



United States Courts  
Southern District of Texas  
FILED

MAR 24 2008

March 20, 2008

**Michael N. Milby, Clerk of Court**

U.S. District Court  
133 N. Shoreline Blvd.  
Corpus Christi, TX 78401

**In RE:**

SCOTIA DEVELOPMENT LLC,	}	
THE PACIFIC LUMBER COMPANY,	}	Chapter 11
BRITT LUMBER CO., INC.,	}	Case Nos. 07-20027 through 07-20032
SALMON CREEK LLC,	}	(Jointly Administered)
SCOTIA INN, INC. AND	}	
SCOTIA PACIFIC COMPANY LLC,	}	
DEBTORS		

**STATEMENT OF THE GREATER EUREKA CHAMBER OF COMMERCE IN SUPPORT OF THE PROPOSAL SUBMITTED BY MARATHON/MRC**

To the Court and All Plan Proponents:

I am writing on behalf of the Board of Directors of the Greater Eureka Chamber of Commerce. As one the primary business support organization in the North Coast region the Chamber has a keen interest in the outcome of the above referenced proceedings. Accordingly, we hope that as you consider our thoughts as you weigh the competing proposals that will shape the future of the Pacific Lumber Company and Scotia Pacific LLC. After careful consideration and a thorough review the Board strongly recommends the reorganization proposal submitted for your consideration by Marathon/MRC. This recommendation is based on the following principles that we believe the referenced proposal most closely assures in the best interests of our community:

- 1) The selected proposal should protect to the greatest extent possible the economic well-being of the region through the commercial operation of the mill and timberlands under single ownership and management.
- 2) The selected proposal should offer the best opportunity to protect the jobs, livelihoods and economic security of the workers and families currently supported through employment with Scopac and Palco.
- 3) The successful reorganization plan should offer the greatest, demonstrated experience in promoting the highest levels of economic stability as well as environmental integrity demonstrated through FSC certification.

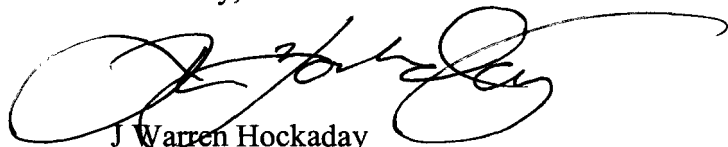
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- 4) The parties should select the proposal that best fulfills the public policy benefits and public interests, inherent in the Habitat Conservation Plan that was the cornerstone of the 1999 Headwaters Forest Agreement.
- 5) The selected plan should clearly embrace the value of stable, proven and credible management that will serve to reduce the regulatory, political and ideological dissension that has fomented longstanding conflict and a climate of distrust among the diverse stakeholders involved in the regional community.
- 6) The preferred plan should favor an existing company or companies that offer(s) a proven record of sustainable, responsible management of redwood forest resources and experience in forest product manufacturing;
- 7) The selected proposal should be in the strongest financial position that promises long term operations with the least reliance on additional public investment or grant funding.

Of the five (5) proposals under consideration by the parties, the Greater Eureka Chamber of Commerce strongly believes and submits for your consideration that the Marathon/MRC proposal most closely upholds the principles articulated above.

On behalf of the members and Board of the Greater Eureka Chamber of Commerce, I appreciate your consideration of this recommendation.

Sincerely,

A handwritten signature in black ink, appearing to read "J Warren Hockaday", with a large, sweeping flourish extending to the right.

J Warren Hockaday  
Executive Director