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Written Statement of Proposed Testimony

Restoring and Protecting Communities, Water, Wildlife and Forests

Wednesday, August 18, 2004
Sisters High School, Sisters, Oregon

With the recent forest fires that have affected the Sisters Community these past two years (Cache Mountain, B & B) the interest and testimony that I provide is not about the management of our forest lands, or the restoration of our forests for which I have no background. My comments as a member of the Sisters Chamber of Commerce board have to do with the livelihood of the City of Sisters and its merchants and other services that depend on the summer tourist business. The effects from these catastrophic fires have in some cases been irreversible.

The need to reduce fuel loads that prevent catastrophic events and the quick restoration after these events must also include the restitution of the economic loss to the communities affected. Highway #20 entering Sisters is the lifeline of our local economy and those disruptions from fire, road outages and weather conditions have had a lasting effect on our merchants and services and their expected revenues. The greatest long term effect has been to the lodging industry which in-turn feeds the local economy.

In September 2003 our local Chamber of Commerce and the City of Sisters held a meeting to provide information regarding the Economic Injury Disaster Loan program. (EIDL). The EIDL program is the only program we are aware of that provides relief and assistance to our local business owners.

The community meeting attracted approximately thirty (30) local business operators. The most often heard about Federal programs require that businesses be physically affected by disaster ie. burned, flooded, earthquake damage etc. The Sisters situation, while very real, did not meet this criterion.

Local merchants were able to demonstrate an economic loss from the highway closure caused by forest fires and because of that the Oregon Governor did send a letter to the SBA with support documentation and requests for a disaster declaration. This initiated an SBA local loan program one that would provide anonymity to the applicants. With the use of a local office provided to the SBA a representative from their organization spent two weeks accepting applications for local business owners. There were 43 businesses that made inquiries about the program, much more than he or the community had anticipated. The end result was there were nine loans administered by the SBA and our local Bank of Cascades. An amount of \$340,000. was borrowed.

A three week loss of business locally and Central Oregon had a much greater impact since it was during the premier three weeks of the tourist season. The lodging industry losses and a slow return to normalcy even a year later has a long term impact on our important tourist trade for lodging and the many other businesses and services that benefit from the tourist season.

In a recent conversation with Loy Helmlly General Manager of Black Butte Ranch he stated that "Yes, the fires have had terrible effects on our business over the past two years but doubt there is anything that can be done about it. We had business interruption insurance so we covered about 25% of our losses. That was on actual items that could be claimed. The real difficulty is lost business that cannot be recovered and...that's life. The rest of the country suffers hurricanes, tornadoes, earthquakes, etc. and they probably do the same thing we are doing...just make do as best they can."

It is important to not only the Sisters Community but other communities as well that our attitude does not

have to be “just make do as best we can”. Communities need real answers to limit those occurrences that affect the livelihood of their communities. Fire prevention with prompt federal assistance taking quick action when there is a catastrophic fire and then the speedy and efficient reopening of roads, federal and state parks and the eventual restoration of natural and beautiful forests that we enjoy.

In The State of Small Business, A Report of the President 1999-2000 to the Congress of the United States President Bush speaks of small businesses being the backbone of our economy. “They perennially account for most innovation and job creation, and not just when our economy is robust and growing. Small businesses have sustained the economy in weaker times as well, and put us back on track for long-term growth.”

The President goes on to say; “it is vital that we work together to give small businesses the climate they need to thrive.” And I believe that is not just in tax incentives but also to keep small business in business. Catastrophic interruption such is now being experienced in Florida this past week, which is the physical destruction of small business but the same experience locally without the physical destruction but the same harmful result; loss of business.

Providing government support for small business through affordable business interruption insurance, other government agencies provide low cost loan incentives to other than physical disruption and at the same time finding ways to limit the incidents of catastrophic fires. And when they do occur they are quickly managed for the benefit of our local economy.

Small businesses represent 99 percent of businesses, employ more than half of the American work force, and create two-thirds of the net new jobs. That is also true in Sisters and Central Oregon. We must go beyond the prevention and the restoration of fires to providing supplementary assistance for business to survive difficult times not of their own fault.

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