

## 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.

#### 2.21

**Issue/ impediment** – Biomass

**Cause of the issue** –

- Biomass – need certainty of supply to make infrastructure investments
- Difficult to project social perspective and needs to 20 years

**Background Information** –

- 4.25 million acres of overstocked forestland in Oregon have potential to provide 1 million bone dry tons of commercial biomass per year for 20 years.
- Excess amounts of juniper are available that could be used for biomass (high BTU value)

**Desired outcome** –

- Reduce fuel loadings in overstocked stands

- Reduce carbon emissions from wildfires
- Generate renewable energy
- Create new jobs in rural communities
- Maximize utility of biomass industry to get forests back to natural range of variability
  - Barriers: transportation costs, investors want/need 20 year guaranty of supply
  - Focus on – removal protocol/certification to make trade-offs acceptable

#### **Solution to address the issue –**

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.

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 minimizing risk and attract private investment.

- The 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.
- 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.
- Congress should provide additional appropriations for additional staff to expedite stewardship contracts.

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.

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.

#### **How the solution will lead to desired outcome –**

**Who should implement** –

- Forest service can provide supply at specific price to provide certainty for biomass investment
  
- Recommend: Investment by OWEB to remove juniper throughout state following protocol for research and monitoring and partnering with federal agencies (check with Russ for language)

2.22

**Issue/ impediment** – Predictable, sustainable timber supply

**Cause of the issue** –

- Connection between federal timber and mill viability (particularly eastern Oregon)
- Application of federal laws (CWA, ESA) has slowed the ability to offer timber sales.

**Background Information** –

**Desired outcome** –

- Volume for sustainable local industry
- Realize profit on federal bids

**Solution to address the issue** –

The State should increase the opportunities for community collaboration through the use of Oregon Solutions Projects.

- Identify several eastside communities that would potentially benefit from collaboration.
- Build Trust
- Honor commitments

Increase the use of Stewardship contracts

- Implement forest restoration and other management strategies consistent with land management objectives.
- Factor into federal decision-making on forest health impact on mills and infrastructure

**How the solution will lead to desired outcome** –

**Who should implement** –

**Measures of success/ on the ground or administrative benchmarks –**

2.23

**Issue/ impediment** – Retain/create infrastructure**Cause of the issue** –

- Loss of rail right-of-ways due to abandonment
- Loss of mills and jobs in rural communities due to declining timber harvest

**Background Information** –**Desired outcome** –

- Maintain existing and build new infrastructure (i.e., mills, forest workers, etc.) capacity needed to manage federal forestlands

**Solution to address the issue** –

Make State and Federal investments in transportation infrastructure

- Pass and fund state and federal tax incentives and transportation subsidies to help Oregon industries remain competitive and take advantage of new opportunities.

State Government should work to enhance Oregon's Forest cluster

**Short-term Actions**

- Develop an inventory of existing forest infrastructure (mills and related businesses).
- Survey businesses to identify short-term/long-term needs to be more competitive.
- Develop a white paper that summarizes strategies for revitalizing forest products industries in rural areas.
  - Analyze the barriers to forest industry competitiveness.
  - Analyze barriers keeping Oregon's forest industry from producing more value added and high-technology products.

**Long-term Actions**

- Need to develop new partnerships with other economic sectors in Oregon. Explore linkages with the high tech sector and green building design programs.
- 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.
  - 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.

**How the solution will lead to desired outcome –**

**Who should implement –**

**Measures of success/ on the ground or administrative benchmarks –**

2.24

**Issue/ impediment –**

**Cause of the issue –**

**Background Information –**

**Desired outcome –**

**Solution to address the issue –**

**How the solution will lead to desired outcome –**

**Who should implement –**

**Measures of success/ on the ground or administrative benchmarks –**