From Then…

Founded in 1922 by TG Freres
Sawmill on the North Fork of the Santiam River
Moved to current location in 1950’s
Converted to veneer manufacturing in the late 1950’s.
... To Now

FLC Operates

Two Veneer plants
Veneer Drying Facility
Plywood Plant
Cogeneration Facility
Stud mill
Fleet of Log and Highway Trucks

Mass Ply Panel Facility
Operational December 2017
At Freres Lumber we:

Employ 430 full time people

TRYING TO HIRE 50 MORE!

Sustainably manage more than 17,000 acres of timberland

Gross Annual Sales Revenue of $150 million

Products

• Variety of residuals
• Electricity
• Lumber
• Plywood
• Veneer

Specialize in veneer for engineered wood products
Mass Timber Panel Facility Operational
December 2017
Beachie Creek Fire

- 192,531 acres at 8:00pm 9/19/20
- 32% Containment
- 60% was on Federal Land - Consistent with Federal Ownership %
- On our own land, we estimate 100mmbdf salvage volume
  - 15 months supply for Freres Lumber
  - 7 years supply at our historical sustained yield harvest rate
In Section 207, the FY2018 omnibus authorized FS and BLM to enter into 20-year stewardship contracts or agreements, if the majority of the federal lands are located in areas classified in Fire Regime Groups I, II, and III. The law also authorized the Secretary to give a procurement preference to a contractor that promotes an innovative use of forest products as part of the contract.
Sustainability

Fiber Recovery
- Higher Recovery of usable fiber than lumber
- Zero-waste!
  - Any non-saleable wood product is used to generate electricity!

Carbon Sequestration
- 1 cubic meter of concrete offset by 1 cubic meter of wood sequesters 1 ton of atmospheric carbon!

Timber Availability
- Ideal timber for engineered veneer products is suppressed 2nd growth trees
- Average block diameter for our engineered veneer plant is 9”
Our 2 biggest hurdles!

Timber

Labor

Adrian Gregory, Plywood Superintendent
Alan Kiel, Plywood Supervisor
Arturo Kelso, Veneer Supervisor

Bill Childress, Plywood Plant Manager
Chris Harpole, Plywood Maintenance Manager
Chris Roth, Rolling Stock Manager
Historical Timber Harvest

Oregon Timber Harvest

Source: Oregon Department of Forestry, Oregon Office of Economic Analysis
The Forest Sector Contributes:

- More than **61,000 living-wage jobs**
- An average wage of **$50,000**
- **$12.5 billion** in annual sales of timber and wood products

<table>
<thead>
<tr>
<th>Oregon's forest sector jobs - 2015</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Forest Management</strong></td>
<td></td>
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<tr>
<td>Company management</td>
<td>1,221</td>
</tr>
<tr>
<td>Forestry and environmental</td>
<td>226</td>
</tr>
<tr>
<td>consultants, researchers, academics</td>
<td></td>
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<tr>
<td>Bureau of Land Management</td>
<td>2,039</td>
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<tr>
<td>State of Oregon</td>
<td>1,063</td>
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<tr>
<td>U.S. Forest Service</td>
<td>3,148</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>7,697</td>
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<tr>
<td><strong>Forestry Support</strong></td>
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<tr>
<td>Forestry support (nurseries, machinery</td>
<td>5,932</td>
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<tr>
<td>manufacturing, firefighting)</td>
<td></td>
</tr>
<tr>
<td>Logging</td>
<td>7,567</td>
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<td><strong>Subtotal</strong></td>
<td>13,499</td>
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<tr>
<td><strong>Primary Forest Products</strong></td>
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<tr>
<td>Pulp and paper manufacturing</td>
<td>4,482</td>
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<tr>
<td>Sawmills and wood preservation</td>
<td>6,753</td>
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<tr>
<td>Veneer, plywood and engineered wood</td>
<td>9,009</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>20,244</td>
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<td><strong>Secondary Forest Products</strong></td>
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<tr>
<td>Millwork (doors, windows, custom)</td>
<td>5,564</td>
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<tr>
<td>Wood kitchen cabinets and countertops</td>
<td>3,237</td>
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<tr>
<td>Other (manufactured homes, wood</td>
<td>2,682</td>
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<tr>
<td>buildings, pallets, furniture)</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>11,483</td>
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<td><strong>Distribution, Transportation and Other</strong></td>
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<tr>
<td>Wood products wholesalers</td>
<td>2,369</td>
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<tr>
<td>Paper products wholesalers</td>
<td>762</td>
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<tr>
<td>Transportation of logs, chips, goods</td>
<td>4,670</td>
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<tr>
<td>Other (biomass electric power, airport operations, marine cargo handling, etc.)</td>
<td>286</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>8,087</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>61,010</td>
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</tbody>
</table>

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*Includes Fishing | SIC-NAICS Series Break 1997 | Source: B.E.A., Oregon Office of Economic Analysis*
Solutions

• 20-year Stewardship Contracts
  • Don’t just sign it into law, make it happen!
    • Employ our rural community actively managing
      the forests in their region!

• Manage our forests!
  • Must increase footage from Federal Lands-
    Our private lands are maxed out at
    sustained yield.
  • Timber availability is the single largest
    obstacle to increased rural employment!

• Encourage locally sourced products- Forest
to Frame
  • Lower raw material prices would discourage
    imports from less sustainable regions of the
    world.