

The article below “*Trouble at Mendocino Redwood Company*” was published in the Anderson Valley Advertiser by Will Parrish on July 1, 2015.

Mendocino Redwood Company found a number of comments that would benefit from additional correction, clarification or commentary which are presented on the right side of the page in green italics.

Substantial factual information on Mendocino and Humboldt Redwood forests and its practices are available at [www.mrc.com](http://www.mrc.com). Wherever possible we have provided direct links to specific material on our website to help the readers have easy access.

<p style="text-align: center;">Text of Article</p> <p><i>Text of article begins below, spaces placed to allow facts to line up with text of article.</i></p>	<p style="text-align: center;"><b><i>Facts about Mendocino Redwood Company</i></b></p>
<p>In an historic development, employees of Mendocino County's largest timber firm, Mendocino Redwood Company (MRC), are threatening to boycott the company in response to recent management decisions that have undercut their wages and hours.</p> <p>In a meeting a week ago, 18 disgruntled loggers met to air their grievances with MRC Chief Executive Officer Bob Mertz, a long-time timber industry executive who has been with MRC since July 2011. In the words of one logger who took part in the meeting, Mertz “just about crapped his pants” when he saw how many employees had filled the room, especially since they consisted of most of MRC's long-term workforce and included employees from all areas of the county — Fort Bragg, Anderson Valley, Ukiah, and elsewhere.</p>	<p><i>Contractors, not employees of Mendocino Redwood Company (MRC), requested a meeting with Dennis Thibeault, Vice President Forestry, and Jesse Weaver, Forest Manager.</i></p> <p><i>MRC regularly meets with contractors and vendors.</i></p> <p><i>Less than 18 loggers attended the meeting.</i></p> <p><i>Bob Mertz, Chief Executive Officer of Mendocino Forest Products (MFP) and its affiliate businesses which include MRC, was not present at this meeting.</i></p> <p><i>No MRC employees other than Dennis Thibeault and Jesse Weaver attended the meeting.</i></p> <p><i>Loggers and timber fallers are contractors, not employees. MRC has about 300 employees in Mendocino County including foresters, scientists, accounting, finance, sales, production, and road construction employees.</i></p> <p><i>Many of our nearly 300 local employees are longtime residents of Mendocino County. We have also successfully attracted many new employees to Mendocino County. They are attracted to the wages and benefits of our sustainable business and the beauty of the county.</i></p> <p><i>These jobs do encourage a sustainable local economy by using services and products from important local contractors and supplies, including loggers and timber fallers. Economic assumptions</i></p>

<p>At issue are Mertz' decision in the last year to import crews from the Sierra Nevadas to carry out all aspects of the company's timber harvests (ie, cutting down trees and hauling them away). The work, until lately, has been done by local fellers, riggers, yarders, and skidder operators. Many of these long-time MRC employees have been displaced by labor from out of the area. According to two loggers I interviewed, MRC has also made a habit of waiting until other timber jobs dry up elsewhere before offering the loggers far lower wages as a quid quo pro for giving them any work at all.</p> <p>In the meeting with Mertz, the loggers' complaints fell on deaf ears. The CEO of Mendocino County's largest timber firm refused to reverse his decisions. In the words of one logger who participated in the meeting, "What happens now is anyone's guess."</p> <p>Prior to assuming the helm of MRC's day-to-day operations, Mertz worked as general manager for more than a dozen years at California's largest timber firm and landholder, Sierra Pacific Industries (SPI). With 1.9 million acres of timberland, 3,600 employees and 14 sawmills, most of which are in California, Sierra Pacific has title to nearly two percent of California's landbase. Since arriving at MRC, Mertz has</p>	<p><i>vary, but widely held standards claim that for every job of this nature 8-10 more jobs are created in the community; more than 2,000 related jobs in Mendocino county.</i></p> <p><i>MRC, from inception, has awarded logging contracts through a bidding process. MRC solicits bids from a number of logging contractors throughout California we know will uphold our high level of environmental stewardship while conducting logging operations.</i></p> <p><i>Loggers are contractors, not employees</i></p> <p><i>The bidding process occurs throughout the year. The contractor determines what they can afford to do the job for; they are in control of their expenses and submit a bid based on what it will take for them to do the job. MRC provides feedback and transparency allowed by the loggers and the law to help inform their bidding.</i></p> <p><i>MRC was established to operate with a high level of environmental stewardship while operating a successful business. Operating a successful business includes managing costs. The bidding process affords the contractor the ability to manage their own costs as they see fit.</i></p> <p><i>Bob Mertz was not present at this meeting. He is readily available to meet and speak with employees, contractors, vendors, community members and customers, and does so.</i></p> <p><i>His phone number is 707-620-2974.</i></p> <p><i>Bob Mertz, born and raised in Northern California, has worked in the Forest Products industry in California since 1991 including 8 years with Collins Pine Company and 13 years with Sierra Pacific Industries. Collins Pine Company was at the forefront of FSC certification in 1994 and recognized for their use of selective harvesting since their inception in the 1920's. Sierra Pacific Industries is recognized as leading sawmill operator.</i></p>
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simultaneously cut employment costs – everything from wages to office supplies – while investing more money in MRC's Ukiah sawmill on North State Street at the confluence of Ackerman Creek and the Russian River.

*Since Bob Mertz arrived in mid-2011, MFP and affiliated companies in Mendocino County, including MRC, has increased wages annually, restored and increased benefits and added employees in Mendocino county.*

*In 2015, MFP undertook a remodel of the sawmill. The sawmill remodel is designed to better process the wide range of diameters and specie that result from MRC selective logging practices. This state of the art mill will increase the yield and improve the product quality ensuring a long term ability to compete in the global lumber market.*

*In addition to logs from MRC lands, the sawmill at Ukiah purchases logs from landowners all over the North coast, including the Jackson State Demonstration Forest and many private landowners. Having a competitive and efficient sawmill is good for MFP, good for our employees and good for the community.*

*The sawmill provides the infrastructure to process timber which provides for all the related jobs, our nearly 300 employees in Mendocino county, plus supporting loggers, suppliers, truck drivers, fallers, restaurants, scientists, service providers, shop owners and others, to name a few. Economic assumptions vary, but widely held standards claim that for every job of this nature 8-10 more jobs are created in the community; more than 2,000 related jobs in Mendocino county.*

*Additionally, MRC has vigorously protested the export of logs out of the county or the substitution of timber to export logs.*

*A competitive infrastructure where logs are harvested and processed locally supports the County, the community, MFP, and forest health to create a sustainable local economy. Logging and falling contractors are an equally important part of this competitive infrastructure.*

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“Mertz was sent here for one reason – to cut throats,” one long-time Mendocino County logger, who has worked extensively for MRC, tells me. “Many of us were born and raised here. We raised kids here. We pay taxes here. This is where we live. There are 15 to 20 really mad loggers that feel exactly the same way I do.”

He continued, “And we are mad enough that we are prepared to boycott if the company doesn't address our grievances, which are basically that the company is trying to squeeze us into accepting less money, less work – less of what we need to survive and feed our families.”

Many environmental activists who have opposed MRC and Humboldt Redwood Company logging plans (those two companies being one and the same) discovered the tenor of the company's present management regime through interactions with Dennis Thibeault, the company's new vice president. Thibeault is a Bob Mertz man who Mertz hired away from Sierra Pacific Industries.

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*The logging and falling contractors determine what they can afford to do the job for; they are in control of their expenses and submit a bid based on what it will take for them to do the job. MRC provides feedback and transparency allowed by the loggers and the law to help inform their bidding.*

*MRC was established on the premise we operate with a high level of environmental stewardship while operating a successful business. Operating a successful business includes managing costs. The bidding process affords the contractor the ability to manage their own costs as they see fit.*

*Dennis Thibeault is the Vice President of Forestry. He was hired in 2013 after holding a variety of meaningful forestry positions at Sierra Pacific Industries in the preceding 20 years. He was hired through an exhaustive interview process, which was widely advertised, to replace Jim Holmes who retired after leading forestry operations at MRC and sister company HRC.*

Whereas MRC President and Chief Forester Mike Jani and other company foresters, such as John Anderson, have distinguished themselves by being approachable – even friendly – in interactions with environmentalists. "A lot of environmental NGO staff members have crushes on them," one long-time environmental activist joked to me earlier this year. But Thibeault has been confrontational and defensive. In a tour of the Railroad Gulch THP in Albion, an MRC logging plan encompassing 758 acres that was filed last year, Thibeault admonished critics that "you just want us to go away, which frankly, won't work for us as a company."

That THP initially raised alarms because it entailed a timber volume removal of 72 percent across a vast amount of acreage. A more typical MRC plan involves roughly 45 percent timber volume removal. Linda Perkins of the Albion River Watershed Protection Association, who tallied up the timber volume removal figures, complained to Mike Jani about the extent of logging, and Jani responded by having the plan scaled back. He claimed the initial THP had essentially contained clerical errors that led to an erroneous high volume removal. Some environmentalists, however, have feared that such incidents portend a new, more extractive approach to logging. While most don't like MRC's existing timber harvest operations, they may like Sierra Pacific Industries' even less.

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*Mike Jani is Chief Forester and President. John Andersen is Director of Forest Policy. Dennis Thibeault continues the tradition of being available and can be reached at 707-463-5113. The group of Mike Jani, Dennis Thibeault and John Andersen work together to implement MRC management activities in our forest in alignment with our publicly stated mission to be good stewards of the forest and at the same time a successful business.*

*MRC forest management plans and THPs are prepared over several years in advance of the actual harvest operations and subject to extensive review, comment and changes by seven (7) state and federal agencies. A very similar plan, J Road, adjacent to Railroad Gulch was operated the year before by John Andersen and before Dennis Thibeault arrived.*

*There was a clerical error that was corrected and discussed with community members during tours to the harvest area.*

*These THPs, Railroad Gulch and J Road, are typical in regards to the volume harvested. Approximately 45% of the volume is proposed to be harvested through a variety of FSC certified and California Forest Practice rules approved methods. The silvi cultrue and policies of MRC forest management remain the same as they have from our inception.*

*Specific to the Albion, the area where J Road and Railroad Gulch THPs exist, we have made significant improvements to the forest we own in that area of Mendocino Count, to include:*

- *Increase Inventory of conifers from 266 million boardfeet to 342 million boardfeet while harvesting 79 million board feet since 1998.*
- *Remove or stabilize over 55,000 cubic yards of sediment which is the equivalent of more*

Former MRC President Jim Holmes, who is Mertz' immediate predecessor, generally had a strong relationship with employees. One logger I talked to praised Holmes as "a good and honest man."

Another logger warns that he and his colleagues are fully prepared to enter into an alliance with "Earth First!" and other environmentalists "if it comes to that." Several were near the beginning of their careers during the 1990s Timber Wars era, when Louisiana Pacific (previous owner of MRC's land) engaged in highly destructive cut-and-run logging of their largest timber stands, which also had the effect of putting many loggers out of work.

"If the Earth Firsters get involved with us, it's going to cause the company an awful lot of trouble," the logger says.

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than 5,500 truckloads.

- Upgraded or removed over 45 miles of roads
- Removed 6 stream crossings which restored nearly 4 miles of fish bearing streams.
- Upgraded over 90 stream crossings.

*We have a publicly stated policy of taking anyone to anywhere on the property to see our practices first hand. And believe in providing as much transparency as possible which is why we have published our inventory and other forestry activities on our website for public view since it was created [www.mrc.com](http://www.mrc.com).*

*Dennis Thibeault replaced Jim Holmes after an exhaustive interview process, which was widely advertised, to replace Jim Holmes who retired after leading forestry operations at MRC and sister company HRC.*

*Mendocino and Humboldt Redwood Companies managed forestlands are operated and certified to the standards of the Forest Stewardship Council (FSC®); the most environmentally rigorous standards of forest management in the world. These standards and associated rules are supported by leading environmental groups in the US and internationally (see [www.fscus.org](http://www.fscus.org)).*

*FSC standards and MRC policies include interaction with, and input from, community members, vendors, customers, employees and contractors. We have a publicly stated policy of taking anyone to anywhere on the property to see our practices first hand. And believe in providing as much transparency as possible which is why we have published our inventory and other forestry activities on our website for public view since it was created [www.mrc.com](http://www.mrc.com).*

*MRC was established on the premise we operate with a high level of environmental stewardship while operating a successful business. Operating a successful business includes managing costs. A competitive infrastructure where logs are*



Between MRC and its so-called sister company, HRC, the company encompasses roughly 440,000 acres of Mendocino, Humboldt, and Sonoma counties. They own two of the only redwood sawmills remaining in California. The company dominates the redwood timber market. One of the only other games in town is Hawthorne Timber, which owns 110,000 acres in Mendocino County but is selling its holdings. MRC is rumored to be the lead contender to buy the land. There are few other places for workers to turn.

We'll continue to follow this story in the AVA.

Author's Note: I have postponed part two of my study on MRC's historic timber harvest methods until next week to present this breaking story.

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*MRC owns 228,000 acres.  
HRC owns 209,000 acres.*

*There are more than 10 sawmills in California that process redwood logs. Redwood competes in the market against Western Red Cedar, Incense Cedar, Imported Cedar from China, pressure treated lumber, plastic lumber and Douglas fir. Redwood is a small part of the US Lumber demand which exceeds 50 billion board feet annually.*

*The California Redwood Association reported that Redwood sales in 2014 were less than 400 million boardfeet, or less than 0.1% of the US softwood lumber market.*

*Hawthorne Timber Company owns over 110,000 acres in Mendocino County.  
Green Diamond Resource Company in Humboldt County own over 400,000 acres of Redwood forest.  
There are several land owners in California holding at least 10,000 acres of Redwood forests.  
Additionally, the State of California through conservation and State Forests owns or controls about 100,000 acres of commercial Redwood Forest.*