Fork Fire Recovery Sale Project near the South Fork of the Trinity River, a river protected under the Wild and Scenic Rivers Act, as a violation of that Act. The court held that although the Forest Service is obligated to conduct itself in a manner that respects the goals of the Act and preserves the values for which the area received protected status, neither the Act nor the Forest Service's own regulations require that it prepare a management plan for the South Fork, and reversed and remanded the case.

Wilderness Society et al; Sierra Pacific Industries, Plaintiff-Intervenor, v. Robert R. Tyrrel et al. 53 F.3d 341; 1995 U.S. App. Lexis 22718. April 20, 1995, filed. Reported in Full-Text Format at: 1995 U.S. App. Lexis 9165. Opinion: Appeal denied; affirmed.

Sierra Pacific Foundation

"The Sierra Pacific Foundation was established and funded in 1979 by A.A. "Red" Emmerson's father, R.H. "Curly" Emmerson. For the 2005-2006 school year the Foundation awarded \$351,625 in scholarships to dependent children of SPI employees. The Foundation also contributes to youth activities and other organizations in the communities in which Sierra Pacific Industries has facilities. (see list at SPI website)

Mrs. Ida Emmerson, wife of company president Red Emmerson for nearly 41 years, served as president of the Sierra Pacific Foundation until her death in 1996. Red and Ida's daughter, Carolyn Dietz, proudly succeeded her as Foundation president."¹⁵³

Appendix: California Wood Products Industry

(all data is from year 2000)¹⁵⁴

Who owns California's timberland

- The timber industry owns 2,982,000 acres; SPI owns 1.5 million of that
- Nonindustrial private landowners hold 4,455,000 acres
- The US Forest Service holds 10,086,000 acres of (nonreserved) timberland

Who cut it

- 48% of the timber cut in year was from industry timberlands
- 15% was from the national forests

Geography

Five counties accounted for 55% of the timber cut in California:

- Humboldt 19%
- Siskiyou 9%
- Shasta 9%
- Plumas 9%
- Mendocino 9%

Products

- 92% of the cut became sawlogs (47 sawmills in the state)
- 8% became veneer logs (2 veneer mills)

Value

- California lumber & related products were worth \$1.492 billion
- Residue (pulp, paper, board, bark) was worth \$464 million

Mills

- Humboldt county had 15 sawmills
- Santa Cruz county had 14 sawmills
- Mendocino had 8 sawmills
- California's 47 sawmills produced 9% of US softwood lumber (6% of the lumber consumed in the US)
- California's sawmills produced at 81% of their capacity

- California's 16 largest mills (100+ MMBF output) accounted for 61% of the state's lumber production

Markets

- 63% of the Calif lumber produced stayed in the state
- 10% went to other Far Western states
- 9% went to North Central states
- 8% went to Rocky Mt states
- 3% went to Canada
- 1% went to Pacific Rim

Employment

- 112,700 workers were directly employed in primary and secondary wood and paper products industries
- 25,000 workers were employed in cutting, processing, or private land management (\$900M income)
- 87,700 were employed in secondary manufacturing (\$3.6B income)
- employment peaked in the late 1970s and again in the late 1980s

What industry leaders saw as most influential over next five years

- foreign competition 45%
- urban values 43%
- labor costs 36%
- domestic finished product markets 36%
- timber availability on private land 35%
- foreign finished product markets 32%
- availability of skilled labor 31%
- energy costs 29%
- timber availability on federal land 28%
- California regulations 26%
- taxes 22%
- environmental group influences 21%
- harvesting/milling technology 19%

Appendix: future research agenda

chain of custody

distributors
retailers
customers

SPI land holdings

Southern Pacific maps
checkerboard national forest maps
county land records
SPI maps

SPI timber and forest conditions

USFS reports
PNW-RB-217
PNW-RB-222
PNW-RB-224
PNW-GTR-615
state reports?

SPI timber contracts with US Forest Service, BLM, state, tribes

SPI labor, health and safety issues

Little 1996
Sac Bee 1994
Cal-OSHA June 1993

SPI's financial condition and its lenders

1994 Bank of America refinancing.

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Endnotes

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- ¹ SierraPine is a limited partnership of principals of Timber Products Company and Sierra Pacific Industries; it acquired the composite panels facilities of Weyerhaeuser in 1999. For Mark Emmerson as spokesman for SierraPine in November 2005, see company news release http://www.sierrapine.com/Content/articles/051129_Gregory.htm. As of April 12, 2006 the SierraPine website <http://www.sierrapine.com/Content/links.htm> listed SPI as a business partner. A February 2005 US Surface Transportation Board statement referred to SierraPine as an affiliate of SPI <http://www.stb.dot.gov/TransAndStatements.nsf/0/ac10dcedfc8b731485256fb8006a8df7?OpenDocument>
- ² Forbes estimates SPI's 2004 revenues at \$1.5 billion (<http://images.forbes.com/lists/2005/21/DSTJ.html> accessed March 28, 2006); Hoover's website estimated revenues at \$1.4 billion (www.hoovers.com accessed March 28, 2006).
- ³ SPI website http://spi-ind.com/Company/SPOur_Staff.htm accessed March 28, 2006.
- ⁴ This Land Is My Land. By Monte Burke and William P. Barrett. Forbes, October 6, 2003.
- ⁵ Compiled from US Forest Service data; see Endgame website <http://www.endgame.org/gtt-purchasers-2004.html>.
- ⁶ The Largest Private Companies, Forbes website accessed March 27, 2006.
- ⁷ The World's Richest People, Forbes website accessed March 27, 2006.
- ⁸ Forbes 400 list, <http://207.87.27.10/tool/toolbox/rich400/>, Feb. 1999.
- ⁹ *Wall Street Journal*, June 6, 1974, p. 2; and Sept. 3, 1974, p. 11.
- ¹⁰ SPI website accessed Jan 1999; and Hawn 1997.
- ¹¹ Pursuing Smart Growth. By Dan Shell. Timber Processing [Montgomery Alabama], March 2000, <http://www.timberprocessing.com/vserver/hb/display.cfm?MagazineKey=5&IssueKey=436&SectionKey=273&ArticleKey=376>
- ¹² *Journal of Commerce*, Feb. 27, 1974, p. 6.
- ¹³ Forbes Private 500 ranking, www.forbes.com, Dec 1998.
- ¹⁴ Independent paper analyst and investment consultant Bruce Kirk, quoted in the *Houston Chronicle*, Dec. 27, 1996, p. 2.
- ¹⁵ This Land Is My Land. By Monte Burke and William P. Barrett. Forbes, October 6, 2003.
- ¹⁶ Hawn, 1997.
- ¹⁷ SPI website, Dec. 1998.
- ¹⁸ This Land Is My Land. By Monte Burke and William P. Barrett. Forbes, October 6, 2003.
- ¹⁹ California's Forest Products Industry: A Descriptive Analysis. By Todd A. Morgan et al. US Forest Service General Technical Report PNW-GTR-615, p. 6.
- ²⁰ *Wall Street Journal*, Feb. 5, 1974, p. 5.
- ²¹ *New York Times*, June 4, 1976, p. 3.
- ²² *Wall Street Journal*, Nov. 17, 1978, p. 41.
- ²³ Mergers & Acquisitions Database, Oct. 1, 1989.
- ²⁴ *New York Times*, Aug. 15, 1991; *New York Times*, Aug. 29, 1991, p. D15.
- ²⁵ Mergers & Acquisitions Database, Dec. 18, 1992.
- ²⁶ *San Francisco Chronicle*, May 7, 1994, p. D2.
- ²⁷ *Journal of Commerce*, Sept. 28, 1995, p. 5; *San Francisco Chronicle*, Aug. 11, 1995, p. B2; *New York Times*, Sept. 27, 1995; *PR Newswire*, Sept. 26, 1995.
- ²⁸ *Sacramento Bee*, April 1, 1997, p. E3; *Houston Chronicle*, Dec. 27, 1996, p. 2.

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- ²⁹ *Seattle Times*, May 8, 1997, p. E2; Hawn, 1997; Vellinga, 1996; *1998 Directory of the Wood Products Industry*, p. xxi; *Pulp & Paper*, July 1997, p. 29; *New York Times*, May 8, 1997, p. C4; *Business Wire*, May 7, 1997.
- ³⁰ Sacramento Business Journal, Oct 13, 2003.
- ³¹ Business Journal of Portland, Aug 17, 2004.
- ³² For background on the railroad land grants, see Jensen Draffan and Osborn 1995 and the Railroads & Clearcuts website www.landgrant.org
- ³³ U.S. Bureau of Corporations. 1913-1914. *The Lumber Industry*.
- ³⁴ For a detailed history of the land grant lawsuits and legislation, see Draffan, 1998. For a history of the O&C litigation, which resulted in the indictment of hundreds of U.S. and Oregon State senators, representatives, mayors, attorneys, and other prominent citizens, see Jones 1973.
- ³⁵ Ellis 1946; and Fellmeth p. 408. The Golden Empire was what the railroad called its holdings in its 1976 Annual Report (p. 10).
- ³⁶ Hawn 1997.
- ³⁷ Sanchez 1987; and *Journal of Commerce*, March 1, 1988, p. 4B; and *Mergers & Acquisitions Database*, Oct. 12, 1987.
- ³⁸ *Wall Street Journal*, June 17, 1974, p. 4.
- ³⁹ *Wall Street Journal*, July 30, 1975, p. 30.
- ⁴⁰ Associated Press / Las Vegas Review-Journal, April 24, 2003.
- ⁴¹ Associated Press / Las Vegas Review-Journal, April 24, 2003.
- ⁴² SPI website accessed Dec.1998.
- ⁴³ Mill Closures & Curtailments From 1989 Until 2003, Version 9-19-03, http://www.propertyrightsresearch.org/articles4/mill_closures.htm
- ⁴⁴ Mill Closures & Curtailments From 1989 Until 2003, Version 9-19-03, http://www.propertyrightsresearch.org/articles4/mill_closures.htm
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- ⁴⁸ Vellinga 1996.
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