



February 29, 2024

Rick Horton Testimony

Senate Environment, Climate, and Legacy

Chair: Sen. FOUNG Hawj

RE: S.F. 4038

Chair Hawj and Members,

My name is Rick Horton, I am the Executive Vice President of Minnesota Forest Industries. We are a trade association representing the large wood consuming mills in Minnesota that transform trees into products we use every day.

I am testifying in support of **Senate File 4038**. Our industry takes antitrust very seriously. Antitrust laws are designed to promote fair competition in markets and prevent anti-competitive behavior such as price-fixing, collusion, and monopolization.

Trade associations by their very nature bring industry competitors together to work cooperatively on issues relevant to the industry as a whole. But we do not discuss markets, prices, wood consumption, and other information that could be used improperly. Therefore, every MFI meeting begins with an antitrust statement.

The USDA Forest Survey conducts an annual **Timber Product Output** survey to determine industrial uses of roundwood, volumes by tree species and counties of harvest. This knowledge aids stakeholders in making informed decisions about available forest resources and/or harvest intensity. The Forest Service abides by Federal laws making the resulting data private. But the Forest Service has not been analyzing and sharing this data in a timely manner for years due to manpower issues. Therefore, beginning this year the DNR is contracting with the Forest Service to take over the survey. But DNR discovered that the data privacy statutes governing this process are not clear.

It is critical that survey data be handled carefully, ensuring compliance with antitrust regulations and safeguarding against any potential misuse that could harm competition in the market. It must be protected and only shared in aggregate form that prevents others from using it improperly. If industry survey data is shared among competitors in a way that facilitates collusion or coordination on pricing, market allocation, or other anti-competitive practices, it could violate antitrust laws.

By protecting sensitive or confidential information, this bill will also increase survey response rates by assuring that responses are private.

Thank you for the opportunity to weigh in and thank you Senator Hauschild for carrying this important bill.