

OREGON DEPARTMENT OF FORESTRY

COUNCIL OF FOREST TRUST LAND COUNTIES

STATE FORESTER'S REPORT FOR THE
ASSOCIATED OREGON COUNTIES
ANNUAL CONFERENCE
NOVEMBER 2005



"STEWARDSHIP IN FORESTRY"

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INTRODUCTION

As directed by Oregon statute, the Oregon Department of Forestry (ODF) manages Board of Forestry lands (County Forest Trust Lands) to secure the greatest permanent value by providing healthy, productive, and sustainable forest ecosystems, that over time and across the landscape provide a full range of social, economic, and environmental benefits to the people of Oregon.

Most Board of Forestry land was originally acquired by the counties through foreclosure of tax liens. Under county ownership, the lands provided revenue to the counties. Oregon law has maintained this revenue source by allowing ownership to be conveyed to the state “in consideration of the payment to such county of the percentage of revenue derived from such lands.”

The State Forester maintains these lands as forestlands. The lands are actively managed in a sound environmental manner to provide sustainable timber harvest and revenues to the state, counties, and local taxing districts. This management focus is pursued within a broader management context that provides for other forest resources, including properly functioning aquatic habitats for salmonids, wildlife habitats, water quality, and recreation.

This report highlights essential management activities and issues for Board of Forestry lands during Fiscal Year (FY) 2005 (July 1, 2004 through June 30, 2005).

With approved forest management plans (FMP) for all its forests, ODF has focused on implementation planning, a proposed habitat conservation plan (HCP) for Western Oregon State forestlands, and FMP and HCP revision for the Elliott State Forest.

There were in FY05 special projects related to Forest Management Plan implementation. This work included the Harvest and Habitat Modeling project in cooperation with CFTLC, and the Salmon Anchor Habitat work group review. Also mentioned are updates on forest health and Forest Trust Land Advisory Committee (FTLAC) meetings.

This report continues to evolve and expand from previous versions based on recommendations from the council and others. If you have any comments or questions, please contact Steve Thomas, Assistant State Forester at 503-945-7204 stthomas@odf.state.or.us, Lisa DeBruyckere, State Forests Program Director at 503-945-7348 ldebruyckere@odf.state.or.us or a member of the FTLAC.

FINANCIAL & ASSET MANAGEMENT

TIMBER HARVEST FROM BOARD OF FORESTRY LANDS

Statewide, approximately 281.6 million board feet were harvested from Board of Forestry Lands from July 1, 2004 through June 30, 2005 with a gross value of approximately \$89.5 million. Timber value has not been adjusted for project costs, forest rehabilitation payments, or for the Department's share of revenue distribution.

TABLE 1: TOTAL VOLUME AND VALUE OF TIMBER
HARVEST FROM BOARD OF FORESTRY
LANDS - FY 2005

County	Total Volume (MBF)	Total Value
Benton	3,498	\$1,380,487
Clackamas	2,211	\$712,454
Clatsop	94,211	\$27,411,994
Columbia	3,607	\$1,630,684
Coos	377	\$93,270
Douglas	12	\$3,987
Klamath	17,350	\$3,442,189
Lane	12,247	\$4,747,611
Lincoln	8,260	\$2,792,571
Linn	23,620	\$10,487,352
Marion	10,148	\$4,062,741
Polk	1,167	\$306,881
Tillamook	93,134	\$27,947,652
Washington	11,813	\$4,522,393
Total	281,655	\$89,542,266

COUNTY REVENUES FROM TIMBER SALES

Table 2 shows the county share of revenues from timber harvests, by county, for the last five fiscal years. County revenues during fiscal year 2005 were about \$48.5 million. Revenues are distributed to counties each quarter. Revenues distributed during each fiscal year are not exactly comparable with the value of timber removed in that fiscal year, due to differences in the timing of payments from purchasers.

Before fiscal year 2003, part of the amount collected each fiscal year was actually distributed in the following fiscal year due to the timing differences between collection and distribution. Beginning in fiscal year 2003, revenue transferred to the counties occurred in the same quarter in which the revenue was generated

TABLE 2: COUNTY REVENUES FROM BOF TIMBER SALES BY
FISCAL YEAR – 2001-2005

County	2001	2002	2003	2004	2005	County Total
Benton	\$1,516,631	\$605,756	\$1,009,413	\$2,596,528	\$792,073	\$6,520,401
Clackamas	\$573,927	\$998,337	\$336,256	\$850,961	\$294,440	\$3,053,921
Clatsop	\$13,347,098	\$12,124,086	\$26,399,160	\$19,312,820	\$14,979,101	\$86,162,265
Columbia	\$403,044	\$1,443,747	\$1,026,224	\$741,227	\$963,567	\$4,577,809
Coos	\$326,373	\$91,680	\$184,951	\$262,816	\$109,904	\$975,724
Douglas	\$189,000	\$571,521	\$252,451	\$0	\$30,348	\$1,043,320
Josephine	\$28,122	\$104,676	\$76	\$0	\$0	\$132,874
Klamath	\$2,782,134	\$1,832,427	\$511,363	\$392,276	\$1,806,073	\$7,324,273
Lane	\$465,621	\$1,311,575	\$1,957,402	\$979,385	\$2,741,105	\$7,455,088
Lincoln	\$21,276	\$1,452,752	\$1,220,373	\$738,319	\$1,400,617	\$4,833,337
Linn	\$3,342,543	\$4,283,070	\$3,459,852	\$4,051,916	\$5,342,905	\$20,480,286
Marion	\$349,194	\$156,344	\$674,845	\$1,059,923	\$3,057,678	\$5,297,984
Polk	\$274,883	\$268,255	\$663,546	\$134,808	\$207,030	\$1,548,522
Tillamook	\$6,951,154	\$10,055,579	\$9,408,191	\$10,140,265	\$13,083,756	\$49,638,945
Washington	\$4,034,675	\$7,391,017	\$2,696,736	\$6,656,840	\$3,781,002	\$24,560,270
Total	\$34,605,675	\$42,690,822	\$49,801,650	\$47,918,084	\$48,589,600	\$223,605,831

TABLE 3: HISTORICAL TIMBER HARVEST VALUE, VOLUME
STUMPAGE PRICES
FISCAL YEARS 1996 THROUGH 2005

Table 3 shows the gross value of timber sales and forest products before project costs are subtracted. The net revenue transferred to the Counties is shown in Table 2.

Fiscal Year	Timber Sales & Forest Products Value	Timber Harvest Volume (MBF)	Average Stumpage Price
2005	\$89,542,266	281,655	\$361
2004	\$81,104,304	239,386	\$277
2003	\$86,875,185	253,532	\$284
2002	\$79,544,382	228,326	\$306
2001	\$65,489,876	193,069	\$281
2000	\$74,639,111	214,165	\$348
1999	\$62,735,261	169,896	\$249
1998	\$45,544,510	106,350	\$282
1997	\$66,773,061	139,225	\$394
1996	\$46,856,826	90,805	\$421
Last 5-Year Average	\$80,511,203	239,194	\$302
10-Year Average	\$69,910,478	191,641	\$320

FOREST REHABILITATION REPAYMENT STATUS

The Forest Rehabilitation Fund was created by the 1949 Oregon Legislature “to rehabilitate, reforest and develop state-owned forest lands so as to secure the highest permanent usefulness to the whole people of the State of Oregon.” Subsequently, the State Treasury paid off these bonds, and is being repaid from timber harvest revenues.

The current repayment status is shown by county in Table 4.

TABLE 4: BALANCES FOR REHABILITATION PAYBACK PER COUNTY AS OF JUNE 30, 2005

County	Obligation	Sum of Payments	Balance
Columbia	\$4,751	\$1,071	\$3,681
Josephine	\$29,903	\$0	\$29,903
Klamath	\$108,654	\$108,654	\$0
Tillamook	\$12,967,810	\$11,353,852	\$1,613,959
Total	\$13,111,118	\$11,463,577	\$1,647,543

LONG-TERM MARKET TRENDS

Overall, log and saw timber stumpage prices are expected to remain relatively stable over the next several years. Interest rates are assumed to gradually rise, resulting in declining housing starts over the next several years. However, strong demographics and a growing economy are forecasted to keep housing starts from falling precipitously from current high levels. This will result in strong western lumber production, but, in spite of currently strong panel prices, plywood will sometime in the future again struggle to remain at current levels because of expanding oriented strand board capacity outside the West.

Sawlog prices will not increase significantly because of competition from oriented strand board and engineered wood products, the potential increased raw log imports from Canada, and wood product imports from the southern hemisphere.

Downward price movement will be limited by strong lumber production and panel demand, lack of federal timber availability, and limited inventories on private land. Sawlog prices will move cyclically within a relatively narrow range and the demand for pulp will remain steady.

Export demand will remain weak with ever-increasing overseas competition. With strong lumber production, supplies of residuals will be plentiful, further limiting the price of the high-cost supply of chips and roundwood.

TABLE 5: COUNTY FOREST TRUST LANDS ACTUAL GROSS REVENUE
AND EXPENDITURES SUMMARY – FY 1998 - 2005

<i>Actual Revenue Dollars</i>		<i>Fund 51 Expenditures</i>					<i>Revenue Transfers</i>		
Fiscal Year	Gross Revenue*	Personal Services	Services & Supplies	Capital Outlay	Special Payments	Fund 51 Expenditure Total	Admin Prorate	Fire Patrol Costs	Other Transfers Out - **Transfer to GF, Cap Improve, Seed Orchard etc.
2005	\$77,327,887	\$13,376,102	\$9,461,689	\$138,624	\$166,943	\$23,143,358	\$2,035,573	\$864,542	\$16,060,184
2004	\$75,949,651	\$11,777,213	\$7,123,158	\$199,663	\$150,387	\$19,250,420	\$2,220,790	\$868,675	\$1,120,721
2003	\$72,401,002	\$11,395,363	\$6,834,871	\$417,631	\$244,934	\$18,892,799	\$1,809,864	\$700,651	\$554,626
2002	\$69,114,134	\$10,686,593	\$5,592,920	\$708,570	\$102,912	\$17,090,994	\$2,058,421	\$785,119	\$1,146,507
2001	\$66,647,019	\$10,046,233	\$5,442,678	\$269,558	\$610,506	\$16,368,975	\$1,712,092	\$799,660	\$177,616
2000	\$74,971,314	\$9,266,535	\$5,133,552	\$171,296		\$14,571,382	\$2,013,606	\$667,782	\$907,989
1999	\$62,759,066	\$9,124,496	\$7,032,810	\$201,088		\$16,358,394	\$1,390,934	\$598,679	\$220,170
1998	\$45,038,653	\$8,632,541	\$6,432,152	\$163,883		\$15,228,576	\$1,683,785	\$706,075	\$390,100

*Actual Gross Revenues include revenues from negotiated sales, rights-of-way, permits, etc., in addition to timber sales.

**HB 2148 transferred \$10 million out of the Forest Development Fund (Fund 5100) into the General Fund.

Data taken from State Financial Management Application.

TABLE 6: STATE FORESTS 2006 FISCAL BUDGET
STATEWIDE SUMMARY BY BUDGET UNIT AND CATEGORY

	Personal Services	Services & Supplies	Capital Outlay	Capital Impv & Capital Constr	TOTAL	Forest Development Fund	Common School Fund
ADMIN UNIT	\$551,299	\$248,200	\$0	\$0	\$799,499	\$663,583	\$135,916
ASSET MGMT	\$644,764	\$485,200	\$0	\$0	\$1,129,964	\$937,871	\$192,093
INFO UNIT	\$651,820	\$1,820,912	\$0	\$0	\$2,472,732	\$2,052,602	\$420,129
POLICY/PLAN	\$551,878	\$1,068,575	\$0	\$0	\$1,620,453	\$1,472,375	\$148,078
TECH SVCS	\$555,030	\$1,218,500	\$0	\$0	\$1,773,530	\$1,540,022	\$233,508
SALEM TOTAL	\$2,954,791	\$4,841,387	\$0	\$0	\$7,796,178	\$6,666,453	\$1,129,724
NWOA OFFICE	\$647,594	\$168,492	\$1,671	\$30	\$817,787	\$794,785	\$23,002
TFC	\$535,455	\$497,500	\$405,000	\$0	\$1,437,955	\$1,437,955	\$0
ASTORIA	\$2,207,559	\$2,022,595	\$10,000	\$220,000	\$4,460,154	\$4,391,648	\$68,506
CASCADE	\$977,429	\$845,585	\$24,800	\$9,700	\$1,857,514	\$1,822,986	\$34,528
FOREST GROVE	\$1,581,017	\$1,376,650	\$8,000	\$154,000	\$3,119,667	\$3,109,358	\$10,309
SOUTH FORK	\$1,229,506	\$549,451	\$113,500	\$0	\$1,892,457	\$1,875,374	\$17,084
TILLAMOOK	\$2,901,569	\$2,932,900	\$128,000	\$470,000	\$6,432,469	\$6,313,212	\$119,257
WEST OREGON	\$892,075	\$488,655	\$15,000	\$50,000	\$1,445,730	\$1,138,081	\$307,649
SEED ORCHARD	\$0	\$0	\$20,000	\$595,000	\$615,000	\$615,000	\$0
NWO AREA TOTAL	\$10,972,204	\$8,881,828	\$725,971	\$1,498,730	\$22,078,733	\$21,498,399	\$580,335
SOA OFFICE	\$117,731	\$33,492	\$0	\$0	\$151,223	\$29,156	\$122,067
COOS	\$1,605,650	\$1,666,553	\$17,500	\$100,000	\$3,389,703	\$305,983	\$3,083,720
SWO	\$282,552	\$166,230	\$0	\$5,000	\$453,782	\$238,852	\$214,930
WEST LANE	\$309,185	\$187,195	\$0	\$0	\$496,380	\$463,464	\$32,917
SOA TOTAL	\$2,315,118	\$2,053,470	\$17,500	\$105,000	\$4,491,088	\$1,037,455	\$3,453,634
EOA OFFICE	\$16,764	\$44,000	\$0	\$0	\$60,764	\$48,469	\$12,295
KLAMATH	\$494,230	\$510,200	\$0	\$0	\$1,004,430	\$796,321	\$208,109
EOA TOTAL	\$510,994	\$554,200	\$0	\$0	\$1,065,194	\$844,790	\$220,404
TOTAL FY06	\$16,753,107	\$16,330,885	\$743,471	\$1,603,730	\$35,431,193	\$30,047,097	\$5,384,097

FOREST MANAGEMENT & PLANNING

DISTRICT IMPLEMENTATION PLANNING

Implementation Plans (IPs) describe the forest management approaches and activities a district will initiate and complete during a 10-year period to faithfully implement a forest management plan.

The State Forester approved IPs for the districts included in the Northwest Oregon and Southwest Oregon State Forests Management Plans (Astoria, Forest Grove, Tillamook, Cascades, West Oregon, Western Lane, and Southwest Oregon Districts) in March of 2003. Each IP describes the management approaches and activities for the ten-year period from July 1, 2001 through June 30, 2011. Along with approval of the IP, the State Forester adopted direction for enhancements to timber harvest schedule modeling, watershed analysis, monitoring, forest inventory, and salmon anchor habitats.

Several of the projects described in the State Forester's direction will acquire better data or improve analytical information that may result in changes to the IPs prior to 2011. Such updates or revisions will be considered and reviewed in accordance with the standards for adaptive management described in the Forest Management Plans, and the thresholds for modifications described in the IPs.

Of particular interest is the Harvest and Habitat Modeling Project. The project is conducting a comprehensive and systematic process to resolve issues related to harvest levels that were identified in a report provided to the Council on Forest Trust Land Counties by Mason, Bruce, and Girard, Inc. The project will examine opportunities to realize any harvest level increases projected through modeling while simultaneously meeting other elements of the Greatest Permanent Value defined for these lands. The project is scheduled for completion in the spring 2006.

PUBLIC INVOLVEMENT IN THE PLANNING PROCESS

The department remained committed to proactively involving the public as part of the successful implementation of its forest management plans. ODF sought to have the focus of public input be on its annual operations plans, a detailed explanation of on-the-ground activities to be carried out to move forest stands to their desired future condition.

The two primary mechanisms for gaining public input are a comment period on annual operations plans and an advisory committee representing diverse interests. The plans for each of the nine districts with ODF-managed state lands, along with maps showing locations of planned activities, were posted on the ODF website <http://www.odf.state.or.us>.

For this year's Annual Operations Plan 45-day comment period (February 14 to March 30), about 200 comments were collected. Responses were provided to each of the summary comments, which spanned many areas including the desired future condition, proposed management, estimated resource outputs and wildlife. The comments and responses are posted on the Oregon Department of Forestry website <http://www.odf.state.or.us>.

The State Forests Advisory Committee met regularly to discuss and provide input on the following planning-related topics:

- The Forest Land Management Classification System;
- Tracking changes in stand structure;
- Planned operations (AOP 2006) as they relate to Implementation Plans;
- Reporting AOP 2004 accomplishments;
- Swiss Needle Cast management;
- Adaptive Management;
- Public involvement process for AOP 2006;
- Recreation strategic planning; and
- Updates on the H&H Model Project.

WESTERN OREGON HABITAT CONSERVATION PLAN STATUS

Negotiations with the United States Fish and Wildlife Service (USFWS) have resulted in a set of strategies for northern spotted owls, marbled murrelets, and a list of other species that ODF, the Oregon Department of Fish and Wildlife (ODFW), and USFWS believe are a sound set of strategies to move forward into the National Environmental Policy Act (NEPA) process. Negotiations with the National Oceanic and Atmospheric Administration, Fisheries Division, (NOAA) have not produced an agreed upon set of strategies for fish. ODF is proposing to use the aquatic and riparian strategies that were included in the Northwest and Southwest Oregon State Forests Management Plans as strategies in the HCP. An effects analysis, conducted in coordination with ODFW, will inform further consultation efforts with higher level administrators in NOAA, USFWS, FTLAC, and with the Board of Forestry (BOF). A decision then will be made by the ODF on how to, or whether or not to, continue considering the inclusion of fish in the HCP.

Concurrently, discussion is underway on moving forward with development of the Environmental Impact Statement (EIS), a federal requirement under the NEPA. Throughout the process both the Forest Trust Land Advisory Council (FTLAC) and the BOF will be involved as decision points are reached. The EIS process includes further public involvement on and technical analysis of the proposed strategies and alternatives. Updated information obtained from the Harvest and Habitat Modeling Project (discussed under Implementation Planning) will be incorporated into the EIS. The new modeling information will enable ODF, FTLAC, BOF and the general public to better understand the economic and environmental strengths and weaknesses of all the alternatives. The resulting analysis will assure that, if the decision is made to obtain the HCP, it will be a good business decision. The EIS process would likely take 12 to 18 months, with completion projected for early 2007.

WATERSHED ASSESSMENT AND ANALYSIS

The Watershed Analysis program is an important component of the implementation of the FMPs. Watershed Analysis projects collect the needed information at both watershed and site-specific levels and analyze collected information.

In general, Watershed Analysis projects provide a greater understanding of current conditions and interrelated processes in watersheds. This information is used through an adaptive management process to improve existing and future plans, and accomplish FMP objectives.

The ODF Watershed Analysis program is currently working on two projects, the Miami River and Upper Nehalem River watersheds. The contractors completed work on the Miami River project August 2005, with the Upper Nehalem project scheduled for completion in December 2005. To date, four watershed projects have been completed according to the targeted watershed analysis schedule: the Trask River; the Elliott State Forest; and the above mentioned projects.

The State Forests Program staff and District employees are creating an action plan from the contractor's findings for both the Elliott State Forest and Miami River projects. Once completed, watershed projects are placed on the ODF website:

http://oregon.gov/ODF/STATE_FORESTS/watershed.shtml#Watershed_Analysis_Projects_

Currently, the website contains the ODF Watershed Manual and the Trask River, Elliott State Forests, and Miami River watershed documents.

ANNUAL OPERATIONS PLANS – SUMMARY FY 2006

Annual Operations Plans (AOPs) link operational planning and accountability to ODF plans, policies, goals and budgets, by District. AOPs address the following issues requiring significant commitment of personnel or funds:

- timber sales;
- habitat management;
- young stand management;
- recreation projects;
- road construction and maintenance; and
- monitoring efforts and other activities.

The AOPs provide information for fiscal budget development and revenue projections. AOPs may need to be adjusted throughout the process, based on revenue projections.

Annually, drafts of AOP components undergo significant review by ODF staff and supporting advisory committees, as well as a public review opportunity. Once the review period has ended, District Foresters consider input received from all these sources before approval of the AOPs. District Foresters will also approve modifications of AOPs when necessary due to new information, changes in budget levels, or unforeseen circumstances.

See Tables 8 and 9 for a summary of the 2006 AOPs.

TABLE 7: FY 2006 – BOF LANDS
ANNUAL STATEWIDE OPERATIONS PLAN SUMMARY SALE
PLAN BY COUNTY

COUNTY	CLEAR-CUT ACRES	PARTIAL CUT ACRES	TOTAL ACRES	TOTAL VOLUME MMBF	GROSS VALUE MM\$	PROJECT VALUE MM\$	NET VALUE MM\$
Benton	0	153	153	0.92	0.18	0.05	0.13
Clackamas	77	306	383	3.60	0.95	0.16	0.79
Clatsop	1,219	3,629	4,848	96.19	27.93	3.30	24.63
Columbia	155	434	589	12.08	4.67	0.16	4.51
Coos	66	0	66	2.22	1.39	0.08	1.31
Douglas	82	378	460	5.57	2.21	0.18	2.03
Josephine	0	316	316	1.36	0.16	0.08	0.08
Klamath	0	1,088	1,088	7.39	2.55	0.13	2.42
Lane	26	161	187	3.35	1.14	0.14	1.00
Lincoln	41	569	610	5.59	1.90	0.27	1.63
Linn	145	986	1,131	16.86	5.78	0.45	5.33
Marion	132	676	808	13.33	4.73	0.12	4.61
Polk	0	280	280	1.65	0.43	0.18	0.25
Tillamook	6,332	3,465	9,797	126.08	30.84	4.92	25.92
Washington	430	1,202	1,632	29.82	11.72	0.64	11.08
Grand Total	8,705	13,643	22,348	326.01	96.58	10.86	85.72

TABLE 8: FY 2006– BOF LANDS
ANNUAL STATEWIDE OPERATIONS PLAN SUMMARY SALE
PLAN BY DISTRICT

DISTRICT	CLEAR-CUT ACRES	PARTIAL CUT ACRES	TOTAL ACRES	TOTAL VOLUME MMBF	GROSS VALUE MM\$	PROJECT VALUE MM\$	NET VALUE MM\$
Astoria	1,000	2,895	3,895	77.2	20.0	2.9	17.1
Coos	148	0	148	5.6	3.1	0.2	2.9
Forest Grove	875	3,425	4,300	83.4	33.3	2.1	31.2
Klamath-Lake	0	1,088	1,088	7.4	2.6	0.1	2.5
N Cascade	354	1,968	2,322	33.8	11.5	0.7	10.8
Southwest	0	694	694	3.6	0.6	0.2	0.4
Tillamook	6,261	2,410	8,671	103.6	21.9	4.0	17.9
West Oregon	41	1,003	1,044	8.2	2.5	0.5	2.0
Western Lane	26	161	187	3.4	1.1	0.1	1.0
Grand Total	8,705	13,644	22,349	326.2	96.6	10.8	85.8

Note: Figures may slightly differ due to rounding.

KEY PROJECTS

HARVEST AND HABITAT MODELING PROJECT (H&H PROJECT)

The Board of Forestry approved the *Northwest Oregon State Forests Management Plan* in January of 2001. In March of 2003, the State Forester approved District Implementation Plans (IP's). A condition of approving the IP's was a "Work Plan" which included the creation of a new harvest model.

In the context of achieving the Greatest Permanent Value through the implementation of the Forest Management Plan, below are the goals and objectives of creating a new Harvest & Habitat Model.

ADAPTING THE NW AND SW OREGON FOREST MANAGEMENT PLANS (FMPS)

In the final year prior to plan adoption, the Department contracted with Oregon State University to conduct a comparative analysis of a range of forest management alternatives for the northwest Oregon state forests planning area. This modeling effort, conducted by Dr. John Sessions, predicted a potential annual harvest volume of about 279 MMBF for Tillamook, Astoria, and Forest Grove Districts. The counties supported the adoption of the forest management plan with the expectation that harvest levels would increase to volumes at or near the model outputs for that alternative. Actual harvest levels were developed during the Implementation Plan process following FMP approval.

Mid-point harvest levels that were estimated in the Implementation Plan process were originally about 145 MMBF. After further refinement and based on operational information by the districts, mid-point harvest levels were established and approved by the State Forester at about 179 MMBF (for Tillamook, Astoria and Forest Grove Districts). In March of 2003, the approved Implementation Plans included a work plan to address harvest levels.

Comment [dlj1]: I don't recall this number and cannot verify it. -dlj.

The Harvest and Habitat Model Project Team was charged with developing a comprehensive and systematic process to continue the analysis and resolution of the issues related to harvest levels identified in the report provided to the Council of Forest Trust Land Counties by Mason, Bruce, and Girard, and the issues identified with the "Work Plan" section of ODF's Implementation Plans (approved in March of 2003). The intent in carrying out the project was to realize the harvest levels to the maximum extent possible, while simultaneously meeting the other elements of Greatest Permanent Value.

On-going concern expressed by the counties and the Legislature prompted ODF to operate at the high end of the Implementation Plan range until the Harvest and Habitat (H&H) Model Project was completed (see detailed information below).

The agency also indicated that the Board of Forestry would be reviewing a range of policy choices that could result in adjustments in the Forest Management Plan. ODF would subsequently need to re-evaluate harvest levels to ensure continual alignment with the FMP.

The original time frame for completing the H&H project and having policy discussions with the Board was spring of 2005. However, this timeline was extended to October 2005 and then finally to April of 2006. The resulting policy discussion with the Board of Forestry will likely be ongoing dialogue for six months to one year beyond the April 06 date.

BACKGROUND AND CONTEXT FOR H&H MODEL PROJECT

The mission of the Harvest & Habitat Model Project is as follows:

- a. Provide harvest level and wildlife habitat information to ODF decision-makers that can be confidently used to revise the harvest ranges described in the District Implementation Plans and to assist with establishing targets for the Annual Operations Plans.
- b. Provide ODF and the Board of Forestry with an analysis tool to assist in the business decision on whether or not to pursue the *Western Oregon Habitat Conservation Plan*.
- c. Provide the State Forest Program with an analysis tool that can be used to evaluate management alternatives for the Environmental Impact Statement (EIS) for the *Draft Western Oregon Habitat Conservation Plan*.
- d. Provide ODF and the Board of Forestry (BOF) with an analysis tool that will assist in evaluating how various forest management strategies and policies affect the attainment of the "Greatest Permanent Value" on State Forests. This mission is broader than the one described in the *Work Plan to Address Harvest Schedule Modeling and Sustainable Harvest Levels in the District Implementation Plans* ("Work Plan" section of Implementation Plans), however it will still meet all of the original objectives. The Harvest & Habitat Model Project will now produce models for four different alternatives for managing State Forests.

MANAGEMENT ALTERNATIVES

The Harvest & Habitat Model Project will develop models to simulate four alternatives (Table 1) that represent different strategies for managing State Forests. These four alternatives will be consistent with the concepts provided in the Forestry Program for Oregon (FPFO), particularly "Managing diverse forests for different purposes" (as described on page 3 of the FPFO). The model alternatives include:

- 1: Current Plan (FMP with HCP): Multiple-resource
- 2: FMP with Take Avoidance: Multiple-resource
- 3: Wood Emphasis: Wood Production
- 4: Reserve-Based: Reserve

Alternative 1 – Current Plan with Habitat Conservation Plan

This alternative simulates the strategies and policies currently being implemented on State Forests. The strategies in Alternative 1 are based on the same plans and policies as were used to develop the District Implementation Plans, and include the *Northwest* and *Southwest Forest Management Plans*, the *Draft Western Oregon Habitat Conservation Plan*, and the State Forest Program's Threatened and Endangered Species Take Avoidance Policies. Note: Take Avoidance Policies are included for the first 5 years only, on the assumption that the HCP will be in effect at the end of that time.

Alternative 2 – FMP with Take Avoidance

Alternative 2 assumes that the department does not adopt a HCP. Alternative 2 uses all of the same strategies as Alternative 1, excluding those derived from the HCP. Because Alternative 2 is based on Take Avoidance strategies, and owl population trends are not clear, it was decided to model three different population trends for the northern spotted owl (NSO). These trends are identified as ODF's Base Scenario, Continued NSO Decline, and Improved NSO Recovery. In addition, Alternative 2 will include the same run options as Alternative 1.

Alternative 3 – Wood Emphasis

This alternative will be developed to simulate how these forests might be managed by ODF using model goals that focus on wood production (similar to what an industrial forest landowner might do), using the most efficient wood production strategies that can be implemented. Alternative 3 will not be based on the FMP; resource protection will be based on the Oregon Forest Practices Act (FPA). This alternative uses the State Forest Program's Take Avoidance Policies for Threatened and Endangered Species. The model will also be constructed with the option of

using FPA 70-acre core areas for NSO's. The specific details of the other strategies for this alternative will be developed with input from stakeholders.

Alternative 4 – Reserve-Based

This alternative will be developed using a reserve-based strategy for managing Threatened and Endangered species and providing other values. Non-reserve areas will use strategies similar to those within the FMP. The specific strategies for this alternative will be developed with input from stakeholders.

STAND LEVEL INVENTORY

The Stand Level Inventory (SLI) is a forest inventory developed by ODF. The SLI provides site-specific information on trees, downed wood and understory vegetation on state forestlands. It is a primary source of information for operational intensive management planning and decision making, harvest scheduling, monitoring, watershed assessment, wildlife habitat suitability, and stand structure classifications.

Three years of SLI contract work have been completed through May 2005. This equals approximately 39% of the total stands being measured to date. The fourth year of contracting is underway and is scheduled to be completed by June 2006. The long-term goal is to maintain at least 50% of the state forestlands with recent inventory. As the program approaches that mark there will be continued discussion to determine how much more is needed or if efforts can be reduced to a maintenance mode.

The Tillamook District was not included in the initial contract for the fourth year of inventory work. The district is contracting a re-typing of the forest stands to assure the sampling results will provide the level of information they need in their planning efforts. Contracting the SLI work for Tillamook will continue when they complete the re-typing project.

TABLE 9: SLI ACCOMPLISHMENTS: MAY 2002
THROUGH JUNE 2005

State Forest Districts	Total Stands	Stands Completed	Percent Completed
Astoria	1,433	532	37%
Forest Grove	1,222	563	46%
Tillamook	1,850	654	35%
West Oregon	955	378	40%
North Cascade	769	320	42%
Western Lane	366	134	37%
Southwest	289	150	52%
Coos	2,133	640	30%
Klamath-Lake	303	259	85%
Total	9,320	3,630	39%

TABLE 10: SLI PROJECTED THROUGH MAY 2006
 *INCLUDES CURRENT CONTRACT (4TH YEAR)

State Forest Districts	Contracted Stands	Projected June 2006	Estimated Percent
Astoria	139	671	47%
Forest Grove	125	688	56%
Tillamook	-	654	35%
West Oregon	113	491	51%
North Cascade	40	360	47%
Western Lane	44	178	49%
Southwest	10	160	55%
Coos Bay	170	810	38%
Klamath-Lake	-	259	85%
Total	641	4,271	46%

OTHER MANAGEMENT ACTIVITIES/OUTPUTS

INTENSIVE MANAGEMENT SUMMARY

Intensive Management activities represent an investment to increase the volume and/or quality of timber, resulting in increased revenue from harvests. Promoting large, fast-growing, healthy trees and forest stands is also important for fish and wildlife habitats.

TABLE 11: INTENSIVE MANAGEMENT ACTIVITIES ON
BOARD OF FORESTRY LANDS – FY 2005

Management Activity	Acres Planned	Acres Completed	Average Cost/Acre	Total Cost
Planting	3673	3112	\$153.53	\$477,788
Interplanting	747	853	\$117.30	\$100,058
Underplanting	996	1010	\$77.43	\$78,206
Tree protection	2073	2691	\$53.25	\$143,304
Site Prep- Chem- Aerial	1514	1415	\$63.23	\$89,470
Site Prep- Chem- Hand	244	210	\$127.68	\$26,813
Site Prep- burning- Mech	1827	2899	\$106.60	\$309,026
Fertilization	4000	4044	\$83.29	\$336,825
Release- Chem-Aerial	1573	1549	\$45.57	\$70,587
Release Hand	962	743	\$58.29	\$43,313
Precommercial Thinning	2036	2521	\$72.53	\$182,849
Pruning	104	27	\$110.56	\$2,985
Totals	19749	21074	\$88.32	\$1,861,224

2005 ROAD ACCOMPLISHMENTS AND CURRENT ASSET REPLACEMENT VALUES UPDATE

Table 12 is designed to provide general information about the road systems on Board of Forestry lands as they vary by District. The information on 2005 roadwork is based on the estimates from timber sales from the 2005 Annual Operations Plans. The road mileage reported in the table includes Board of Forestry (County) lands only. In Table 12, construction includes any new roads and reconstruction/relocation of abandoned roads. Road vacating is permanent closure of roads, including removal of stream crossings and complete stabilization of the prism. Other road work is included in the replacement value. For example, Forest Grove District placed high quality crushed rock on 5.7 miles of collector road adjacent to Barney Reservoir (a major water supply for the Portland Metro Area) at a cost of \$261,000, and replaced three culverts that were barriers to fish passage. One bridge, one large (35' span) open bottom culvert, and one counter-sunk culvert were installed at a cost of \$164,600

Roads have been classified as mainline, collector and spur and used to help calculate long-term management costs in the Harvest and Habitat model. This information will be maintained for future transportation planning of the State Forests road system. Comprehensive data on the effects of roads on other forest resources has been collected and analyzed for the Miami (Tillamook District) and Upper Nehalem (Astoria and Forest Grove Districts). This road data identifies current condition of roads and drainage structure, and risks to streams and other forest resources. Analysis of this data has been used to recommend locations where road management can further be improved to reduce road risks, and has found that the vast majority of ODF roads pose low risk to resources.

TABLE 12: 2005 ROAD MILES AND REPLACEMENT VALUE – BOARD OF FORESTRY LANDS

	Road Classification		
Tillamook District	Mainline	Collector	Spur
2005 Construction	0	0	7.5
2005 Vacated	0	0	2.3
Total Road Miles	215	507	483
Replacement Value	\$49,200,000		
	Road Classification		
Astoria District	Mainline	Collector	Spur
2005 Construction	0	4.5	20.4
2005 Vacated	0	0.5	4.9
Total Road Miles	125	343	413
Replacement Value	\$69,370,000		
	Road Classification		
North Cascade District	Mainline	Collector	Spur
2005 Construction	0	1	1.5
2005 Vacated	0	0	0
Total Road Miles	86	85	119
Replacement Value	\$19,110,000		

	Road Classification		
Coos District	Mainline	Collector	Spur
2005 Construction	0	0	0
2005 Vacated	0	0	0
Total Road Miles	8.6	12.4	21.5
Replacement Value	\$3,380,000		
	Road Classification		
West Oregon District	Mainline	Collector	Spur
2005 Construction	0	0	2.9
2005 Vacated	0	0	0
Total Road Miles	38	80	144
Replacement Value	\$15,790,000		
	Road Classification		
Forest Grove District	Mainline	Collector	Spur
2005 Construction	0	2	18.5
2005 Vacated	0	0	3
Total Road Miles	119	209.5	246
Replacement Value	\$31,600,000		
	Road Classification		
Western Lane	Mainline	Collector	Spur
2005 Construction	0	1.5	6
2005 Vacated	0	0	0.9
Total Road Miles	0	30	52
Replacement Value	\$7,350,000		
	Road Classification		
Southwest Oregon District	Mainline	Collector	Spur
2005 Construction	0.4	0	1
2005 Vacated	0.4	0	0.5
Total Road Miles	9	17	26
Replacement Value	\$2,430,000		
	Road Classification		
Klamath Lake District	Mainline	Collector	Spur
2005 Construction	0	0	6.9
2005 Vacated	0	0	4.3
Total Road Miles	51	61	77
Replacement Value	\$3,030,000		

RECREATION MANAGEMENT SUMMARY

Recreational use continues to increase on Oregon's state forests while new projects implemented in FY 05 provide much needed additional facilities and trails. Camping, hiking, horseback riding and mountain bicycling are experiencing significant growth in popularity across all state forests. While off-highway vehicle recreation is the most popular trail use on the Tillamook State Forest, users are working with other districts to increase opportunities for this growing activity.

TABLE 13: CUMULATIVE RECREATION FACILITY INVENTORY

ACTIVITY/FACILITY	CLATSOP	TILLAMOOK	SANTIAM
Mountain Bike Trails (miles)	11	38	11.5
Nature/Interpretation Trails (miles)	2	1	2
Hiking Trails (miles)	12	49	15
Equestrian Trails (miles)	5	23	10.5
ATV & Motorcycle Trails (miles)		174	
4x4 Trails (miles)		48	
Non-Motorized Boat Launch Sites		2	
Vehicle Camp Sites	32	160	24
Walk-in Tent Camp Sites	11	20	
Day-use Picnic Area Sites	2	27	5
Education/Interpretation Sites	2	6	2

RECREATION FACILITY DEVELOPMENT PROJECTS

Each state forest has a ten-year recreation plan that provides a prioritized list of facility development projects. Following is a summary of accomplishments during FY 2005.

CLATSOP STATE FOREST

- ▶ **SPRUCE RUN COMPGROUND**
 - New woodbin constructed – wood sales began May 2005
 - New well drilled for drinking water
 - Recycling program implemented
 - Existing restroom remodeled
 - Day use area enlarged and improved with new picnic tables and BBQ's

 - ▶ **NORTHRUP CREEK HORSECAMP**
 - Construction underway on the project, grand opening to be held in spring 2006.
 - Additional trail work in the area

 - ▶ **DEMONSTRATION FOREST**
 - Interpretive panel design completed.
 - Improvements are now being planned for the Arboretum.

 - ▶ **TRAILHEAD AND TRAIL CONSTRUCTION**
 - New trail construction began from Henry Rierson Spruce Run Campground.
 - Trail layout was completed for 4.2 miles of trail near Gnat Creek.
 - Trail inventory and plan was completed for motorized trails on Nicolai Mountain

 - ▶ **LOST LAKE**
 - Public meetings were held and conceptual designs for a campground were derived for the Lost Lake area.
-

TILLAMOOK STATE FOREST

- ▶ **REEHERS CAMP**

Construction work complete. 16 new campsites added.
Began process for development of Interpretive signing
Completed the design work for the picnic shelter
Acquired the Washington County Building permit for the picnic shelter

- ▶ **BROWNS CAMP**
 - Replaced an old and damaged day use restroom with a new CXT double vault toilet.

- ▶ **GALES CREEK CAMPGROUND**
 - Constructed a new storage and wood shed at the campground host site

- ▶ STAGECOACH HORSECAMP
 - Installed a new 3 panel information board
- ▶ JONES CREEK CAMPGROUND/DAY USE AREA
 - Constructed 100 ft X 330 ft parking area under power lines for overflow parking
- ▶ WILSON RIVER TRAIL
 - Constructed 105 ft arch span suspension trail bridge across N. Fk. Wilson River.
 - Constructed 1.5 miles of new trail between Keenig Creek and Footbridge
- ▶ DESIGNATED DISPERSED CAMPSITES
 - Constructed 5 along Cedar Creek Rd. and 6 at Morrison Eddy

SANTIAM STATE FOREST

- ▶ HIGH LAKES
 - Constructed 1.5 mile of nonmotorized multiuse trail.
 - Relocated 1 campsite, constructed 2.
 - Installed gate for seasonal closure to Rhody Lake.
- ▶ SHELLBURG FALLS CAMPGROUND
 - Constructed 4 campsite parking areas.
 - Installed 300 ft retaining wall beneath Shellburg Falls.
- ▶ SHELLBURG CREEK TRAIL
 - Completed MOU trail agreement with Silver Falls State Park.
- ▶ ROCK CREEK DISPERSED CAMPING AREA
 - Constructed 4 campsites and parking areas.
- ▶ SANTIAM HORSE CAMP AND TRAILS
 - Constructed 9 site equestrian campground and day-use area.
 - Constructed 6 miles of nonmotorized multiuse trails.
- ▶ ROCKY TOP AND NATURAL ARCH
 - Completed survey of 2 mile hiking trail.
 - Constructed day-use parking and trailhead at Natural Arch.

TABLE 14: SUMMARY OF VOLUNTEER HOURS FOR RECREATION PROJECTS

	Tillamook State Forest Forest Grove District	Tillamook State Forest Tillamook District	Clatsop State Forest	Santiam State Forest
Total Hours	5,133	5,527	1,795	820

REVENUE FROM CAMPGROUNDS

Fees are collected in designating campgrounds maintained by Oregon Department of Forestry. The fee system functions on the honor system with daily agency compliance monitoring.

TABLE 15: REVENUE FROM CAMPGROUNDS

Campground	District	Revenue
Brown's Camp	Forest Grove	\$19,144
Gales Creek Campground	Forest Grove	\$11,063
Stage Coach Horse Camp	Forest Grove	\$678
Elk Creek	Forest Grove	\$2,973
Reehers Camp	Forest Grove	\$284
Jones Creek	Tillamook	\$21,353
Jordan Creek	Tillamook	\$1,775
Nehalem Falls	Tillamook	\$13,117
Henry Rierson Spruce Run	Astoria	\$25,025
Gnat Creek Campground	Astoria	\$2,094
Total Revenue		\$97,506

RESEARCH AND MONITORING

The Forest Management Plans (FMPs) for state forest lands emphasize the need for adaptive approaches to management. Adaptive management requires a significant commitment to obtaining critical information over time and to ensuring that the information enters the decision-making process. The state forests research and monitoring program is in place to ensure that the levels of research, monitoring, and technology transfer are adequate to meet the information needs required by the long range management plans.

The *State Forests Monitoring Program Strategic Plan (Strategic Plan)* (ODF 2002) was approved as part of the Implementation Plan “package” for the Northwest and Southwest Oregon Forest Management Plans. Although this plan primarily focuses on research and monitoring related to the NW and SW FMPs, its general approach applies to Elliott State Forest (ESF) and, Eastern Oregon Area (EOA) forestlands, as well.

The *Strategic Plan* is directly tied to the “working hypotheses” and forest management strategies identified and described in the FMPs. It sets a direction for monitoring and research work by identifying high priority projects that will contribute to our understanding of management strategy effectiveness and assumptions related to the FMPs. It also identifies priority research and monitoring themes which will translate over the next ten years into additional projects to contribute to the evaluation of the FMPs.

Two important objectives of the Monitoring Program are:

- 1) To determine whether FMP programs and strategies are implemented as stated, and
- 2) To determine whether FMP programs and strategies result in anticipated habitat for species of concern or other desired forest conditions.

As guidance in pursuing research projects and monitoring opportunities, several overarching research and monitoring themes have been identified that relate directly to the integrated forest management strategies and underlying assumptions:

- Implementation monitoring;
- Stand structure development and wildlife relationships;
- Hydrologic functions and aquatic and riparian habitat;
- Young stand development;
- Forest health; and
- Socio-economic indicators.

These themes are meant to encompass a problem area that includes a number of more specific issues and questions, and, therefore, a variety of potential research and monitoring approaches to meet the information needs are possible.

Projects have been identified that will contribute to understanding the effectiveness of key management strategies, the underlying assumptions, and the working hypotheses related to the FMP. These projects are a high priority for ODF in this initial 10-year implementation period. They include:

- Implementation monitoring procedures and reporting
- The interaction between Swiss needle cast and commercial thinning

- Northern spotted owl and marbled murrelet surveys and site monitoring
- Assessment of young stand management strategies
- Stream temperature and riparian function
- Stand structure development and wildlife relationships
- Socio-economic indicators
- Public acceptance assessment

I. UPDATES OF SELECTED ONGOING RESEARCH AND MONITORING INITIATIVES

Implementation Monitoring

Implementation Monitoring (IM) focuses primarily on stand structure components and riparian zone management. Specifically, it will determine consistency with Landscape Management Strategies 1–3 and Aquatic and Riparian Strategies 2 and 5 of the NW and SW Forest Management Plans (FMP).

IM has two main components. The first involves a contract administration review. This component will review contract administration documents with district personnel to determine the consistency of contract documents with FMP strategies. It will involve responding to a series (currently 57) of both qualitative and quantitative questions.

The second main component involves field data collection. Three separate approaches have been developed. In partial cut stands, the Stand Level Inventory (SLI) protocol will be used. This will accommodate requirements for IM and help to populate the SLI database. For clearcuts, a new methodology has been developed that will estimate downed wood, snag and green tree retention, and collect some qualitative information such as the spatial distribution of green trees and snags. This methodology is more appropriate and efficient for IM because it will provide a more precise estimate of legacy structures such as downed wood and snags, but does not collect unnecessary information such as herb and shrub species and coverage. In both partial and clearcuts, another new methodology has been developed for testing consistency with aquatic and riparian strategies. Both qualitative information, such as whether or not tractor logging was used in the streambank zone and quantitative information such as the number of green trees retained in the inner RMA will be collected. The most important difference between this protocol and previous proposals is that the field data collection requires no additional workload of district staff.

Twenty percent of all clearcuts and partial cuts per district (Northwest Oregon Area, Southwest Oregon Area excluding Coos; the protocol will be modified for the Elliott State Forest) have been randomly selected for monitoring in each district, with a minimum of one of each type (if available) per district per year.

The first year of data collection is considered a pilot project. The quality of data collected and the satisfaction of objectives will be critically questioned at the end of the year and any necessary changes will be made. While we can't predict the outcome, we hope that the current protocol is sufficiently rigorous that few changes will be necessary. If this is the case, it will ameliorate the comparison of data between years.

IM will focus on Fiscal Year (FY) 2002 to FY04 Annual Operation Plans (AOP). Assuming a 2–3 year contract period, most of the FY02 operations are likely to now be complete. IM is currently being conducted on these sales throughout this summer and fall. For the FY03 AOP, current expiration dates indicate that a larger proportion of the sales will not be completed until late 2005 to mid-2006. Unit-level data collection could be accomplished in late 2006. Since there can be some fluctuation in when sales are actually sold, termination dates for some FY04 sales are currently unknown. However, it is assumed that unit-level data could be collected in late 2006 to early 2007. Annual interim reports will be produced that summarize data collected to date and a project report with aggregated data should be developed by early 2008.

Swiss Needle Cast and Commercial Thinning

The purpose of the project is to determine the interaction between thinning of older stands (30+ years old) and disease severity and intensity of thinning. The approach includes a combination of a retrospective study of stand growth since thinning with permanent monitoring plots to track future growth.

Results from the retrospective study indicate that trees did respond to thinning in a positive manner, but the degree of response declined with increasing Swiss needle cast severity. Heavier thinning stimulated a greater individual tree growth response than light thinning. Thinning "shock" for up to four years post-thinning occurred on some plots. A limitation of the retrospective approach is that volume growth may be overestimated because of the uncertainty in height growth. In addition, the study cannot describe what happens to foliage retention when a stand is thinned.

The permanent plot phase of the study was implemented to address key questions:

- Does thinning increase Swiss needle cast severity?
- If thinning changes SNC severity, does the change depend on initial SNC severity?
- Does thinning reduce individual tree volume growth?
- Does stand volume growth after thinning decrease as initial SNC severity increases?

Fifteen paired plots were established in 2001, thinned in 2002, and re-measured in 2004. A second set of 15 plots was established in 2002, thinned in 2003 and re-measured in 2005. Variables measured included height, diameter, foliage retention, crown length, sapwood radius, age, basal area, and relative density.

Initial results of the permanent plot phase of the study show that thinning did not significantly increase the severity of SNC damage and crown sparseness may improve in stands having long crowns or in those undergoing light thinning. Thinning did not exacerbate growth loss from SNC. However, the two-year period since thinning was not long enough to detect a positive growth response to thinning. Stand growth for the two-year period after thinning was directly proportional to the proportion of initial basal area left in the residual stand, regardless of SNC intensity. Plots will be re-measured in 2006 and 2007. The study will be conducted for at least 10 years.

Northern Spotted Owl Surveys of the Tillamook Burn

This project is designed to detect potential use by spotted owls of young forest within the historic Tillamook Burn ("Burn"). The Burn is divided into 15 sampling units to be surveyed in a random order over 10 years, with each sampling unit receiving 2 years of intensive survey effort. In 2003 and 2004, the first 3 units were surveyed, with no spotted owl responses. Barred owls were recorded in all sampling units. A final report for the first 3 units was received in the fall of 2004. An interim report on the next set of sampling units will be received in the fall of 2005, after the first season of surveys on these units, and a final report will be due in the fall of 2006. The results of these surveys will allow ODF to determine if and when it is appropriate to begin considering the Burn as potentially suitable habitat for northern spotted owls.

Assessment of Young Stand Management Strategies

This project is designed to determine whether early stand management has foreclosed options for older stands to develop all desired structural components. The approach includes retrospective and manipulative studies. Data from the retrospective analysis indicate that some trends in stand development develop earlier than commonly assumed. Tree growth in young stands was positively related to stand density, but this trend reversed fairly early. Crown characteristics were influenced very early by stand density, indicating that maintaining a long live crown in typical plantations can only be accomplished by lowering stand density through pre-commercial thinning. Understory herb cover was reduced over time, while shrub cover increased. Species compositions were quite complex, with an initial strong presence of invasive species and later dominance of species usually associated with mature forests. However, there were many exceptions and early successional species were still present after 20 years. These results of the retrospective analysis show that this early stage is very complex and the dynamics vary for different characteristics. The retrospective showed that any gaps or openings in young plantations may provide for a diversity of within-stand

conditions that may affect the role and impact of the stem exclusion phase on development of stand composition and ecosystem functions. Even if gaps are created over time due to various mortality agents, it appears that stand modifications of standard management operations are necessary to ensure gaps that have fully developed shrub, herb, and hardwood vegetation layers. The manipulative study is being developed to investigate whether these openings can be maintained through management. All plots for the manipulative study have been installed and initial results are expected early in 2006.

Stream Temperature and Riparian Function

This project is designed to provide information to assess the effectiveness of the Aquatic and Riparian Strategies. This is a joint project of the State Forests and the Forest Practices Monitoring Programs. The project started in June, 2002 and is being conducted on both privately and state-owned forest land. A pre/post- study design that established control, treatment, and downstream reaches is being used. Water temperature, channel, overstory and understory riparian characteristics will be monitored two years prior to harvest and for five years after harvesting to evaluate harvest effects and recovery rates. Pre-harvest data from sites established in the first field season (2002/03) are being analyzed. In the 2004 field season, overstory data collection was completed on 9 sites and channel data collection was completed on 10 sites. Post-harvest measurements have been conducted on eight sites. Twelve sites will be available for post-harvest data collection in 2005. Depending on harvest schedules there potential that 16 sites may be available during 2005. Seven sites will be sampled in 2006, and one site is scheduled for data collection in 2007. The first interim report will be available in late-2005. A final report is expected in 2008.

Stand Structure Development and Wildlife Relationships

A key assumption of the forest landscape management strategies is that they will provide for native species and their respective habitats. A research project was implemented to address several questions related to this assumption. The first phase of the project was a problem analysis to determine what information is already available and what techniques we have to address these questions. The analysis, completed in 2003, linked FMP stand structure types and structural elements to wildlife habitat characteristics and makes recommendations for options to study the effectiveness of the strategies in the field. One recommendation from this assessment is that a coarse filter monitoring approach would have a high applicability to answering questions about habitat effectiveness at a low relative cost. Coarse filter monitoring is defined as monitoring the amount, distribution, or characteristics of habitat components, stands or landscapes, rather than directly measuring response of any wildlife species directly. Coarse filter monitoring would be appropriate to use for species which are strongly associated with specific habitat attributes that we are managing for and which can be measured. A draft assessment of which species can be monitored using a coarse filter approach was completed in 2004, and will provide the basis from which to make predictions about which species we can expect to be associated with the habitats developed through active management.

The second phase of the project is the development of a field study to address issues raised in these assessments. The objective of the study is to examine how stand structure conditions are changing as a result of management prescriptions and to determine whether post-harvest stand structure conditions are developing as anticipated. A project plan was developed and reviewed by district staff. Site selection and installation was started this summer (2005). Preliminary data will be available for the FMP review in 2011. The study will also continue as a long-term study in order to better describe the process of stand development. Information from this study will also be used as part of a project aimed at defining relationships between stand structure characteristics and native wildlife habitat.

Socio-Economic Indicators

In 1996, Resources Planning Program produced a lengthy report on potential social and economic impacts of the NW FMP. The report covers background; economic analysis approach; Oregon forest ownership patterns, ages, and sizes; Oregon and local population trends; Oregon economic performance and outlook. It describes local economies and non-timber resource uses, including recreation and special forest products. The report summarized the NW FMP management strategies (as of 1996) and the potential economic impacts of the strategies in the short- and long-term. We are currently working with the ODF Resources Planning Program, USDA Forest Service, and the Bureau

of Land Management to develop a regional economic model that will update our knowledge of these impacts. In addition the model will allow us to assess the larger picture of how management practices may be affecting regional employment, distribution of wood processing, as well as non-timber resource uses such as recreation and special forest products. Interim outputs will be available periodically as individual modules of the model are tested. The completed model will be available for the FMP assessment in 2011.

Public Acceptance Assessment

The first working hypothesis of the NW/SW FMPs states that “The citizens of Oregon will continue to support integrated and active management of state forests in Western Oregon to provide for multiple outputs and benefits.” We intend to test this assumption through a combination of human dimensions research approaches. Working with ODF Public Affairs we developed a Request for Information (RFI) to help us evaluate appropriate methods and survey designs. Based on the replies to the RFI we are developing a Request for Proposals (RFP) for contractors to propose research. That research will include (i) a literature review of recent research in understanding public attitudes toward forest management issues, (ii) a telephone survey of at least 1000 Oregonians, (iii) an on-line survey, and (iv) a follow-up focus group assessment. We anticipate selection of a contractor by December, 2005 and a final report in the spring of 2006. We plan to repeat the research at least biennially.

II. PLANNED RESEARCH AND MONITORING

Watershed Scale Monitoring

Most monitoring typically takes place at either very large or very small spatial scales. Results of large-scale monitoring show the status and trends in conditions, but are difficult to link to a specific management practice, project, or policy. Results of small-scale monitoring may provide cleaner links between conditions and projects or practices, but are difficult to extrapolate to conditions at larger scales beyond the specific area being monitored. An advantage to watershed scale effectiveness monitoring is to bridge the gap between small- and large-scale monitoring. The goal for this project is to establish a foundation for conducting effectiveness monitoring at the watershed scale. To this end, a comparative analysis of different watershed scale effectiveness monitoring designs was conducted. Based on the information from the analysis, a basic structure and scope for watershed scale effectiveness monitoring was recommended. The analysis report and recommendations was reviewed both within ODF and by external experts and the suggested approach was refined based on the reviews. A two-phase approach is proposed that includes (I) intensively monitored watershed studies to address management-specific, process-level effectiveness questions and aquatic and riparian responses; and (II) extensive status and trend monitoring throughout the region within state forest and mixed ownerships to characterize aquatic and riparian conditions of basins with varying management strategies. Next steps are to establish partnerships with forest industry and university researchers and finalize the project plan. Implementation of the project is anticipated for the fall of 2005/spring of 2006. Preliminary results should be available in 2011 for the first 10-year review of the FMPs.

Marbled Murrelet Management Area Habitat Monitoring

The overall objective of this monitoring is to evaluate the effectiveness of different management prescriptions on the maintenance and development of suitable marbled murrelet habitat. The project will address forest operations in Marbled Murrelet Management Areas (MMAs) on north coast ODF Districts. The intent of the operations is to maintain forest health and vigor and promote the development of trees with characteristics that are, or are near to becoming, capable of supporting nesting marbled murrelets. As part of the operations, ODF will monitor certain trees within the MMAs that biologists feel have the greatest potential to develop suitable structure, or a subset of those trees. Potential study sites will be surveyed in early 2005. Development and implementation of a study plan is planned for early 2006.

Investigating Vegetation and Wildlife Response to Gaps in Young Plantations

This study is an expansion of the Young Stand Management study and will investigate effects of maintaining and enhancing gaps in young Douglas-fir plantations on large spatial scales. Response measurements will include productivity in terms of wood volume and quality, understory vegetation, and wildlife habitat, including usage of stands by songbirds, bats, and small mammals. These responses will be assessed on individual gap and stand scales. Comparison of gap development of different sizes and natural vs. created gaps will also be investigated. Study sites will be established during 2005.

FOREST HEALTH

SWISS NEEDLE CAST

Swiss needle cast (SNC) is a native disease of Douglas fir that has intensified dramatically in coastal western Oregon since 1990. Although the disease occurs throughout the range of Douglas fir, it is most severe in the forests on the west slopes of the Coast range.

The main effect of SNC on forests is reduction of tree growth and vitality. Within 18 miles of the coast in northwestern Oregon, the disease has reduced recent annual volume growth of 10- to 30-year-old Douglas-fir plantations by an average of 23 percent, with some plantations experiencing growth loss in excess of 50 percent. Growth loss due to SNC in this area alone exceeds 40 million board feet per year. In addition to growth impacts, SNC alters wood properties; lowers green tree moisture content, and affect stand structure and development. These effects can complicate management and the attainment of management objectives, especially in pure Douglas-fir stands.

Aerial surveys to detect and map the distribution of SNC damage have been flown annually since 1996. In the 2005 survey we mapped 207,090 acres of Douglas-fir forest with obvious symptoms of SNC; 128,483 acres north of the Lincoln-Lane county line, and 78,607 acres south of the Lincoln-Lane county line. Most of the increase occurred in Coos county and in the Newport-Eddyville area of Lincoln county. The easternmost area with obvious SNC symptoms was approximately 25 miles inland from the coast. Most of the areas with symptoms that could be detected from the air occurred within 18 miles of the coast.

The 2005 survey results end the trend of decreasing area with symptoms of SNC. (figure 1). Even though the survey was truncated because of weather, we still mapped 30,000 more acres in 2005 than in 2004, a 17 percent increase. Had we been able to survey the entire area, the increase would have been approximately 60,000 acres (34 percent). The amount of forest affected by SNC is far greater than indicated by the aerial survey. The aerial survey does, however, provide a reasonable depiction of the extent of moderate to severe damage, coarsely documents trends in damage over time, and established a zone in which forest management should take into account the effects of the disease.

Permanent plot monitoring from 1997 to 2005 shows little evidence of a large change in damage from SNC during that period. The data show a recent slight increase in the proportion of the area with moderate damage and a decrease in the proportion of the area with severe damage. However, the overall poor needle retention in the sample population suggests a continuing severe growth reduction from SNC.

Data from a six-year study of paired pre-commercial thinning plots show that thinning does not make SNC worse, and a trend appears to be developing for improved needle retention in thinned plots. Pre-commercial thinning remains a viable stand management tool in all but the most severely damaged stands.

Results thus far from an ongoing study of the interaction between SNC and commercial thinning show that: 1) thinning does not increase SNC severity; 2) residual trees respond positively to thinning; 3) the

magnitude of growth response to thinning declines with increasing SNC severity; and 4) conventional thinning regimes should be modified for different levels of SNC damage. Specifically, stands with moderate to severe SNC damage should be thinned more lightly and carried to a higher relative density that similar healthy stands.

Commercial thinning with some modification from traditional regimes is a viable silvicultural tool in all but the most severely damaged stands. For stands with moderate SNC damage, commercial thinning can be used to develop a diversity of stand structures, and presents little risk of causing further growth decline. In severely damaged stands commercial thinning may not result in an economically positive or ecologically beneficial stand-level growth response, but still may be an option to achieve certain objectives. Stands such as these may have underlying problems (seed source, location) that often make them good candidates for regeneration harvest and establishment of more appropriate species mixtures.

Figure 1. Areas of Douglas-fir forest in western Oregon with symptoms of Swiss needle cast detected during an aerial survey in May, 2005.

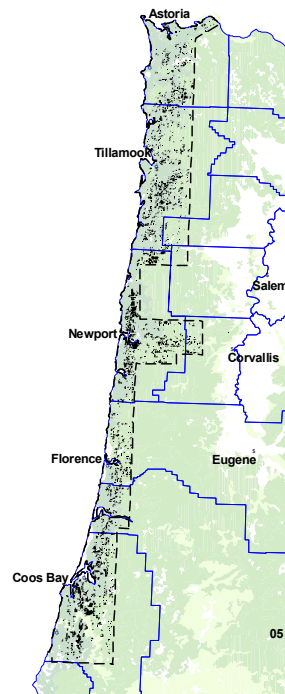
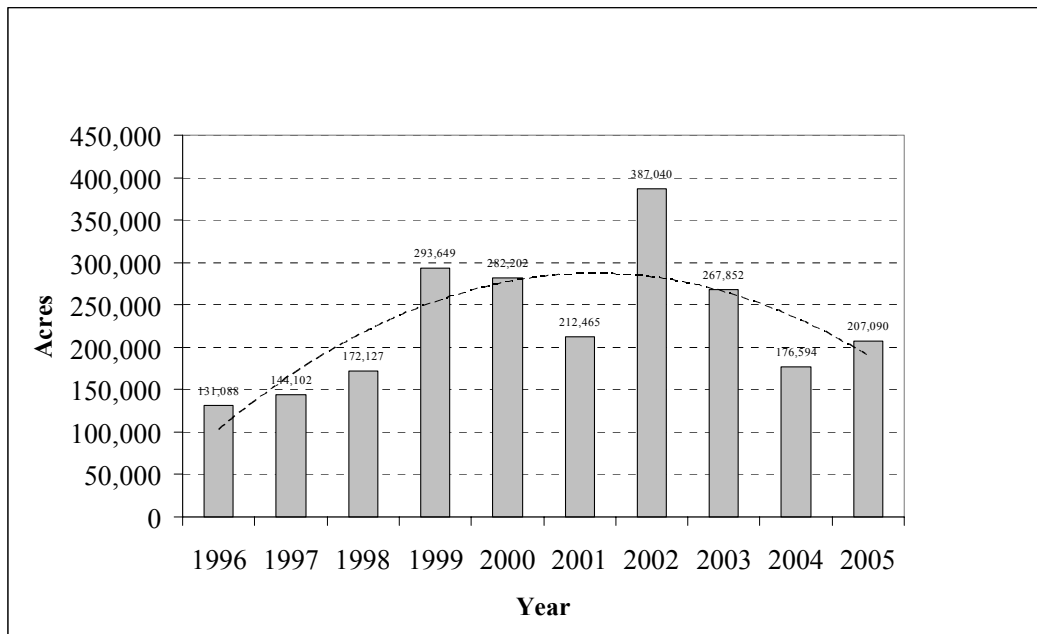


Figure 2. Trend in area of Douglas-fir forest in western Oregon with symptoms of Swiss needle cast detected during aerial surveys in April and May, 1996-2005.



SUDDEN OAK DEATH

Sudden Oak Death (SOD), caused by the new invasive pathogen *Phytophthora ramorum*, was first discovered in Oregon forests in July 2001 near the city of Brookings. The disease probably was present there since 1998 or 1999. Since September 2001, state and federal agencies have been attempting to eradicate the pathogen by cutting and burning all infected host plants, and adjacent apparently uninfected plants. Eradication currently is in progress on approximately 46 sites, totaling 80 acres. The majority of sites are on private land. All eradication funding has come from the United States Department of Agriculture (USDA) Forest Service.

Distribution of the pathogen in Oregon forests remains limited to a very small area near Brookings. Repeated aerial surveys and ground-checks have failed to detect the pathogen in forests beyond this area. Ground surveys at 42 sites throughout western Oregon also have failed to detect the pathogen. The forested area in Oregon under regulation by the Oregon Department of Agriculture and USDA- APHIS is 11 mi². Intensive and extensive monitoring and eradication activities in Oregon forests likely will continue for several years.

USDA Animal and Plant Health Inspection Service, Plant Protection and Quarantine (APHIS-PPQ) regulations prohibit the interstate movement of any listed host plants and associated articles from quarantined areas. Some foreign countries have adopted regulations that affect specific counties or the

entire state. Current federal regulations restrict interstate movement of Douglas fir foliage (includes seedlings, branches, Christmas trees) but not Douglas-fir logs. The rationale is that only Douglas-fir foliage has been shown to be infected by *P. ramorum*, thus the risk of spreading disease on logs is minimal. Some other countries, however, have applied quarantines to any part of Douglas fir, including logs. If *P. ramorum* spreads to other areas of the state, regulations will change and likely will affect trade and transportation of Douglas-fir logs and other products.

Nursery seedlings, Christmas trees, and boughs all are subject to federal and state regulations. To date the impact of regulations on trade in these products has been minor because the regulated area in Oregon is limited to the 11 square mile area near Brookings. In anticipation of possible changing regulations, Oregon Department of Agriculture (ODA) and various stakeholders have developed *P. ramorum* certification rules for Christmas trees and greenery. These rules are designed to facilitate marketing of these products while minimizing the risk of spread of *P. ramorum*. The rules involve voluntary compliance agreements based on inspection, testing, and certification of sources of host plant material as being free of *P. ramorum*. Laboratory testing is done by the ODA and billed to the landowner.

LAMINATED ROOT ROT

Laminated root rot, caused by the native fungus *Phellinus weirii*, is one of the most damaging diseases of Pacific Northwest Conifers. It is particularly damaging to Douglas fir in western Oregon, where 3 to 5 percent of the Douglas-fir forest type is infested. Occurrence is highest in northwest Oregon, where approximately 10 percent of the Douglas-fir forest is infested.

The pathogen decays tree roots and either kills trees directly or causes them to fall over while green. The disease is highly contagious, spreading from tree to tree across root contacts. This results in expanding disease patches that are evident as openings in the stand where trees have died and fallen over. Although the openings can be beneficial as wildlife habitat, they also can account for much loss of timber volume.

In the Forest Grove and Astoria districts, disease management balances the needs for wildlife habitat and maintaining good site productivity. Disease patches and a buffer of healthy-appearing trees are cut out during thinning operations to prevent further expansion of the disease. If the patches are large enough, they are reforested with tree species that are resistant (cedar, white pine), tolerant (western hemlock), or immune (red alder). The resulting stands have species and structural diversity that provides for multiple long-term values.

Bark Beetles

Bark beetle-caused mortality was detected by aerial survey on approximately 520,000 acres in 2005. Much of the tree mortality was in lodgepole pine from mountain pine beetle infestations. This was approximately 200,000 acres less than the tree mortality occurring in 2004. A return to normal levels of precipitation in Oregon is probably responsible for the decline in tree mortality from bark beetle infestations.

Spruce Aphid

Mild winter temperatures in 2005 allowed spruce aphid populations to increase dramatically and the result was defoliation of Sitka spruce all along the Oregon coast.

The aerial survey detected almost 5,000 acres of defoliation, much of it occurring in State Parks and other recreation areas. Some trees may decline and die because of the severity of defoliation.

Balsam Woolly Adelgid

Balsam woolly adelgid infestations were recorded on 76,000 acres of subalpine fir stands, primarily in eastern Oregon. This introduced insect is causing significant decline and mortality in many subalpine fir stands.

Sawfly Defoliation in Douglas-fir

Defoliation from a sawfly was reported in Douglas-fir plantations around the edge of the Willamette Valley. The defoliation was concentrated in the lower crowns of trees and only detected by ground observation. This is the first time a sawfly outbreak has been reported in Douglas-fir plantations. An effort will be made to monitor sawfly populations at some plantations in 2006 and obtain an identification of the species of sawfly responsible for the defoliation.

INTERPRETIVE AND EDUCATIONAL PROGRAM SUMMARY

The Tillamook State Forest Education and Interpretation Program (which encompasses the nucleus of staff that will operate the Tillamook Forest Center) produced significant public education and outreach during FY 2005, directly interacting with more than 8,000 people through programs, events, and tours. The program also produced and maintained communication tools and facilities that reached, and continues to reach, tens of thousands of forest visitors with information about the Tillamook State Forest. A major landmark during this period was construction and preparation for opening of the Tillamook Forest Center.

BACKGROUND

The program strives to help Oregonians and visitors understand and appreciate the Tillamook State Forest, its management, and issues surrounding its management. We work toward this vision by providing a broad range of ever-evolving educational experiences for students of all ages, with emphasis on kindergarten through twelfth grade students and their teachers, and on a wide variety of on-forest interpretive programs and communication tools.

EDUCATION PROGRAMS

Between July 2004 and June 2005, we reached 3,910 school children—preschool through 12th grades—with a wide variety of programs. 1,249 students attended daylong forest field trips that we hosted. We also continued to take our programs directly into classrooms, where we interacted with 1,591 students. The program served other students through a variety of service learning projects, special events, career fairs and other programs.

Like last year, we wanted 80 percent of the program evaluations to indicate that “most” or “all” of the students enjoyed their experiences and were able to accomplish the learning objectives. Teachers who responded on our program evaluation forms indicated that 97 percent of their students enjoyed their experiences with us. Teacher responses also indicated that more than 96 percent of the time, most or all of their students were able to accomplish our learning objectives.

In July, we offered the Tillamook State Forest Discovery Day Camp for 20 youth, ages 11 to 13. Campers received approximately 40 hours of forest education during a week-long day camp session that included one overnight stay. The students’ comments demonstrate an overwhelming enthusiasm for the camp and associated activities, enjoyment of learning in natural settings, and a desire to learn more about forests. We intend to continue offering a day-camp program at the new Tillamook Forest Center during the summer of 2006.

INTERPRETIVE PROGRAMS AND TOOLS

While our curriculum-driven education programs typically target school age children in relatively captive audiences, interpretive programs target a less formal, typically older and more leisure-based audience. These are typically forest visitors or others interested and willing to attend evening and weekend programs.

During FY 2005, our programs reached 4,162 people, a major increase from past years as a result of more diverse program offerings. More than 635 of these people attended one of our forest-based interpretive programs conducted in campgrounds and on trails. More than 5550 of these people participated in “brown bag nature” programs held in city parks in Hillsboro, Forest Grove and Tillamook. The remaining contacts were made during special programs, fairs and events, and on-board the Port of Tillamook Bay sightseeing train while traveling through the Tillamook State Forest.

FACILITY DEVELOPMENT

Construction on the Tillamook Forest Center continued during this period, including installation of the suspension bridge, the lookout tower and the building itself. With help from the counties and other project advocates, the Oregon Legislature approved the agency’s request for staffing and operations, and preparations were made for opening and operations.

The Tillamook Forest Heritage Trust, the non-profit organization that serves as catalyst for the public-private partnership that is helping develop the Tillamook Forest Center, has raised \$8.3 million to date and continues to create positive partnerships of funding and community support for the center and its programs. Tillamook County provided a leadership grant of Title III funds for the center and other counties have joined in support of the project, with grants coming from Columbia, Coos, Clackamas, Douglas, Jackson, Klamath, Lane, Marion, Polk and Washington counties.

The program invested significant time in completing plans and preparing for development of the interpretive exhibits at the Tillamook Forest Center. The center will open to the public in early 2006. For more information, visit the center on the web at www.tillamookforest.org



STATE FORESTS REPORTS

The information in this section is intended to highlight significant projects or management efforts that are not specifically summarized or addressed in other sections of this report.

TILLAMOOK STATE FOREST

The Tillamook and Forest Grove Districts manage the Tillamook State Forest under the Northwest Oregon State Forests Management Plan (NWFMP), adopted in 2001.

The districts continued stream-improvement projects by working cooperatively with Oregon Department of Fish and Wildlife (ODFW). ODFW biologist Dave Plawman, whose position is funded by ODF through an interagency agreement, worked on large wood debris projects.

Tillamook District completed 24 bridge inspections through contract. As a result of the inspections, the District Road Crew completed minor repairs to 3 bridges and a weight restriction has been placed on one bridge in the Miami River Basin.

Tillamook District continues to operate the fish traps on the Little North Fork Wilson River and Little South Fork Kilchis River to monitor smolt and fry out migration. The first year of the lifecycle-monitoring project on the East Fork Trask has been completed in cooperation with ODFW. This project includes counting adult fish migrating up river from September through May and a fish trap to monitor smolt and fry out migration from March through May.

Two in-stream projects in the Forest Grove District to improve fish habitat were completed with timber sale projects for about 1,200 feet of stream. The projects placed approximately 35 whole trees in six structures.

Tillamook District completed a project to improve three culverts for fish passage, decommission 3.2 miles of road, and improve 1.5 miles of stream with 145 trees, 140 boulders and 20 acres of riparian planting on both State and BLM land. The project was a collaborative effort that included ODF, BLM, Tillamook Estuary Project, and the Tillamook Watershed Council. Funding the project was through ODF timber sale revenue and several grants obtained by the other partners. In addition, 6 other fish passage issues were addressed by replacing 2 culverts and removing 4 culverts. Approximately 2 miles of road were vacated through a combination of timber sale projects and the District Road Crew.

Forest Grove district improved three stream crossings for fish passage. The 3 existing culverts were replaced with one of the following: an embedded culvert, an open bottom pipe arch structure, and a bridge. These projects opened approximately 4.5 miles of stream to upstream migration of adult and juvenile fish. In addition, three miles of road were vacated. Appraised cost for this work totaled \$169,000.

Construction continued on several trail projects on the Forest Grove district. The most significant was the completion of the 3 mile long Cedar Tree OHV Trail. Other trail projects included the construction of a ½ mile addition to the Military OHV Trail, a one mile segment of the Gravelle Brothers Trail project and a one mile segment of the Wilson River Trail.

Recreational opportunities continued to attract people to the Tillamook State Forest. Use of the campgrounds increased, providing approximately \$71,500 in revenue – about a 6 percent increase in campground use.

Tillamook District completed repairs to the access trail to Footbridge adjacent to Highway 6. The work was completed by ODOT through a cooperative agreement between ODOT and ODF. Forest Grove District completed the construction of the Reehers Camp Campground and Trailhead project. The campground adds 16 new campsites to the forest, 10 of which are designed to accommodate equestrian users.

Additional improvements to other existing campground and trail facilities were also completed and various segments of the motorized trail system received significant amounts of surfacing and drainage improvements.

The Tillamook District Recreation Program continued the administration of the Tillamook State Forest Law Enforcement Program, providing three full-time deputies. Sixty percent of the cost of the law enforcement program (over \$160,000) was provided through grants from the Oregon All Terrain Vehicle Allocation Funds.

In both districts, over 8,000 hours of volunteer efforts were facilitated in support of maintenance, operation and development of recreation facilities.

The agreement with Tillamook County to provide funds from timber sales in the Tillamook District's portion of the Trask Basin to improve the Trask River County Road to address safety concerns has resulted in payments in the amount of \$139,170. The total estimated cost of the improvements is \$1.3 million.

CLATSOP STATE FOREST

The Clatsop State Forest is managed under the NWFMP adopted in 2001. The Astoria District manages the majority of the Clatsop State Forest with minor portions managed by the Forest Grove and Tillamook Districts.

The Astoria District continues to implement the goals, objectives, and strategies of the Northwest Oregon State Forests Management Plan and our District Implementation Plan, which was approved in March 2003.

The recreation program continues to grow on the Clatsop State Forest. Significant construction projects this year included improvements to Henry Rierson Spruce Run Campground and three dispersed sites along the lower Nehalem River. Construction on the Northrup Creek Horse Camp began in June with a grand opening planned for the spring of 2006.

Through a public meeting process, conceptual design of a campground and day use area for Lost Lake was completed. Structural drawings for this project will be completed in 2006. Facility construction will be coordinated with adjacent forest management activities with an anticipated completion date of early spring 2009.

A brochure for the Clatsop State Forest was produced in an effort to provide information about forest history and recreational opportunities. The brochure describes the season of use, available sites and amenities for all of the campgrounds and other designated recreational sites. Brochures will be distributed at selected information centers throughout Clatsop County and at the Astoria, Tillamook, Forest Grove and Salem ODF offices.

The Clatsop expanded its trail network by adding over a mile of equestrian trail near the Northrup Creek Horse Camp contributing to the existing six miles of trails in this area. Construction was also completed on one mile of new hiking trail that begins at Henry Rierson Spruce Run Campground and travels up Spruce Run Creek. Future plans for this trail are to connect it to Lost Lake and Bloom Lake, completing a larger trail system of approximately eight miles.

Inventory of existing motorized trails in the Nicolai Mountain area was completed. In conjunction with the Recreation Advisory Committee, a sub-committee of users was formed to help guide the overall direction for the Nicolai Mountain area OHV program development.

Surveys for threatened and endangered species continued on the district with one new northern spotted owl pair (NSO) found, resulting in a new activity center and protected home range. The district now has eight protected NSO home ranges.

Work continues on the Upper Nehalem Watershed analysis. This project is being done in conjunction with the Astoria and Forest Grove Districts and encompasses approximately 106,709 acres, the bulk of which is within Clatsop County. Drafts of the assessment and analysis phases of this project are complete and being reviewed by district and Salem staff. Initial review indicates that this analysis will aid in planning projects that will improve areas within the Upper Nehalem Watershed in order to maintain properly functioning conditions. The analysis project completion is scheduled for January 2006.

One stream enhancement project was completed on the district this past summer. This project was developed collaboratively with ODFW and involved the removal of a culvert and placement of logs within the stream channel and riparian area of a Type F tributary of Rock Creek. This project took place within Upper Rock Creek SAH. Additionally, a fish blocking culvert on Squaw Creek was vacated and a culvert on Bigfoot Creek that was a partial blockage to fish was upgraded with a fish-passable culvert. These two projects opened up 4,700 feet and 1,600 feet, respectively, of stream for fish habitat.

SANTIAM STATE FOREST

The Santiam State Forest in the North Cascade District is managed under the NWFMP, adopted in January 2001. The forest consists of over 47,700 acres of forestland in Clackamas, Linn and Marion Counties. Board of Forestry accounts for 98 percent of the ownership of the Forest; the remaining portion is Common School land.

Timber harvesting operations including thinning, patch cuts and regeneration harvests continued as the primary tool used to actively achieve stand structure targets set out in the Forest Management Plan. Timber harvest volumes this year included 23,505 MBF generating just over \$10.1 million in timber revenue, with \$6 million distributed to Clackamas, Marion and Linn Counties.

This year the District was able to complete all of the fieldwork and contract preparation for all Fiscal Year 04 timber sales as well our backlog of sales from FY 02 and 03. Northern Spotted Owl (T&E species) surveys this year resulted in the establishment of one new activity center, creating a new territory circle and the relocation of two existing activity centers creating new territory circles. Consequently, one completed sale ready for auction, Tom Rock 400, was cancelled.

The District continues to experience a high demand for special forest products. This year considerable effort was made to increase the level of purchaser compliance through the development of a new permit and tagging system. Seventy-four commercial permits were issued generating \$3,400 of revenue and a total of 114 free use permits were issued. Special forest products included Beargrass, Boughs, Ferns, Moss, Mushrooms, Rock, Salal, Vine Maple, Alder and miscellaneous plants.

Recreation projects in the past year included improvements to the Shellburg Falls and Butte Creek Falls campgrounds. At Shellburg Falls, 2.5 miles of non-motorized trails were rehabilitated and one-foot bridge was constructed. A four-site campground was developed, and a restroom and vault toilet was installed. At the Butte Creek Falls Campground, a restroom was installed. Recreational use at these two locations has greatly increased from what was observed during FY 2003. At Shellburg Falls and Butte Creek Falls during the summer months, staff has observed an increase in visitation from an average of 10-15 visitors per weekend, to 40-50 visitors per weekend.

Cooperating with the Oregon State Parks and Recreation Department (OPRD) and BLM, ODF has designed a trail connecting the Shellburg Falls Recreation Area to the Silver Falls Park trail system. The trail will traverse BLM land in to make this connection. Currently trail construction is nearly complete the trail is planned to open officially in the spring of 2005.

District resources were used in the planning and development stage of a nine site equestrian campground and trail system located North of Mill City in Linn County. Plans have been developed for the campground and the first 5-mile loop section of trail completion target is during the summer of 2005. The District is working with volunteer groups, the Bureau of Land Management and Linn County to develop this recreation site.

The District is also working to increase outdoor education and interpretation programs offered to the public. Working with the City of Lyon's Public Library, the District provided programs to nearly one

hundred children for the library summer reading programs. An estimated 50 visitors attended summer nature hikes in the Shellburg Falls Area. The Districts recreation volunteer program continued to expand with the formation of a partnership with the Silver Falls Chapter of the Oregon Equestrian Trails. This volunteer group donated nearly 100 hours of time as well as equipment and expertise to help accomplish several important projects.

The District's has continued its law enforcement agreement with the Oregon State Police and the Linn County Sheriff. Their accomplishments contributed to safety of the public, identification of individuals illegally dumping trash, individuals abandoning vehicles, and checking vehicles and individuals for compliance with fire season restrictions and requirements.

SUN PASS STATE FOREST

The Sun Pass State Forest in Klamath-Lake District is comprised of 6,403 acres of Common School Forest Lands and 26,862 acres of Board of Forestry lands. These lands are managed under the Eastern Region Long Range FMP, adopted in 1995.

During FY 2001, the district signed a cooperative agreement with the University of Oregon, State Museum of Anthropology to develop a planning document for the completion of a cultural resource inventory on state forests in Klamath County. This document defines the cultural themes in the land use history of the state forests, and proposes a field survey strategy. Based on this planning document, the district operations plans for 2002 and 2003 called for surveys of about 4,130 acres. The survey areas were split between Sun Pass State Forest and lands in the district's southwest block. The first two year's survey area did not include any Common School Forest Land. Several historic and prehistoric sites were detected, including a logging camp, a homestead, and several lithic scatters where stone tools were made. Reports for the first two years of surveys have been completed. During FY 2004, Common School Forest Lands in the Yainax tract were surveyed. During FY 2005, surveys were completed on all state forest lands with a high likelihood of containing sites. The final report on these surveys will be completed in FY 2006.

The long-range plan calls for habitat research on pileated woodpecker home ranges discovered in Sun Pass State Forest. This research was started in FY 2003 and was completed in FY 2005. Findings from this research will be used to fine-tune habitat standards for the Forest Connectivity Areas.

The district has awarded a contract to SmartWood to complete a Forest Stewardship Council (FSC) assessment on the district's state forest management operation. The primary reason for pursuing certification is that regular purchasers of Sun Pass State Forest timber sales are chain-of-custody certified. This means they are likely to seek certified wood. The competition for certified wood could lead to increased demand and higher bid prices for state forest timber sales.

ELLIOTT STATE FOREST

The Coos District covers Coos, Curry and western Douglas Counties on the southern Oregon coast and contains about 88,400 acres of Common School Forest Land. The largest block of this land is 85,000 acres in the Elliott State Forest located southeast of Reedsport.

1. ELLIOTT STATE FOREST MANAGEMENT PLAN AND HABITAT CONSERVATION PLAN

Planning for revision of the Elliott State Forest Management Plan (FMP) and the Elliott Habitat Conservation Plan (HCP) continued in FY 2005. The planning team consists of a policy steering committee, which includes representation from the Oregon Department of Forestry (ODF), Department of State Lands, Department of Justice, Oregon Department of Fish and Wildlife (ODFW), the Coos County Commission, the South Coast Education Service District, and a core team comprised of technical specialists from ODF and ODFW.

The planning team is developing a revised FMP and multi-species HCP for the Elliott State Forest. At a minimum, the revised Elliott HCP is intended to include the northern spotted owl, marbled murrelet, and coastal coho salmon. Other species at risk for listing that are known to inhabit the Elliott State Forest and for which there is suitable scientific knowledge are also being considered for inclusion in the revised Elliott HCP.

The current timeline for requesting State Land Board and Board of Forestry (BOF) approval of the revised FMP and submittal of the HCP is early 2006. The anticipated date for the federal decision on ITP issuance is December 2006, after completion of the National Environmental Policy Act (NEPA) process.

In May of 2004 the first draft of the FMP was completed and public input sought at three public meetings in Salem, Roseburg and Coos Bay. Refinement of the harvest model continued with improved spatial layers and development of a new yield table using the most recent inventory data. HCP negotiations with the federal services began in September and work on a draft District Implementation Plan was initiated. A contractor was hired in late 2004 to write the Environmental Impact Statement (EIS) and assist the agencies through the National Environmental Policy Act (NEPA) process.

In January 2005 a Cost/Benefit Analysis comparing state management of the Elliott to sale of the forest to private interests was completed. Direction to conduct the study was included in a budget note from the 2003 Legislature. This analysis is being used as a benchmark for the economic outputs of the revised FMP/HCP. The EIS contractor began working with the planning team on the draft EIS and scoping meetings for the NEPA process were held in late May. A draft EIS is being developed and is scheduled for publication in early 2006.

2. FOREST MANAGEMENT PLAN

The Steering Committee finished reviewing the draft FMP at its March 2005 meeting. Final edits were made in early summer and the final draft of the FMP will be completed by the planning team in September. The final draft FMP will be available for public review and comment at public meetings planned for September 2005.

3. IMPLEMENTATION PLAN

The district has developed an initial draft of the 10-year Implementation Plan (IP) for the revised FMP/HCP. The timber team foresters used harvest model outputs to help them identify harvest levels for each management basin in the forest. They were able to identify harvest units (clearcut and thinning) that approximately match the model outputs for the first 20 years. Though the IP is a 10-

year plan, the foresters located harvests for the first 20 years and “looked ahead” to the third decade to make sure that planned harvest levels are available.

4. HABITAT CONSERVATION PLAN

Focused meetings with the federal services began in September 2004 to work out the detailed strategies in the HCP. These strategies are based on the revised FMP but contain information that is more specific to the species being proposed for coverage. Those species are the northern spotted owl, marbled murrelet, coho salmon, bald eagle and about 20 other species that are not currently listed but are at risk for future listing. In general, there is agreement with the USFWS and NMFS at the negotiating team level that we can move forward with the strategies in the draft HCP.

5. ENVIRONMENTAL IMPACT STATEMENT

A contractor (Jones & Stokes) was hired in late 2004 to write the EIS and help us through the NEPA process. Jones & Stokes is a large environmental consulting company that has previous experience in forest HCP's as well as other types of projects requiring environmental analysis through the NEPA process.

Scoping meetings were held on May 24-26 at Roseburg, Coos Bay and Salem. This was essentially the first step in the NEPA process and helped identify the alternatives that will be analyzed in the HCP and EIS. A draft EIS is anticipated for early 2006 and a final EIS in mid 2006. Assuming that the timeline does not need to be extended, a decision by the federal services on the incidental take permit (ITP) would be made in late 2006.

6. IMPLEMENTING AGREEMENT

A final piece of the process will be developing an implementing agreement between the State and the federal agencies. The Department of Justice will work with the planning team and federal solicitors to complete this agreement before the ITP is issued.

7. COST/BENEFIT ANALYSIS

In January 2005 Mason, Bruce and Girard, Inc., delivered the Elliott Cost/Benefit Analysis per the 2003 Legislature's budget note to DSL and ODF. The report analyzed likely revenue and values under management scenarios for several types of potential purchasers and compared those values with the revised FMP/HCP outputs under state ownership. The report found that the revised FMP/HCP outputs were in the middle of the range of outputs that could be expected under private ownership. This report will provide a benchmark for the State Land Board to compare with the expected economic outputs of the revised FMP/HCP. The planning team is using the Cost/Benefit Analysis as a comparison to the draft outputs of the revised FMP/HCP, and to highlight the importance of revenue production to the federal services.

8. FOREST MODELING

The draft landscape strategy is being modeled to help determine how well the strategies will achieve the goals for the forest. Inventory data being used in the model is good quality, with much of the existing data collected during the last five years. A new yield table incorporating the latest Stand Level Inventory data for the Elliott was developed in collaboration with a contractor during 2004 and was incorporated into the model in early 2005. Outputs were analyzed and adjusted during the first half of 2005.

In addition to the draft Integrated Landscape Strategy, three other management scenarios were modeled using the same inventory data. These scenarios range from an emphasis on conservation to an emphasis on timber production. Outputs for all models will be displayed at the September BOF meeting and the October SLB meeting.

9. PUBLIC INVOLVEMENT

In June 2004 public meetings were held in Salem, Coos Bay and Roseburg to present information on the draft FMP strategies and to obtain public input. The meetings were lightly attended but numerous comments were received both during the meetings and as written comments later in the comment period. A wide variety of comments were received ranging from increasing harvest to produce more revenue for the Common School Fund to decreasing harvest and emphasizing environmental values and recreation. A number of comments expressed agreement with the plan's integrated approach to providing an appropriate balance of economic, environmental and social values. Many of the comments were consistent with concepts and strategies already in the FMP. Reconciliation of the comments was completed by the Core Team in September 2004. Relevant comments were used to refine the draft FMP.

In May of 2005 public scoping meetings for the National Environmental Policy Act (NEPA) process were held in Roseburg, Coos Bay and Salem. In general, attendance was light with about 20 attendees each at Roseburg and Coos Bay. Just two individuals attended the Salem meeting. Similar to the 2004 meetings on the FMP, comments ranged from emphasizing economic values to emphasizing environmental and social values. Since these meetings were a part of the NEPA process, some of the more lengthy comments focused on the need to meet the NEPA standards for process. All comments have been evaluated for themes and issues to be addressed in the EIS. In addition, the comments will help shape the alternatives evaluated in the HCP and EIS.

10. US Fish and Wildlife Service (USFWS) and National Oceanic and Atmospheric Administration (NOAA) Fisheries Involvement in the Planning Process

The federal Services have been involved at various points throughout the process. Biologists from the Services have been in regular attendance at the Core Team meetings to provide input from their perspective and to maintain a connection with the planning process. A good working relationship exists among the Core Team and federal biologists. HCP negotiation meetings with the federal services began in September 2004 and will be ongoing through 2005.

11. Environmental Analysis (NEPA Process)

Obtaining an Incidental Take Permit (ITP) through approval of the HCP requires going through the NEPA (National Environmental Policy Act) process. This includes public scoping, developing a draft EIS, public review, a final EIS and obtaining a favorable Record of Decision. Negotiations with the federal services on the new HCP is also a part of this process. A contractor was hired in late 2004 to write the EIS and help the agencies through the NEPA process. Assuming a successful outcome, the NEPA process will continue into late 2006 when the decision by the federal services on issuing ITP is expected.

12. OTHER ELLIOTT STATE FOREST ACTIVITIES DURING FY2005

a. Marbled Murrelet Protocol Surveys

In 2004, 272 surveys were completed at 172 stations representing 33 survey sites on the Elliott State Forest. These 33 sites represented 15 planned timber sales. Detections were recorded during 42 surveys at 18 different sites with 4 surveys recording sub-canopy behavior. Of the 4 surveys with significant, sub-canopy detections, 3 were associated with protocol surveys of 1 planned sale. The other significant detection was a result of monitoring surveys in an existing MMMA.

Summarizing the protocol sale surveys, a total of 54 acres were mapped as occupied with one new MMMA designated totaling 54 acres. Of these total acres, none were previously classified as conservancy areas for other purposes. Eleven sale units were released for sale preparation after no significant detections were observed in protocol surveys.

b. Oregon Plan for Salmon and Watersheds

The following activities were accomplished during this fiscal year under the Oregon Plan for Salmon and Watersheds:

Coos District has voting board members on the Coos Watershed Association and the Tenmile Lakes Basin Partnership.

There were no large in-stream projects on the forest either with timber harvest operations or in association with watershed councils. One of the sales completed during this reporting period, Knife Ridge #5, stockpiled 36 fish habitat logs (24" in diameter small end by 70' long) for use in future in-stream restoration projects.

FOREST TRUST LAND ADVISORY COMMITTEE

YEAR-END SUMMARY

In 1987, the Oregon Legislature established the Forest Trust Land Advisory Committee (FTLAC) to advise the BOF and the State Forester on the management of BOF lands and on other matters in which the counties may have a responsibility pertaining to forestland. In 1997, the statute was amended to define the membership of this committee as the Board of Directors of the CFTLC.

During FY 2005, the FTLAC held meetings in July and December of 2004, and January, March, May and June of 2005. Following are brief summaries of the issues discussed at each meeting.

AUGUST 2004

The Committee received an update on the status of an upcoming appearance at the Legislative Emergency Board. Topics for presentation include salmon anchor habitat workgroup report, habitat and harvest model project, and the Tillamook Forest Center operations. A written update on the status of the Harvest and Habitat Modeling project from Dave Johnson was distributed. Ross Holloway provided a briefing on the biennial and fiscal budgets. Ross also gave a presentation on the history of the recreation program. John Barnes gave a summary of current recreation program activities. Rob Nall gave an update on the 2005 Annual Operation Plans.

SEPTEMBER 2004

The Committee met at the Smith Homestead day use area in the Tillamook State Forest. Doug Decker provided an informational report regarding the progress of Tillamook Forest Center operations planning, progress of construction, and biennial budget package considerations. Mike Schnee provided an update on the Western Oregon habitat conservation plan process. A written update on the status of the Harvest and Habitat Modeling project from Dave Johnson was distributed. An update was provided on the progress of the salmon anchor habitat work group.

JANUARY 2005

The Committee received a report from Marvin Brown, State Forester, discussing the Board of Forestry Decision Making Process, particularly as it addresses adaptive management to the Northwest Forest Management Plan. The Committee also discussed the role of FTLAC and how they will be involved and interact with the Board of Forestry. Appointments were made to a work group for salmon anchor habitat.

Ted Lorensen gave an update on impact of Measure 37. Mention was made of the status of recruitment for the new State Forests Program Director. Received an update on the status of the Harvest and Habitat Modeling project from Dave Johnson, Pam Overhulser and Mark Rassmussen. A presentation was made by Jeff Brandt and Andy Smith on research and monitoring. Information was presented by Mike Schnee on the Board of Forestry work plan.

MARCH 2005

Mention was made of the status of recruitment for the new State Forests Program Director. Steve Thomas provided an update on recent Board of Forestry activities. Committee received a report on activities from the current legislative session, including the program biennial budget request components. Mike Schnee provided an update on the Board of Forestry's activities related to the Adaptive Management work plan. Dave Johnson and staff provided an update on the H&H modeling project, including a communications plan for sharing the preliminary model outputs with the Legislature and others. Bernie Boschler provided an update on the Annual Operation Plans. Nancy Hirsch gave information on the program's revenue projection responsibilities, and the status of fiscal budget preparation.

MAY 2005

Steve Thomas provided an update on Board of Forestry activities, including review of the Board Work Plan, and preliminary model runs of the Harvest and Habitat model. Ross Holloway provided an analysis of real property disposition under consideration. A general update of legislative activities was given. Chris Jarmer of OFIC presented comments to the FTLAC on the preliminary output number of the Harvest and Habitat Model. Gil Riddel provided a report on the CFTLC approach to salmon anchor habitat policy, and there was discussion of the development of salmon anchor habitat monitoring strategies. An update of the Work Plan regarding the Forest Management Plan and adaptive management was given by Mike Schnee. Doug Decker provided an update on progress of the building of the Tillamook Forest Center. Dave Johnson and staff provided an update on Harvest and Habitat Model project.

JUNE 2005

Steve Thomas reported to the Committee on the department's biennial budget status. He also provided an update on the recent Board of Forestry meetings, including information on linkages between Board of Forestry and FTLAC agendas to demonstrate areas of overlapping interest and ability to attend both meetings. FTLAC sub-committee on salmon anchor habitat gave their last update report, and no further reporting is anticipated unless there is a new development on this topic. Pam Overhulser and Mark Rassmussen provided a Harvest and Habitat Model update. A presentation on swiss needle cast was given by Alan Kanaskie and Rosemary Mannix. Rosemary also provided an update on the Systematic Evidence Review model being contemplated for guiding research and monitoring activities. Liz Dent provided an introduction and background on State Forests program's approach to monitoring of riparian and aquatic resources.

At the CFTLC meeting in November of 2004, member counties elected officers and Board Directors for the year.

The following individuals were elected as officers and Board members of CFTLC, and thus became the members of the FTLAC for calendar year 2005:

- 1) Chair Tim Josi (Tillamook County)
- 2) Vice-Chair Sam Patrick (Clatsop County)
- 3) Chuck Hurliman (Tillamook County)
- 4) Richard Lee (Clatsop County)
- 5) Tony Hyde (Columbia County)
- 6) Mike Propes (Linn County)
- 7) John Griffith (Coos County)