



Oregon

Theodore R. Kulongoski, Governor

Department of Forestry

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"STEWARDSHIP IN FORESTRY"

NSO Recovery Plan,
U.S. Fish and Wildlife Service
Ecological Services
911 NE 11th Avenue
Portland, Oregon, 97232.

Dear Recovery Team,

The Purpose of the Committee for Family Forestlands (CFF) is to advise the Oregon Board of Forestry and State Forester in matters relating to family forestlands consistent with the Board of Forestry's Forestry Program for Oregon. This role includes providing advice on the following: the maintenance of a viable family forestland base in Oregon; the effects that changes in forest policies have on family forestland owners; the policies and policy option recommendations for family forestlands; the types and levels of assistance needed by family forestland owners to fulfill their objectives; and other relevant topics.

We provide this letter as formal comments regarding the Draft Spotted Owl Recovery Plan produced by the U.S. Fish and Wildlife Service (USFW). The Draft plan calls for contributions from family forestlands to contribute to owl recovery in a variety of ways. We have a strong interest in this topic and have direct, on-the-ground experience with the consequences of owl-related policy. As a legislatively enacted, standing committee to the Board of Forestry, we are providing these comments to help improve the Draft Spotted Owl Recovery Plan.

The CFF is composed of ten members consisting of seven voting members and three ex-officio members. The voting members are:

1. Four family forestland owners. One from each of the Oregon Department of Forestry's (ODF) three administrative regions and one at-large.
2. One forest industry representative.
3. One environmental community representative.
4. One citizen-at-large.

The three ex-officio members are:

1. OSU College of Forestry
2. State Forester Representative
3. Oregon Forest Resources Institute

The USFW Service website requests comments on the Draft Spotted Owl Recovery Plan and asks for input on specific questions. The CFF has particular expertise to address question 7, “Ways to create incentives for private land owners and managers to support recovery of the northern spotted owl.”

There are three primary barriers to family forestlands contributing to spotted owl recovery. These are financial disincentives for allowing spotted owl habitat to develop or maintaining habitat that exists, lack of financial incentive for developing and maintaining spotted owl habitat, and barred owl management.

Financial disincentive for allowing habitat to develop.

We are pleased to see that the draft recovery plan acknowledges the unintended negative consequences of current owl policy creating disincentives for private landowners to maintain and manage for older, more complex habitat. However, the draft plan does not place sufficient emphasis or develop an adequate strategy to address this disincentive.

Spotted owls can be very expensive to private landowners, especially family forest landowners. Land can easily contain 30 mbf/acre of commercial timber and at a stumpage value of \$400/mbf, the cost of habitat restrictions is often over \$12,000/acre. A recent example was discussed at a CFF meeting where a family forestland owner had 25 acres of his land included in a core area where the owl nest was on adjacent BLM land. His estimate was that this inclusion in the core habitat had indefinitely deferred harvesting of \$300,000 of timber. For a family forest landowner, this value is often counted on as a contingency fund for medical expenses, retirement income, and other expenses. The ability to count on these returns is one of the reasons that landowners invest their personal money in forestland.

Policy makers involved in governmental regulation often maintain that costs associated with endangered species protection are one of the many risks of land ownership and that it is only fair that landowners bear their share of this burden. This argument fails to recognize that landowners can harvest their trees before occupation. Harvesting prior to listed species occupancy allows owners to put that money in the bank where it is unconstrained. This shelters the landowner from endangered species risk as well as other risks such as fire, insects, disease, and a drop in timber value.

This disincentive leads to the risk-avoidance behavior of cutting of stands prior to reaching habitat stage. As a result, high quality habitat never develops and family forest landowners play only a limited role in providing spotted owl habitat. With the removal of the threat of additional

regulations and restrictions on activities, landowners would be encouraged to hold stands for longer rotations and better habitat.

The draft plan has Recovery Action 19, which encourages applicants to develop habitat conservation plans and safe harbor agreements that are consistent with the recovery objectives. We have little experience with these mechanisms, but to our knowledge, where they have been attempted or completed, the challenges have overshadowed the benefits to the landowners. To be successful, these mechanisms would have to provide greater benefits than costs to the landowners.

The CFF has proposed another way of mitigating the disincentive to habitat development. The State of Oregon has a program called the Forest Resource Trust. In this program, landowners borrow money from the state to cover the costs of reforesting underproductive lands and the State has a lien on the eventual timber harvest. A similar model could be developed for habitat. A loan program could be set up where, if forestland is designated to protect a spotted owl or to maintain spotted owl habitat, the landowner could get a loan for the value of the timber involved. As part of the loan agreement, a lien could be placed on the timber to guarantee repayment. The loan could be paid back at harvest (after the owl nest site was abandoned) or prior to that time, by the landowner.

A landowner may or may not take advantage of this offer, but as long as the individual knew that contingency funding was available, fear of a regulatory taking would not be a driving force in managing their forestland. The cost to the public would be minimal in that the compensation would eventually be recovered.

Lack of financial incentive to provide public goods from private lands

Compounding the financial disincentive is the lack of financial incentives to provide a public good of endangered species habitat. In our opinion, spotted owls are a public good. The challenge for the USFW Service is to set up a market where private landowners could choose to grow high quality habitat for the public benefits it provides, and not be penalized for their success. Given the right incentives, landowners could choose to grow high quality habitat, along with larger, higher quality wood. In this scenario, allowing control of barred owls could be a requirement of the contractual arrangement, as could access for researchers and surveyors.

The plan does propose to spend \$80,000/year to encourage the development of habitat for spotted owl dispersal. There is insufficient information in the plan for a thorough evaluation of this proposal. The recovery plan does not present a clearly articulated strategy for using this money. Using the rough figures stated above, holding one mature acre of forestland an additional year to provide for dispersal habitat constrains \$12,000. For direct compensation, the allocation of \$80,000 appears to be seriously inadequate. A well-thought out strategy for using this money on the part of the recovery team would have likely revealed the inadequacy of this funding level. This amount of money might be better spent as part of an emergency fund, to provide loan payments, as discussed above.

Barred owl management.

The plan outlines the need to manage to minimize the negative effects of barred owls on spotted owls. The location of the MOCAs and the intermingled federal and private lands will necessitate involving private landowners. The plan recognizes that this approach will be controversial. Recovery Action 18, with a preliminary funding level of \$50,000, calls for an education program to promote understanding and then support and participation.

It is unlikely that private landowners will take part in barred owl control programs. Many landowners own their lands precisely because of the fish and wildlife that live there; 57 percent of owners nationwide cite “to protect nature and biological diversity” as a reason for owning forest (GFK 2006; http://sustainingfamilyforests.org/pdfs/report_fullreport.pdf). For these family forestland owners, shooting that wildlife, especially owls, may not be acceptable, because of the high valued placed on all wildlife. Given the value placed on wildlife by family forest landowners, it is highly unlikely that a \$50,000 education program will be successful in changing attitudes.

In addition to the moral problems with shooting one species to benefit another, removing barred owls would put landowners at additional risk of restrictions on activities if spotted owls occupy the site, as discussed above. Proceeding with a barred owl control strategy will present challenges to family forestland owners. If you plan to move forward with a control approach, a more compelling scientific argument needs to be presented. The case for control has not been made in the recovery plan.

An additional comment from family forest landowners.

For family forestland owners, managing land is about more than just growing timber. They manage for a variety of resources including timber, aesthetics, and fish and wildlife. In the same way, a recovery plan for a single species is about more than just that species. This plan could be strengthened by considering the current and potential impacts of owl-related policy on the status of other species, regardless of whether or not they are listed. For example, what impact does the plan have on elk populations? If we recover the spotted owl, but fail to maintain biodiversity, then we are just ensuring the need to recover future endanger species. A successful plan must take a holistic approach to species management that addresses overall biodiversity and unintended consequences of recovering one species.

Conclusion:

With these comments, the Committee for Family Forestlands makes the following recommendations:

1. Strengthen the acknowledgement that current owl policy has unintentionally created disincentives for private forest owners to maintain and develop quality habitat.

2. Strengthen the actions that are recommended for removing current disincentives for private owners to maintain and manage for complex habitat - and create incentives for taking these actions.
3. Create an adequate incentive program for maintaining and managing complex habitat.
4. Do more to acknowledge the important role that private lands do and can play in maintaining and rebuilding biodiversity

Sincerely,

Ron Cease, Chair,
Committee for Family Forestlands

A handwritten signature in cursive script that reads "Ron Cease".

cc Peter Daugherty, Director Private Forests Program