

Potential Solutions Reduced Timber Harvest Problem

2.2 Reduced Timber Harvest

Problem Statement: Reduced timber harvest from federal forestlands has resulted in diminished forest industry infrastructure with unintended economic and social losses to rural communities.

Problem Description: Oregon lacks a predictable federal timber sale program, and the harvest goals in the federal land management plans have not been achieved. The resulting 80 percent reduction in federal timber harvests in the last 20 years has contributed to mill closures, job losses, and both economic and social hardship in many rural communities. Oregon is losing the local capacity and markets needed to support a viable forest products industry and the workforce needed to provide forest protection and restoration services. Some sawmills in western Oregon are currently being supported by an unsustainable supply of sawlogs imported from Washington, while eastern Oregon industry is in rapid decline and close to losing infrastructure completely. Reduction in federal timber harvests, and declining log markets, may increase development on private forestlands and contribute to forestland conversion.

Oregon's forests are important to the global environment, economy, and society. Both the federal government and Oregonians have not fully considered the impact of their decisions regarding federal land management at local, state, national, and international levels. As a result, environmental challenges and economic opportunities have been exported to other nations.

Set up: Oregon's rural communities and forest lands are in crisis; poorly managed federal forests put forests and communities at risk of damage caused by uncharacteristically severe fires, rob hard working people of good paying jobs, and cause damage to forests caused by overstocked stands and unchecked pests. By working in partnership with federal officials, Governor Kulongoski is uniquely positioned to lead Oregon's efforts to meet this crisis head on. We pledge to work together to help achieve the triple bottom long for rural communities and their forests; sustainable forests, strong Oregon businesses, and healthy communities.

S	Potential Solution	A d d / D	Changes — issues to FFAC for Discussion <u>Actionable Item/Policy Proposal</u>
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	<u>2.21 Issue/impediment</u> — Biomass		
+1	<u>Enable Communities to Participate in Management of our Federal Forests and woodlands</u>		<ul style="list-style-type: none"> • <u>Deploy Oregon Solutions to facilitate community collaborations</u> • <u>Authorize OECDD to fund key community collaboration participants.</u>
2	<p>To create greater efficiency in the use of biomass, Congress should create targeted incentives for co-generation (i.e., co-locating biomass power generation with facilities that can use the heat or steam for other purposes) to promote increased energy efficiency in manufacturing industries, including wood and paper products. Prioritize Critical Landscape Selection using the following criteria:</p> <ul style="list-style-type: none"> • <u>Biodiversity hotspots</u> • <u>Fire threat to forest and to communities, both within wildlife urban interfaces as well as private, state, and federal forests</u> • <u>Demonstrated willingness of community stakeholders to engage in problem-solving collaboration</u> • <u>Economic viability; while initially they may require federal, state, or private philanthropy support, over time they should become economically viable.</u> • <u>Project viability, including established transportation and timber processing infrastructure, and adequate supply of labor force. Focus should be directed towards communities where this labor, transportation, and processing infrastructure is vulnerable to closure.</u> 		<ul style="list-style-type: none"> • <u>Assist rural power cooperatives and others to upgrade infrastructure through targeted tax incentives and loans</u> • <u>(Conversation w/ OR Dept. of Energy)</u> • <u>Congress should address inequity in the federal production tax credit. Currently the credit for energy generated from biomass is less than for other renewable sources, and the credit is renewed for too short a time period to send the right signal to investors.</u> • <u>Add State incentives for biomass power production (look at California)</u> • <u>Congress should create targeted incentives for co-generation, and upgrading of milling and extraction technologies to maximize high-value use of small diameter trees.</u>
23	<p>Congress should support and enhance the ability of the Forest Service and BLM to manage the forest in a way that will complement the biomass industry. Providing stability of supply is a key issue that must be solved to minimize risk and attract private investment.</p> <ul style="list-style-type: none"> • <u>The Forest Service and BLM need the ability to enter into</u> 		<ul style="list-style-type: none"> • <u>Instruct agency directors to detail agency personnel to contribute to site specific NEPA processes</u> • <u>The State should work with U.S. Forest Service, Bureau of Land Management, EPA, NMFS, Air Quality Boards, and USFWS to revise (State of Oregon?) forest, fish, wildlife, water and air management</u>

	<p>longer term commitments—beyond 10 years—to supply biomass. Congress should make stewardship contract authority permanent and change the maximum contract length to 20 years.</p> <p>• Congress should fully fund and support development of the Forest Service Biomass Strategic plan and the commensurate BLM plan. One clear goal of the plans should be to coordinate biomass offerings within a region to increase the stability of supply and attract private investment.</p> <p>Congress should increase federal agency budgets for science, planning, implementation and adaptive management of active landscape-scale forest restoration including thinning, prescribed fire and wildland fire use. This will help ensure a long term supply of woody biomass from federal lands, which will be necessary to secure financing of new biomass conversion facilities. Enable All Relevant State Agencies to contribute to the selection of priority landscapes and the NEPA process</p>	<p><u>standards in current plans and biological opinions to allow for sufficiently aggressive forest treatments to achieve desired forest conditions following treatments</u></p>
<p>34</p>	<p>Congress should address inequity in the federal production tax credit. Currently the credit for energy generated from biomass is less than for other renewable sources, and the credit is renewed for too short a time period to send the right signal to investors.</p> <p><u>Provide stable, sustainable woody biomass supply: Conservation-based forest management programs will promote healthy forests and wildlife, help Oregon meet it's challenge to combat the effects of climate change, and create economic opportunities for business and workers.</u></p>	<ul style="list-style-type: none"> • <u>Forest Service and BLM need the ability to enter into longer term commitments – beyond 10 years – to supply biomass. Congress should make stewardship contract authority permanent and change the maximum contract length to 20 years.</u> • <u>Congress should fully fund and support development of the Forest Service Biomass Strategic plan and the commensurate BLM plan. One clear goal of the plans should be to coordinate biomass offerings within a region to increase the stability of supply and attract private investment.</u> • <u>Congress should increase federal agency budgets for science, planning, implementation and adaptive management of active landscape-scale forest restoration including thinning, prescribed fire and wildland fire use. This will help ensure a long term supply of woody biomass from federal lands, which will be necessary to secure financing of new biomass conversion facilities.</u> <p><u>Congress should support and enhance the ability of the Forest Service and BLM to manage the forest in a way that will complement the biomass industry</u></p>

4	The State and federal government should work together towards the goal of having a cellulosic ethanol demonstration facility built in Oregon within the next two and a half years.		

<p>§</p>	<p>Potential Solution Congress should develop comprehensive forest restoration legislation that:</p> <ul style="list-style-type: none"> • <u>Makes stewardship contracting authorities permanent</u> • <u>Provides targeted funds for community based collaborative projects with locally driven utilization plans for the material removed</u> • <u>Appropriates money for capacity building programs in local communities</u> • <u>Develops outcome based performance measures that focus achievements on ecological conditions, developing collaborative partnerships, and creation of rural jobs</u> • <u>Increase U.S. Forest Service and Bureau of Land Management funding for priority landscape forest restoration projects as an investment in future reductions in fire fighting costs, resource loss and carbon emissions.</u> • <u>Ensure that restoring forest conditions and improving their resilience is identified as a priority in federal forest plans for management of these forests.</u> 	<p>Add/Delete</p>	<ul style="list-style-type: none"> • Changes — issues to FFAC for Discussion <u>Legislation to establish fundamental strategic goals (i.e., seek agreement on agency emphasis for producing multiple values, 1/3 – 1/3 – 1/3?) and clarify mission priorities?</u>
<p>2.22 <u>Issue/impediment</u> — Predictable, sustainable timber supply</p>			
<p>§</p>	<p>The State should develop legislation to increase the opportunities for community collaboration:</p> <ul style="list-style-type: none"> • Identify some eastside communities that would benefit from collaborative processes. • Seek state funding for pilot projects to engage the local community in collaborative problem solving efforts and assist the federal agencies with NEPA analysis. • Develop proposals for larger scale stewardship contracts, in cooperation with the federal agencies, which implement forest restoration and other management strategies consistent 		

	<p>with land management objectives.</p> <ul style="list-style-type: none"> • Identify less controversial projects that can be done without a protracted legal and/or regulatory process to build trust. • Factor the impact on mills and infrastructure into the stewardship contract design. 		
6	<p>Congress should develop comprehensive forest restoration legislation that:</p> <ul style="list-style-type: none"> • Makes stewardship contracting authorities permanent • Provides targeted funds for community-based collaborative projects with locally driven utilization plans for the material removed • Appropriates money for capacity building programs in local communities • Develops outcome based performance measures that focus achievements on ecological conditions, developing collaborative partnerships, and creation of rural jobs • Increase U.S. Forest Service and Bureau of Land Management funding for priority landscape forest restoration projects as an investment in future reductions in fire fighting costs, resource loss and carbon emissions. • Ensure that restoring forest conditions and improving their resilience is identified as a priority in federal forest plans for management of these forests. 		
7	<p>The State should work with U.S. Forest Service, Bureau of Land Management, EPA, NMFS, Air Quality Boards, and USFWS to revise forest, fish, wildlife, water and air management standards in current plans and biological opinions to allow for sufficiently aggressive forest treatments to achieve desired forest conditions following treatments</p>		

	Potential Solution	Add/Delete	Changes — issues to FFAC for Discussion
	<p>2.23 Issue/ impediment — Retain/create infrastructure</p>		
7	<p>Make State and Federal investments in transportation infrastructure</p> <ul style="list-style-type: none"> • Pass and fund targeted state and federal tax incentives and transportation subsidies to help Oregon industries remain competitive and take advantage of new opportunities. 		
8	<p>State Government should work to enhance Oregon's Forest cluster</p> <p><u>Short term Actions</u></p> <ul style="list-style-type: none"> • Develop an inventory of existing forest infrastructure (mills and related businesses). • Survey businesses to identify short term/long term needs to be more competitive. • Identify means to engage or create local non profits and cooperatives to create forest jobs. • Develop a white paper that summarizes strategies for revitalizing forest products industries in rural areas. <ul style="list-style-type: none"> ○ Analyze the barriers to forest industry competitiveness. ○ Analyze barriers keeping Oregon's forest industry from producing more value added and high technology products. ○ Look at in state as well as out of state successful partnerships and non profits to capture in the white paper strategies that are demonstrated to work well (Wallowa Resources, Jefferson State Forest Products, Warm Springs?) 		
9	<p>State Government should work to enhance Oregon's Forest cluster (continued)</p> <p><u>Long term Actions</u></p> <ul style="list-style-type: none"> • Need to develop new partnerships with other economic sectors in Oregon. Explore linkages with the high tech sector and green building design programs. 		

	<ul style="list-style-type: none">• Explore new marketing applications for Douglas fir. Identify which niche/specialty markets have near-term opportunities and what it will take to make them viable.<ul style="list-style-type: none">○ Dialogue with and engage the building design community.○ Use local products in state and municipal buildings• Provide greater access to investments in capital, research, education, and technical assistance.		