



## Providing Opportunity to Family Forestland Owners

**Date:** March 12, 2015

**To:** Land Conservation and Development Commission

**From:** Jim James, Executive Director, Oregon Small Woodlands Association (OSWA)

**RE:** Definition of Primary Processing of Forest Products

My name is Jim James and I am the Executive Director of the Oregon Small Woodlands Association (OSWA). OSWA represents the interest of Oregon's 140,000 family forest owners. I am a member of the RAC assigned to help define Primary Processing of Forest Products. OSWA's interest in the definition of Primary Processing of Forest Products is because many family forest owners need to generate revenue from their forests to help cover the costs associated with keeping forests as forests and in maintaining a healthy and productive forest. OSWA believes the definition of Primary Processing needs to be as broad as possible so it does not create unintended barriers for forest owners to accomplish these goals. OSWA believes it is in the public's best interest that forests remain forests that continue to provide all the ecological benefits forests provide. Many family forest owners need to generate revenue from their forests to help make this happen.

I also have a long history in the wood products industry. I spent 30 years with Willamette Industries before it was acquired by Weyerhaeuser in 2002. I also spent six years with Weyerhaeuser. From my background, I have a working knowledge of how wood product manufacturing operations work and the difference between primary processing and secondary processing of forest products. Both Willamette and Weyerhaeuser made just about every forest product type manufactured in this country and I am familiar with how primary and secondary processing is interpreted. I have used this knowledge to recommend a definition of Primary Processing of Forest Products that I believe is accurate.

Here is the definition I recommend: "Primary processing of forest products means the initial treatment or treatments of logs or other forest plant or fungi materials **at a single location and by the same operator** to prepare it for shipment for further processing or to market. Treatment may include: debarking, peeling, drying, cleaning, sorting, chipping, grinding, sawing, shaping, notching, biofuels conversion or other similar methods of initial treatment **at the same location**". In bold print are the concepts that did not receive everyone on the RAC's support. I am aware of several RAC members who have told me they support the concepts in this definition. I believe the other parts of the definition were generally supported.



## Providing Opportunity to Family Forestland Owners

The addition of “at a single location and by the same operator” is to include in the definition the actual way forest products are processed in Oregon. Whether a process is primary or secondary has more to do with the raw material type that starts the process at that location than the list of actual treatments themselves. All primary processing begins when a forest raw material that has not yet been processed in any way begins its processing. That processing can include several treatments before it is ready for market or is transferred to somewhere else (a different location) for additional processing. I added “by the same operator” because if an unfinished product changes ownership, the processing that follows is then secondary processing even if that same treatment would have been primary processing if the ownership had not changed. Any new location or new operator begins its processing with raw material that is no longer unprocessed and therefore becomes secondary processing.

I would like to thank Katherine Daniels for her leadership during the RAC meetings while dealing with some controversial discussions. I look forward to another opportunity to make my case to the RAC on an accurate definition of Primary Processing, one that provides family forest owners with opportunities to generate needed revenue from their forests while keeping them as forests. Katherine and the RAC members were supportive of making the definition applicable to the types of forest products that are more common for family forest owners. I appreciate that support. This is an important part of the definition.

During the RAC meetings, there were some suggestions to add language to the definition for setbacks and to add restricts for where the raw material being processed comes from. Neither of these concepts belongs in the definition of Primary Processing of Forest Products. They have nothing to do with whether the processing is primary or secondary.

Sincerely,

Jim James



EXHIBIT: B AGENDA ITEM: 8  
LAND CONSERVATION & DEVELOPMENT  
COMMISSION  
DATE: 3.12.15  
SUBMITTED BY: SenThomson

SENATOR CHUCK THOMSEN

Land Conservation and Development Commission  
635 Capitol St. NE  
Salem, OR 97310

Re: Primary Processing of Forest Products

Dear Commissioners:

I write to express my hope that the Commission will discontinue any further rulemaking efforts which attempt to further refine the requirements for property owners wishing to conduct primary processing of forest products on property subject to Goal 4.

As you may know, I sponsored legislation in the 2014 legislative session that was geared toward expanding opportunities for rural Oregonians to conduct forest processing operations on their forest properties. That legislation received a hearing in the Senate Rural Communities Committee, and the chair of that committee, Senator Roblan, expressed support for the concept of expanding these opportunities.

During that time, I was visited by your staff, who informed me that it was their belief that your Commission was capable of creating a definition in Oregon Administrative Rule to address the issue. I understand the same meeting occurred with Senator Roblan. Given those assurances, I did not object to suspending further efforts on my bill to give your Commission time to address the issue.

A Rules Advisory Committee was then formed to consider the issue. I have been kept abreast of the work of the RAC during its proceedings. Needless to say, while the RAC efforts were laudable, I am very disappointed that your staff, after the RAC had completed its work, chose to modify the RAC recommended definition and insert additional language which had the opposite effect of what my legislation intended. The proposed staff draft actually made it more difficult to conduct primary processing of forest products in forest zones. This is not what I had in mind, and this does not help.

I will be bringing legislation again to resolve this issue, as it appears we were misled. To that end, I would appreciate if you would step back from further efforts in this arena, and allow the policy-making branch of state government resolve the policy issues in this matter. If you choose to move forward with further rulemaking efforts, please advise.

Thank you for your considerations.

Very Truly Yours,

Sen. Chuck Thomson  
900 Court St. NE S-316  
Salem, OR 9730

Linda Gillette  
5714 SE 41<sup>st</sup>  
Portland, OR 97202

EXHIBIT: C AGENDA ITEM: 8  
LAND CONSERVATION & DEVELOPMENT  
COMMISSION  
DATE: 3-12-15  
SUBMITTED BY: \_\_\_\_\_

March 12, 2015

TO: Land Conservation & Development Commission

SUBJECT: Primary Processing of Forest Products

My name is Linda Gillette and I am a concerned citizen. Thank you for the opportunity to testify.

I have strong feelings about the misuse of land that is properly zoned but not properly protected.

I attended all three Rules Advisory Committee meetings about changing the definition of Primary Processing of Forest Products on forest land.

A few people expressed the desire to expand the definition so that industrial-type activities could be established permanently on timber-zoned land, without regard for keeping the land in forest production and without any concern for adjacent neighbors on rural residential-zoned land.

The color-coded zoning map of Clackamas County alone shows a large number of residential-zoned properties, including small urban size lots, adjacent to forest land where conflicts could arise.

Clackamas County has established industrial-zoned sites, often near struggling rural communities that would welcome new industries, such as Estacada. General industries that involve outdoor storage and processing, including noise, air, and water pollution, are rightly permitted only in General Industrial and Rural Industrial Zones.

The Rules Advisory Committee was formed to solve the problem of one person whose general industrial operation on forest-zoned land was denied by a hearings officer, LUBA, and the Oregon Court of Appeals. If the definition of primary processing is expanded for his benefit, it will overturn 40 years of wise, sensible land use planning and potentially create innumerable conflicts throughout the state of Oregon.

LCDC PUBLIC HEARING PFPP DEFINITION

To All here present: First off, thank you for giving me this opportunity to express my opinion on these very important matters. My name is Chuck Vance, and I am from Sandy, Oregon. I am the holder of a hard-won Conditional Use Permit in Clackamas County for my micro scale sawmilling and firewood business, on our family Tree Farm of 40 acres...a showcase of sustainability and loving forest stewardship. I have been involved in nearly every aspect of the Forest Products Industry here in Oregon for my entire adult life. I bring to these questions a depth of experience few others could match. I am the guy who still, every evening, empties his pockets of sawdust before entering the house @ day's end. While my wife may disagree with this last statement, I believe it to be true. I and those like me have suffered grievously time and again, from the ever tightening noose of constrictive governmental regulations, legislative rules, "conservation measures", and an endless supply of new methods which seemingly seek to eliminate all traditional users from the landscape. And yet, in spite of all odds, we are still here, still working the forests, fields, and waters of Oregon, spilling our precious lifeblood and energy daily, to provide you folks with the resource based life of comfort and luxury which you now enjoy.

This committee has been charged with the task of providing an up to date DEFINITION of what is a Primary Forest Product Processor. No less, but certainly, not one iota more. There are those who are attempting to use this juncture as an opportunity to codify into law, other aspects of the question, which have NO PLACE in a definition ... a sneaky backdoor method of injecting wording into policy that is, has been, and should remain under the control of the counties @ the county level. I am referring to the "products grown upon land or contiguous land", and the "setbacks" question. You have indicated that your concern was to address the question of "scale". Well I am here to tell you that with the inclusion of these cunningly crafted details, you will effectively eliminate most of the concerned operations, statewide. And while large companies may have other options...relocating, for example, the average small time tree farmer would have no choice, other than to sell the farm and move out of Oregon. The inclusion of these certain "additions" would fall hardest on the family tree farmer, the Mom and Pop operation. It would certainly eliminate me, and many others like me... absolutely contrary to your stated "goal".

It seems as if a reminder of some basic facts are in order; We, the good people of this state do not live "by your leave". Our rights, both to Life, Liberty and the Pursuit of happiness, as well as our private property rights are NOT granted to us by any City, County, State, or even the Federal Government. Our rights have been bequeathed to us by The Almighty God, and by the spilt blood of every patriot and veteran who has fought to preserve and defend the US Constitution, and our rights therein enumerated. Make no mistake about one thing: when you, or any other governmental body, enacts rules and regulations which infringe on a person's ability to provide for themselves, their families, or their dependents, that act is one of violent aggression. You may not be using a gun or sword, but the result is the same;

using the courts and ultimately the State Police and the County Sheriff's Departments to enforce your Edicts. Most of you have probably never personally experienced this, and until you do, will never be able to fully comprehend the substance of what I am saying here. I invite you to try and step into the shoes of those whose livelihood has been obliterated by governmental overreach. ....the victims of bureaucratic despotism. The inclusion or omission of a single word, or sentence here or there may seem like an insignificant factor, but for the poor donkey trying to survive on his farm and at their business, it's a matter of life and death.

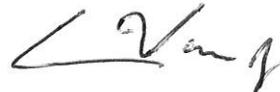
Has it been determined that all of the members of the RAC are current legal residents of the State of Oregon? Have any of them received financial benefit from others, acting as their schill? If so, is it ethically appropriate to include any of the input from these individuals?

Those people of Oregon, who have been working in resource-based fields, have only ever experienced LOSS, in recent history. Our world is smaller, our opportunities less, our paycheck skinnier. Still, we struggle on, caring for, nurturing, cultivating and preserving our unique and beautiful corner of the world, as we always have, all the while keeping the gears of commerce flowing, the tax base maintained, the public sector funded.

In the second paragraph of the Declaration of Independence, it states; "That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed." So let me go on record to say: I do NOT consent to any further erosion of our rights. Stick to the definition. Adopt that form which allows for the broadest possible interpretation. Drop the "grown on land or contiguous land", and "setbacks" bits. I may be just one, but you know that I speak for many. Thank you.

Sandy, Oregon            March 11, 2015

Charles H. Vance Jr.            (Chuck Vance)



Land Conservation and Development Commission

March 12, 2015 - Defining the Primary Processing of Forest Products (PPFP)

My name is Mark Fritch. I live and operate a business east of Sandy, Oregon building handcrafted log homes. I am the major reason that we are speaking on the topic of PPFP today. I grew up in a sawmill family north of Seattle, I studied forest management at WSU where I received my BS and MS in Forestry as well as a BA in Ag Education. I've worked in nearly every phase of the forest products industries in my working career. I began building handcrafted log homes at the age of 18 in 1969 and have been building full-time since 1983.

My business has been located in the Sandy/Mount Hood area since 1988. I am proud of what I do and believe that it is a contribution to the community in particular and the state at large. We have built many beautiful log homes that have contributed to the tax base of the state, hired many young men to work where they are also encouraged to learn, supported many subcontractors, suppliers and other local businesses and helped maintain the log building heritage of the area by working on many of the Steiner and Lenz log homes in my region.

My business was located for over 21 years on a site near Sandy that was zoned Timber Resource (TBR). I was leasing the property for my business and on March 17, 2012 my landlord told me that he had sold the business and that I had three months to move out. I did not want to leave; I was forced out of my location. It took nearly three months to simply find a suitable location to move to and then we completed our move.

Before I moved, I had consulted with the Clackamas County Planning Department (CCPD) as to whether or not my business would be considered allowable on TBR land. They said they believed that to be true. In 1997 the CCPD had determined that I was a PPFP. With this in hand, I found a property, negotiated a lease/purchase option, began the Conditional Use Permit (CUP) process and moved to the site. I prepared the documentation as requested by the CCPD and my land use hearing was scheduled.

I was surprised by the outcome of my CUP hearing. The Hearings Officer (HO) determined that there was no definition of PPFP, that there was no

case law on the topic and that he had the right to define PFP. He then determined that only the first step in my process was to be considered the entire PFP and that anything else I did with the logs at my site constituted Secondary Processing of Forest Products (SPFP).

I felt that my business received a poor decision by our local hearings officer. I did not and still do not feel that the definition of Primary Processing of Forest Products (PFP) that the HO created was accurate. The law states that PFP is allowed on timber lands. That is clear. What was not clear was what constituted PFP. No definition was ever entered into the ORS or OAR. For 41 years there were no complaints about what PFP was. My case was the first and the decision rendered by the HO became state law in a defacto manner. I contend that the HO mistakenly decided that the first step within my process defined my entire process. This is where my commitment to defining PFP all started.

I originally worked with Senator Chuck Thomsen to craft SB 1575 to create a definition of PFP within the ORS's. We had a committee hearing and Senator Arnie Roblan, the committee chair, said that this was an important issue and should be dealt with in the 2015 session if it was to proceed. Senator Roblan felt there was not sufficient time in the short 2014 session to do the work that was needed to craft the definition properly. I chose to see if there was another way to deal with the definition of PFP by way of an OAR which leads us to this committee. From the beginning I have worked to see that any solution, whether it be an ORS or an OAR, would be completely separate from my personal issues. Both Senator Thomsen and Dave Hunnicut will attest to this. They both originally counseled me to work toward a narrow definition that would fix my situation. I disagreed and pushed for a comprehensive definition.

I believe strongly enough in our legal and justice systems that I have been willing to take a great deal of my time and money to correct what I think was a large error in defining the PFP. I believe that a sound definition of PFP is needed in the future to clear up the error of the de facto law created by the HO in my case. It has been my intention to work toward creating this definition so that it truly serves everyone involved; county planners, forest landowners, the general public and forest products processors. I am not doing this to simply serve myself. I know that if I support a concise and

accurate definition of PFPF that it will serve everyone which, in the end, serves my needs as well. This is not just about me.

It is my understanding that this RAC was created to define PFPF. The committee is not being asked to create new laws or allow any new land uses on timber resource land. PFPF's are already allowed for so long as they follow the CUP process. What is needed is to define what is already allowed for; no new operations are being sought. The definition should have been a relatively simple task. I think that the work that has been done so far is on the correct path and I support the definition as presented by Jim James, executive director of the Oregon Small Woodlands Association. If there are more limits needed within the definition, they should be based on principles and not by adding specific regulations into the definition.

I do not think that it is the task of this committee to also create regulations relative to PFPF. I think that trying to add regulation into the definition will confuse the entire issue. I believe that if regulation is needed it can be done either through the Conditional Use Permit (CUP) process at the county level or at the state level through either the ORS or OAR process. Keeping the definition separate from any regulations is a wise thing. There is not enough time for this RAC to create regulations. This was pointed out by Ms. Daniels in her review of the conversations to date.

Any regulations to be made regarding the siting of a processing facility should be done with significant consideration. Quick and poorly crafted regulations could hurt more than help everyone involved. What might be appropriate in one situation could be a big mistake in another. This is why the definition should be left to create the principles for identifying what is and is not a PFPF. The implementation of the definition on a case by case basis should be the job of the local planning departments through their CUP process. This leaves the maximum flexibility to the counties while giving them the guidance needed by a definition.

Thank you for your time and attention on this matter.  
Mark Fritch



EXHIBIT: F AGENDA ITEM: 8  
LAND CONSERVATION & DEVELOPMENT  
COMMISSION  
DATE: 3.12.15  
SUBMITTED BY: Mark Fritch



United States  
Department of  
Agriculture

Forest Service

Pacific Northwest  
Research Station

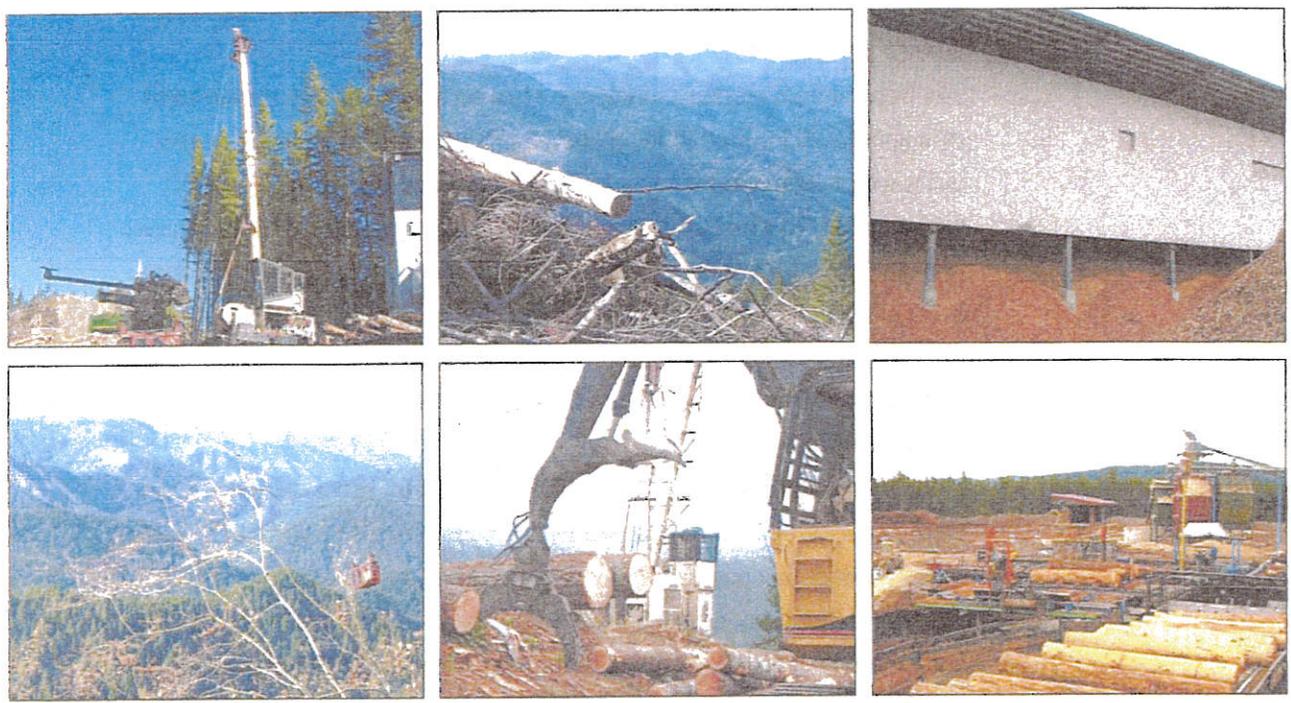
General Technical Report  
PNW-GTR-868

September 2012



# Oregon's Forest Products Industry and Timber Harvest, 2008: Industry Trends and Impacts of the Great Recession Through 2010

Charles B. Gale, Charles E. Keegan III, Erik C. Berg,  
Jean Daniels, Glenn A. Christensen, Colin B. Sorenson,  
Todd A. Morgan, and Paul Polzin



MARK FRITCH. EXHIBIT C

## Highlights

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The decline in U.S. housing markets, the global financial crisis, and record-low housing starts dropped sales of Oregon forest products from over \$9 billion in 2005 to \$5 billion in 2010.

- In total, 221 forest products facilities were identified as operating in Oregon during 2008:
  - 116 lumber facilities.
  - 28 plywood and veneer plants.
  - 22 house log manufacturers.
  - 20 pulp and board facilities.
  - 15 chipping, bark product, fuel pellet, and energy plants.
  - 10 post, pole, piling, and utility pole manufacturers.
  - 10 log furniture, cedar product, export, and engineered wood product manufacturers.
- Total 2008 sales were just over \$6 billion. The mill residue using pulp and reconstituted board sectors accounted for 50 percent of the total, with sales of just under \$3.2 billion. The lumber sector accounted for almost 23 percent (\$1.5 billion) of the total. Plywood and veneer sectors made up 18 percent of total sales, with receipts of slightly less than \$1.2 billion.
- By the end of 2010, more than a dozen large mills and numerous small mills had closed permanently. Operations at most other facilities were curtailed in both 2009 and 2010. Timber processing capacity dropped from 5,142 million board feet (MMBF) in 2006 to 4,531 MMBF in 2010. Capacity utilization exceeds 80 percent in good markets; by 2010 utilization dropped just under 57 percent.
- The Oregon forest products industry employed about 51,000 workers and paid about \$3.05 billion (2008 dollars) in labor income in 2008. The primary sector accounted for about 70 percent of these employees (35,000 workers) and the secondary sector employed the remaining 16,000 workers.
- With the drop-off in demand, marked by the decline in U.S. housing markets that began in 2006, the global financial crisis in 2008, and post-World War II record-low housing starts in 2009, the sales value of wood and paper products from Oregon producers fell sharply from over \$9 billion in 2005 to just over \$5 billion in 2010.
- Annual harvests from 2008 through 2010 were the lowest since the Great Depression, with 2.7 billion board feet harvested in 2009. Similarly, Oregon lumber production declined following the collapse of the U.S. housing industry; production dropped to 4.7 billion board feet lumber tally in 2008 and recorded volumes of only 3.8 billion board feet in 2009 and 4.0 billion in 2010 (WWPA 2010).

Table 13—Oregon out-of-state timber flow, 2008

Timber products	Log flow into Oregon	Log flow out of Oregon <sup>a</sup>	Net in (net out)
	<i>Million board feet, Scribner</i>		
Sawlogs	250.5	(378.5)	(128.0)
Veneer logs	65.5	(5.0)	60.6
Chipped logs <sup>b</sup>	5.0	(31.0)	(26.0)
Other timber products <sup>c</sup>	0.1	(1.9)	(1.8)
All products	321.1	(416.3)	(95.2)

<sup>a</sup> Does not include logs received by Oregon export facilities for subsequent export to other countries.

<sup>b</sup> Chipped logs are primarily roundwood pulpwood and also include industrial fuelwood.

<sup>c</sup> Other timber products include logs for cedar products, posts, small poles, pilings, utility poles, log homes, and log furniture.

## End Uses of Timber

This section traces the path of Oregon's harvested timber through the various primary processing sectors. Timber, primary wood products, and mill residues from manufacturing are commonly quantified in different units of measure. Timber inputs are generally reported in board feet Scribner west-side or east-side log rule. Volumes of mill outputs are provided in the measurement unit common to each product, such as board feet lumber tally or square feet of plywood 3/8-inch basis. Mill residue is commonly reported in bone-dry units (BDU) or bone-dry tons (BDT). In this section, volumes are expressed in cubic feet because expressing input, output, and residue volumes in a common unit of measure allows for more complete accounting of wood fiber through primary processing.

In this report, 1 BDU of residue is assumed to contain 96 cubic feet of wood, 1 thousand board feet (MBF) lumber tally is assumed to contain approximately 50 to 60 cubic feet of wood, and board-foot-Scribner-to-cubic conversions for timber vary by timber product type, which reflect log size and quality. See Keegan et al. (2010a, 2010b) for more detail on the conversions and relationships of timber, lumber, and mill residue volumes.

The following factors were used to convert board-foot Scribner log volume of the various timber products to cubic-foot volume (Keegan et al. 2010a):

- 4.35 board feet per cubic foot for sawlogs
- 4.48 board feet per cubic foot for veneer logs
- 2.41 board feet per cubic foot for chipped logs
- 4.45 board feet per cubic foot for other timber products

The following cubic volumes refer to Oregon's timber harvest and include timber products shipped to out-of-state mills; the figures do not include timber that was harvested in other states and processed in Oregon. Other manufacturers include

producers of cedar products, log furniture, log homes, and house logs; these were combined to avoid disclosing proprietary information on individual firms. Figure 8 outlines timber flows by sector beginning with total statewide harvest and ending with finished primary products.

The 3.6 billion board feet of timber harvested in 2008 equates to 865 million cubic feet (MMCF) of wood fiber, excluding bark (fig. 8). Of this volume, 639 MMCF (74 percent) was delivered as sawlogs to sawmills; 138 MMCF (16 percent) were veneer logs shipped to veneer and plywood plants; 82 MMCF (9 percent) was chipped for pulp mills and board plants; and 6 MMCF (1 percent) were delivered as other timber products to various types of facilities (in fig. 8, see the first level of branching below total harvest).

Of the 639 MMCF of timber delivered to sawmills, 319 MMCF (50 percent) of bole volume became finished lumber or another sawn product, 298 MMCF (47 percent) became mill residue, and 22 MMCF (3 percent) was lost from shrinkage of green lumber. About 213 MMCF of sawmill residue was sold as raw material to manufacturers of pulp and paper, particleboard, medium-density fiberboard, and hardboard in Oregon and other states. About 69 MMCF of sawmill residue was used for energy; 30 percent of that residue was used by the sawmill producing it, and the remaining 70 percent was sold to other facilities generating electricity or other forms of energy. Residues used for miscellaneous other purposes such as livestock bedding accounted for 16 MMCF, and slightly less than 0.5 MMCF of sawmill residue was reported as unused.

Of the 138 MMCF of Oregon's timber harvest received by veneer plants in Oregon and other states, 79 MMCF (57 percent) of bole volume was processed into veneer, and 59 MMCF (43 percent) became residue. Of the 59 MMCF that became residue, 45 MMCF was sold as raw material to pulp and paper and board manufacturers. Approximately 3 MMCF of veneer mill residue was used for miscellaneous other purposes such as livestock bedding, and 11 MMCF was used for energy purposes.

About 82 MMCF (9 percent) of Oregon's timber harvest was in the form of pulpwood that was chipped and used to manufacture pulp, paper, or reconstituted board. These facilities received an additional 259 MMCF of mill residues from sawmills and plywood plants for use as raw material. In total, 341 MMCF of raw material was used for pulp, paper, and board products, and approximately one-quarter of that volume was from roundwood pulpwood.

Other manufacturers, including producers of cedar products, log furniture, and house logs and log homes, received 6 MMCF of Oregon's timber harvest. About 4 MMCF of this material became finished products, 1 MMCF of residue was used for

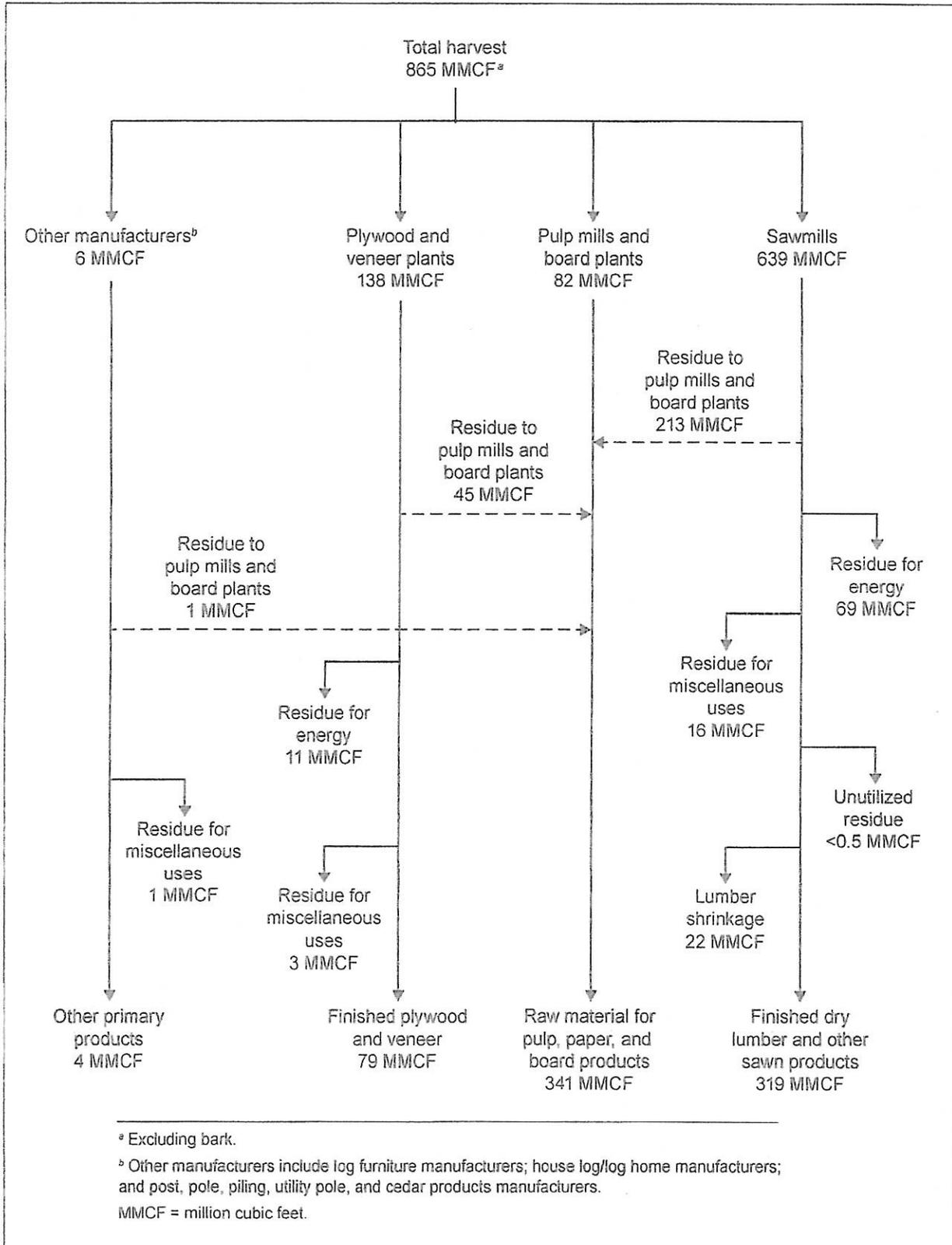


Figure 8—Oregon timber harvest and flow, 2008.

The FIDACS census identified 221 primary forest products facilities operating in Oregon during 2008.

miscellaneous purposes such as livestock bedding, and the remaining 1 MMCF of residue was sold as raw material to pulp, paper, and board manufacturers.

In total, 865 MMCF of wood fiber, excluding bark, was harvested from Oregon timberlands during 2008. About 341 MMCF was used as raw material to produce pulp, paper, or reconstituted board products such as particleboard or medium-density fiberboard; 319 MMCF became finished lumber; 79 MMCF became veneer or plywood; 80 MMCF was used to generate energy usually in the form of steam or electricity; 20 MMCF went to other uses such as animal bedding; 4 MMCF was used to produce other primary products; 22 MMCF was lost in shrinkage from green to dry lumber; and only 0.5 MMCF of wood fiber went unutilized.

### Oregon's Forest Products Industry

The FIDACS census identified 221 primary forest products facilities operating in Oregon during 2008. Brandt et al. (2006) identified 249 facilities operating in 2003. Table 14 shows that the number of facilities has declined substantially over time, from 553 in 1968 to 200 in 1998. County Business Patterns (USDC CB 2011a) and other sources (Ehinger 2009, 2011) indicate that the number of active primary forest products facilities in Oregon during 2010 had fallen back to about 200.

The jump from 200 facilities in 1998 to 249 in 2003 is largely owing to differences in how data were gathered over time. The 2003 and 2008 surveys included more facility types than in previous years. Chipping plants were added in 1998 and

Table 14—Active Oregon primary forest products facilities by sector

Year	Lumber	Veneer and plywood	Pulp and board	Cedar products	Export	Posts, pole, pilings, and utility poles	Chipping	Log homes	Log furniture	Other facilities <sup>a</sup>	All sectors
<i>Number of active facilities</i>											
1968	300	168	37	48	<i>b</i>	<i>b</i>	<i>b</i>	<i>b</i>	<i>b</i>	<i>b</i>	553
1972	262	133	40	43	38	10	<i>b</i>	<i>b</i>	<i>b</i>	<i>b</i>	526
1976	243	132	40	46	28	9	<i>b</i>	<i>b</i>	<i>b</i>	<i>b</i>	498
1982	161	101	36	34	32	8	<i>b</i>	<i>b</i>	<i>b</i>	<i>b</i>	372
1985	173	89	35	26	35	7	<i>b</i>	<i>b</i>	<i>b</i>	<i>b</i>	365
1988	165	87	33	24	33	18	<i>b</i>	<i>b</i>	<i>b</i>	<i>b</i>	360
1992	115	64	30	16	13	15	<i>b</i>	<i>b</i>	<i>b</i>	<i>b</i>	253 <sup>c</sup>
1994	106	34	31	10	10	10	<i>b</i>	<i>b</i>	<i>b</i>	<i>b</i>	201 <sup>c</sup>
1998	93	43	29	7	<i>b</i>	8	20	<i>b</i>	<i>b</i>	<i>b</i>	200 <sup>c</sup>
2003	126	33	23	2	2	12	9	25	6	11	249
2008	116	28	20	2	<i>b</i>	10	8	22	4	11	221

<sup>a</sup> Other facilities include biomass/energy, bark products, engineered wood products, and fuel pellets/fire logs

<sup>b</sup> Log export, posts, small poles, pilings, chipping, log homes, and log furniture were not included in the specified years.

<sup>c</sup> All the mills did not participate in the specified survey years.

Sources: Howard 1984; Howard and Hiserote 1978; Howard and Ward 1991, 1988; Manock et al. 1970; Schuldt and Howard 1974; Ward 1995, 1997; Ward et al. 2000.

*This shows the historical trend in recognizing the various P-FPs.*

log home, log furniture, bioenergy, decorative bark and mulch, and fuel pellets were included in 2003 and 2008. In addition, efforts to identify mills to include in the survey were expanded in 2003. It is possible that some mills were missed in earlier surveys. Thus, the downward trend in the number of active forest products facilities identified since 1968 has likely continued through the present time. Heightened efforts to perform a complete census of the industry in 2003 and 2008 likely resulted in the identification of a higher percentage and number of small mills than in the previous decade.

The decline in the number of mills in Oregon since the 1960s mirrors a similar trend prevalent throughout the Western United States (Keegan et al. 2006). Explanations for this trend include:

- Concentration of production into large, capital-intensive, more efficient mills.
- Lack of reliable timber supply following the reduction in timber sales from federally managed lands.
- Progressively smaller diameter timber available from harvest of second- or third-growth stands on private lands.
- The decline of cedar product facilities can be ascribed to the reduction in harvest of large-diameter cedar from old-growth stands. Cedar harvest currently is focused in second- or third-growth stands.
- Unfavorable market conditions that culminated with recessions in 1980 and 2007.
- Competition from such wood products as oriented strand board, which are not manufactured in Oregon and which compete with Oregon producers.

Factors affecting the structure and size of Oregon's industry are discussed in more detail in subsequent sections on the individual sectors and capacity.

## Industry Concentrations

The majority (79 percent) of active forest products facilities were located in western Oregon (table 15). The Southwest Resource Area contained the largest proportion of lumber producers (44 percent) and plywood and veneer operations (71 percent). Lane County was home to the largest number of active forest products facilities in the state, with 33 mills operating during 2008. Douglas County followed with 22 mills. These findings are consistent with what previous surveys have reported (Brandt et al. 2006; Howard 1984; Howard and Hiserote 1978; Howard and Ward 1988, 1991; Manock et al. 1970; Schuldt and Howard 1974; Ward 1995, 1997; Ward et al. 2000). The Northwest Resource Area was home to 83 active facilities and the largest proportion of pulp and board plants (55 percent), chipping operations (75 percent), and other facilities (64 percent). Pulp and paper milling capacity was

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The downward trend in the number of active forest products facilities identified since 1968 has likely continued through the present time.

Table 17—Destination and sales value of Oregon primary wood products and mill residues, 2008

Product	Oregon	Far West <sup>a</sup>	Rocky Mountains <sup>b</sup>	North Central <sup>c</sup>	Northeast <sup>d</sup>	South <sup>e</sup>	Pacific			Total
							Rim	Canada	Other <sup>f</sup>	
	<i>Thousands of 2008 dollars</i>									
Pulp and board <sup>g</sup>	216,313	2,324,183	292,909	143,282	21,708	48,135	97,811	35,592	16,157	3,196,090
Lumber	460,680	561,185	156,214	102,710	79,718	85,313	9,021	4,600	1,714	1,461,155
Plywood and veneer	466,486	303,697	77,604	124,456	105,380	60,053	564	16,469	—	1,154,709
Other primary wood products <sup>h</sup>	71,620	51,232	23,662	22,514	7,234	15,934	—	—	—	192,196
Total primary product	1,215,099	3,240,297	550,389	392,961	214,039	209,436	107,397	56,662	17,870	6,004,150
Residues <sup>i</sup>	230,766	55,381	—	—	—	—	—	—	—	286,147
Total sales value 2008	1,445,865	3,295,678	550,389	392,961	214,039	209,436	107,397	56,662	17,870	6,290,297
Percent total 2008	23	52	9	6	3	3	2	1	0	100
Percent total 2003	28	42	10	7	6	3	1	0	0	100
Total sales value in 2003 expressed in 2008 dollars	2,399,891	3,278,581	813,975	582,677	497,842	274,559	88,083	62,007	20,869	8,018,485

— = No value in cells.

<sup>a</sup> Far West includes Alaska, California, Hawaii, and Washington.

<sup>b</sup> Rocky Mountains include Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming.

<sup>c</sup> North Central includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

<sup>d</sup> Northeast includes Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

<sup>e</sup> South includes Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

<sup>f</sup> Other includes Europe and Mexico.

<sup>g</sup> Pulp and board includes pulp, paper, reconstituted board, bark, wood pellets, and other energy products.

<sup>h</sup> Other primary wood products include cedar products, export logs, log furniture, house logs, posts, small poles, pilings, and utility poles.

<sup>i</sup> Mill residues in Far West include all out-of-state mill residue sales.

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**At \$3.3 billion, the Far West states comprised the largest market for Oregon's primary wood and paper products.**

their own distribution channels or through independent wholesalers and selling agents. Because of subsequent downstream transactions, the geographic destination reported here may not precisely reflect the final delivery points of shipments.

At \$3.3 billion, the Far West states comprised the largest market for Oregon's primary wood and paper products; sales represented 52 percent of the total. The majority of these sales occurred in pulp and reconstituted board followed by the lumber sector. Plywood, veneer, and other primary products were mostly sold out of state; sales to Oregon buyers of primary products were \$1.4 billion overall. Many of the sales to Oregon buyers were sold again for further processing in other states.

Market destinations for Oregon products in 2008 are only modestly different from 2003 (Brandt et al. 2006). The share of sales in Oregon and other Far West states increased from 70 percent in 2003 to 75 percent in 2008 mostly owing to modest gains in sales to Far West states. Another difference between the two periods was in product exports, which rose from less than 1 percent in 2003 to 3 percent in 2008. Also, sales to the Northeast Region fell from 6 to 3 percent.

### **Trends and Capacity by Sector** *See the following sections*

This section discusses market trends and mill survey results by sector. Specifically, we examine productivity in the sawmill, plywood, pulp and board, and other primary products sectors.

#### **Sawmill Sector**

Figure 10 shows Oregon lumber production, which peaked in 1955 at just under 9.2 billion board feet lumber tally. Between 1955 and the late 1970s, lumber production gradually declined, with minor year-to-year troughs and peaks, to 7.3 billion in 1979. Production declined during this time primarily because timber volume was diverted to plywood manufacturing. Lumber production dropped substantially during the recession of the early 1980s to just under 4.7 billion lumber tally in 1982. Following the recession lumber markets improved and lumber production climbed consistently. The peak of 8.8 billion board feet in 1987 was just below the peak of the early 1950s.

The drop in federal harvest in the first half of the 1990s led to closures and a sizable drop in lumber output in Oregon to a low in 1995 of under 5 billion board feet (Keegan et al. 2006). In response, harvests from nonfederal lands rose. From the mid-1990s through the early 2000s, lumber production rose steadily to a peak of 7.4 billion board feet lumber tally in 2005. Following this period of strong markets, lumber production in Oregon declined drastically with the collapse of the U.S. housing industry. Production in 2008 dropped to 4.7 billion board feet lumber tally, then to 3.8 billion in 2009 and 4 billion in 2010 (WWPA 2010).

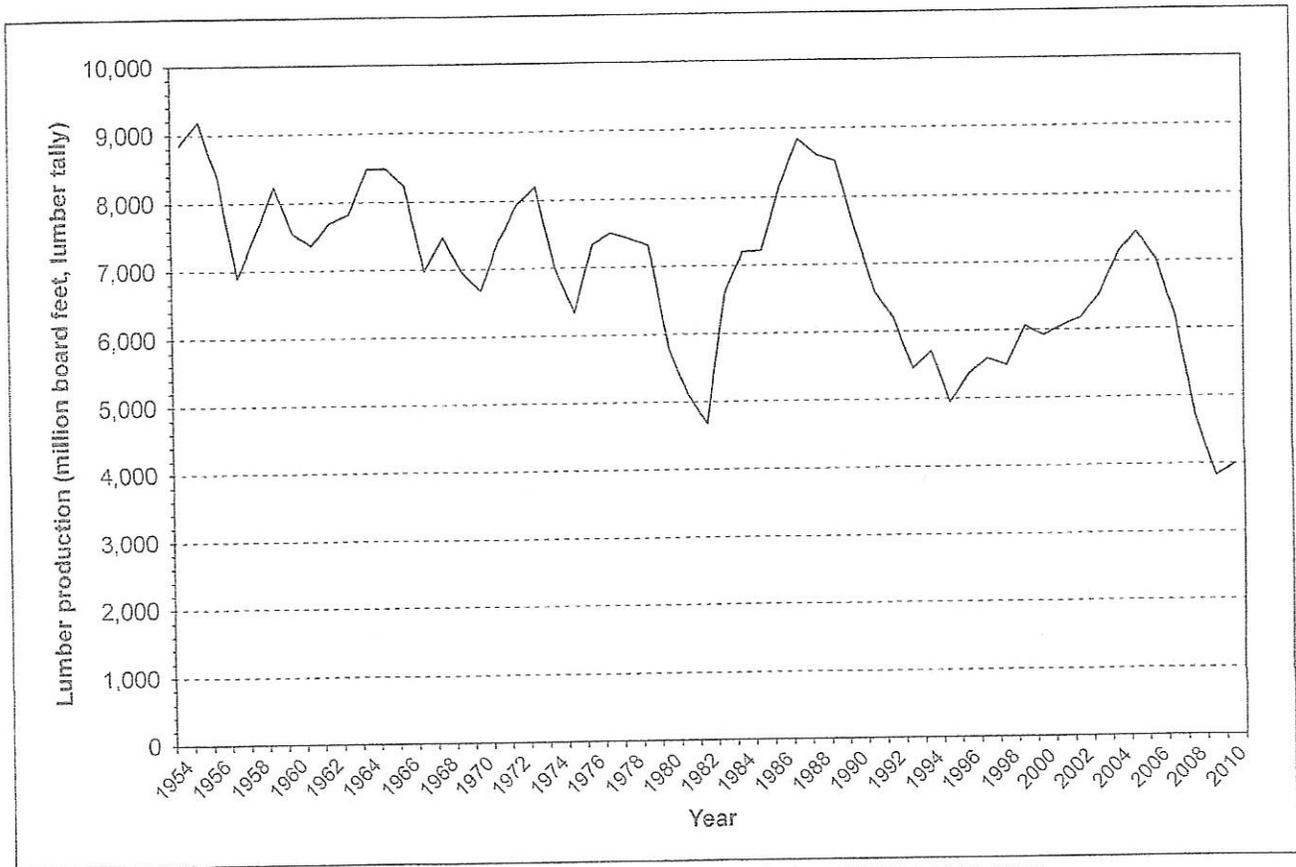


Figure 10—Oregon's lumber production, 1954–2009. Source: Brodie et al. 1978; WWPA 1954–2010.

*Sawmill lumber recovery—*

Product recovery ratios, or the volume of output per unit of input, are a measure of efficiency reported by Oregon's sawmills as lumber recovery factors (LRF) and overrun. The LRF is the lumber output (in thousand board feet lumber tally) divided by the timber input (thousand cubic feet). Lumber overrun (LO) is the amount of lumber actually recovered in excess of the volume predicted by the log scale, expressed as a percentage of the log scale (Keegan et al. 2010b). Although LO is the most commonly quoted measure of lumber recovery and mill efficiency, LO fails to accurately portray differences in lumber recovery, primarily owing to flaws in the Scribner log scale used to estimate timber volume. As log diameters decrease, generally the Scribner log rule used in Oregon increasingly underestimates the volume of lumber that can be recovered from a log, thus increasing overrun. The LRF measure better illustrates the relationship between rising lumber output and improvements in technology and sawing techniques (Keegan et al. 2010b).

Both LO and LRF have risen substantially over the past 40 years as shown in figure 11 and table 18. Lumber overrun increased from 1.27 in 1968 to 2.07 in 2003 (Brandt et al. 2006, Keegan et al. 2010b, Manock et al. 1970), before a slight decline

to 2.04 in 2008 (fig. 11). Lumber recovery factor followed a similar pattern, increasing from about 7 board feet lumber tally per cubic foot of sawlog input in 1968 to 8.7 board feet in 2003 and 9.0 board feet in 2008 (table 18).

The increase in Oregon lumber recovery since 1968 primarily results from improved sawing technology and characteristics of the Scribner log scale. Technological improvements have made Oregon mills more efficient in numerous ways. Log size (diameter and length) sensing capabilities linked to computers determine the best sawing pattern for logs to recover either the greatest volume or greatest value from each log. Improved sawing accuracy and curve sawing have reduced the amount of size variation in sawn lumber, thus increasing solid wood recovery. Thinner kerf saws reduce the proportion of the log that becomes sawdust. However, inaccuracies inherent in the Scribner log scale could confound recovery estimates, especially because the average log diameter processed by Oregon sawmills has consistently trended downward over the past 50 years as harvesting shifted from old-growth to second-growth forest (Keegan et al. 2006, Keegan et al. 2010b).

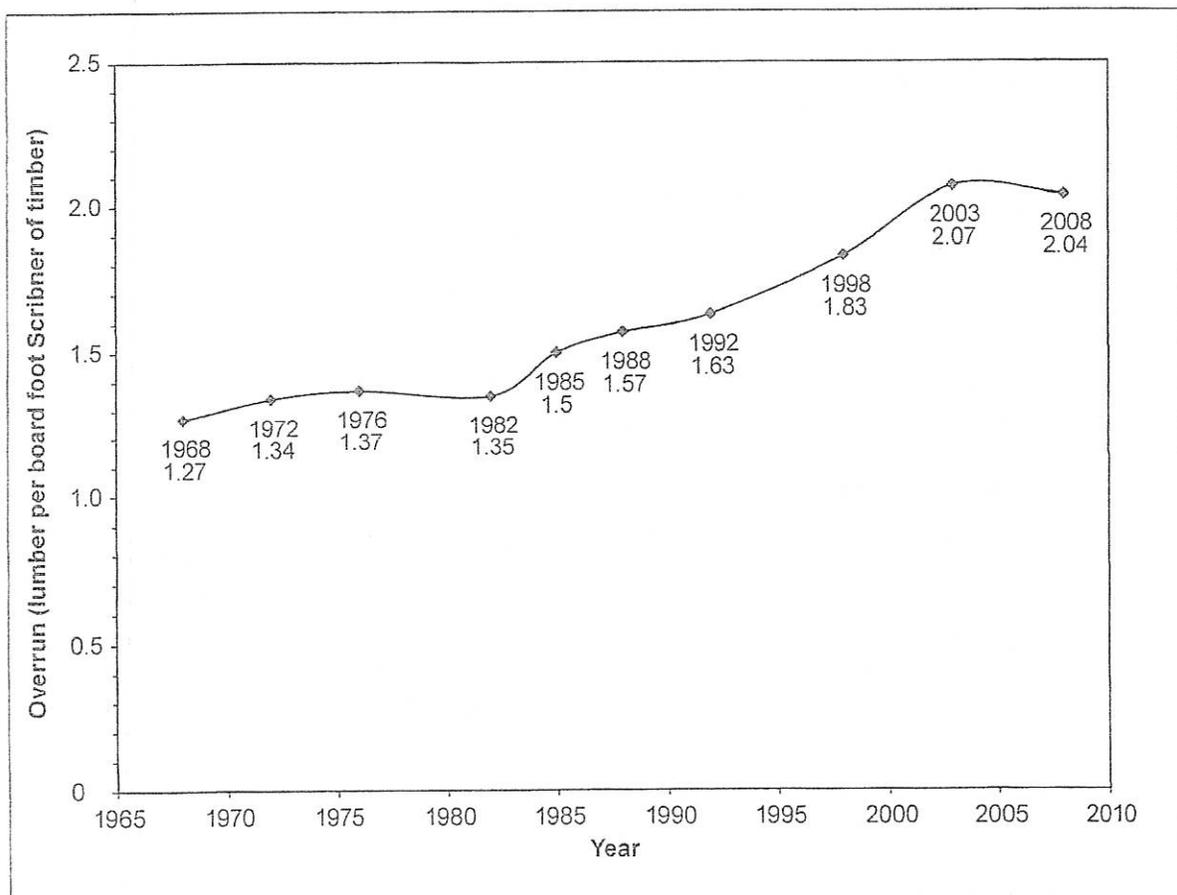


Figure 11—Lumber overrun in Oregon in various years. Source: Brandt et al. 2006; Howard 1984; Howard and Hiserote 1978; Howard and Ward 1991; Manock et al. 1970; Schuldt and Howard 1974; Ward 1995, 2000.

**Table 18—Overrun and lumber recovery factor in various years**

	1972	1976	1998	2003	2008
Lumber recovery factor	6.95	7.11	8.30	8.64	9.00
Lumber overrun	1.34	1.37	1.83	2.07	2.04

Source: Brandt et al. 2006; Howard 1984; Howard and Hiserote 1978; Howard and Ward 1991, 1998; Manock et al. 1970; Schuldt and Howard 1974; Ward 1995, 1997; Ward et al. 2000.

**Log size processed by sawmills—**

Despite the long-term trend toward smaller logs discussed above, in 2008, the average log size processed by Oregon sawmills actually increased from 2003 (table 19). Sixty-two percent of logs processed by sawmills had a small-end diameter greater than 10 inches in 2008 versus 54 percent in 2003 (Keegan et al. 2010b). In fact, almost 15 percent of logs processed were greater than 24 inches diameter, rising from 5 percent in 2003.

The increase in log size may be a result of weak lumber markets in 2008. During poor markets, it becomes more difficult for lumber mills to profitably produce lumber from small and low-quality logs. The price of stud grade lumber—which is predominantly made from small logs—fell by a much higher percent-

age during the recent recession than many other dimension and board and shop lumber grades (Random Lengths 2010b). The reduced use of small-diameter logs, along with reduced incentive to saw lower grades of lumber from marginal-quality logs by sawmills, may have led to the decreased overrun reported in 2008.

**Plywood and Veneer Sector**

In Oregon, veneer is used to produce plywood and laminated veneer lumber (LVL). Oregon's plywood and veneer sector produced 2,595 million square feet, 3/8-inch basis (MMSF-3/8-inch) of plywood and 1,428 MMSF-3/8-inch of veneer in 2008, making Oregon the leading producer of plywood in the United States (Adair 2010).

Of the 28 plywood and veneer plants operating in Oregon during 2008, 9 produced veneer only, 11 were both veneer and plywood lay-up operations, and 8 plants produced only plywood (table 20). The number of plywood and veneer facilities has decreased substantially over time. In 1968, there were 138 plywood and veneer plants operating in Oregon (Manock et al. 1970). By 1994, there were just 26 (Ward 1997), and in 1998, there was an increase to 42 mills.

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Despite the long-term trend toward smaller logs discussed above, in 2008, the average log size processed by Oregon sawmills actually increased from 2003.

**Table 19—Proportion of logs processed by sawmill by small-end diameter**

Small-end diameter	2003	2008
< 7 inches	0.14	0.12
7 to 10 inches	0.32	0.26
<10 inches	<b>0.46</b>	<b>0.38</b>
>10 inches	<b>0.54</b>	<b>0.62</b>
10 to 24 inches	0.49	0.48
> 24 inches	0.05	0.14

Note: Bold values include totals.

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The number of plywood and veneer facilities has decreased substantially over time.

**Table 20—Number of Oregon plywood and veneer mills, selected years 1968–2008**

Year	Veneer only	Veneer and plywood	plywood only	All
	<i>Number of mills</i>			
1968	59	58	21	138
1972	46	58	29	133
1976	52	52	28	132
1982	45	37	19	101
1985	36	32	21	89
1988	33	33	21	87
1992	16	13	11	40
1994 <sup>a</sup>	—	—	—	26
1998	15	14	13	42
2003	11	13	9	33
2008	9	11	8	28

— = No value in cells.

<sup>a</sup> For 1994, plywood and veneer mills not separated.

Sources: Brandt et al. 2006; Howard 1984; Howard and Hiserote 1978; Howard and Ward 1991, 1988; Manock et al. 1970; Schuldt and Howard 1974; Ward 1995, 1997; Ward et al. 2000.

Oregon's plywood industry grew rapidly between 1954 and 1965 (fig. 12), peaked in the early 1970s, then fluctuated somewhat until the recession in the early 1980s. Production dropped to 5,113 MMSF 3/8-inch in 1982 (Brodie et al. 1978, Warren 1988). Following the recession, plywood production ramped up quickly to 8,381 MMSF-3/8-inch in 1987 then fell rapidly (Adair 2004). By 2008, production had declined to lows not seen since 1954.

Plywood and veneer manufacturers made gains in product recovery from 2003 to 2008. The plywood and veneer recovery factor is the plywood/veneer output (in thousand square feet 3/8-inch basis) divided by the timber input (thousand board feet Scribner). The statewide plywood and veneer recovery factor for Oregon in 2008 was approximately 4.19 square feet per board foot Scribner of log input; in 2003 recovery was 4.0.

The plywood production volume calculated from the 2008 FIDACS census is substantially higher than the plywood production volume published by the Engineered Wood Association (Adair 2010; APA 2009): Oregon plywood production was estimated at 2,595 MMSF 3/8-inch by FIDACS; The American Plywood Association APA reported 2,256 MMSF 3/8-inch total production. The two main reasons for discrepancies in the production numbers are (1) both softwood and hardwood plywood production are included in the FIDACS estimate, whereas APA includes just softwood plywood, and (2) specialty veneer panel products produced by a few Oregon facilities are incorporated in the FIDACS estimate but not in the APA data.

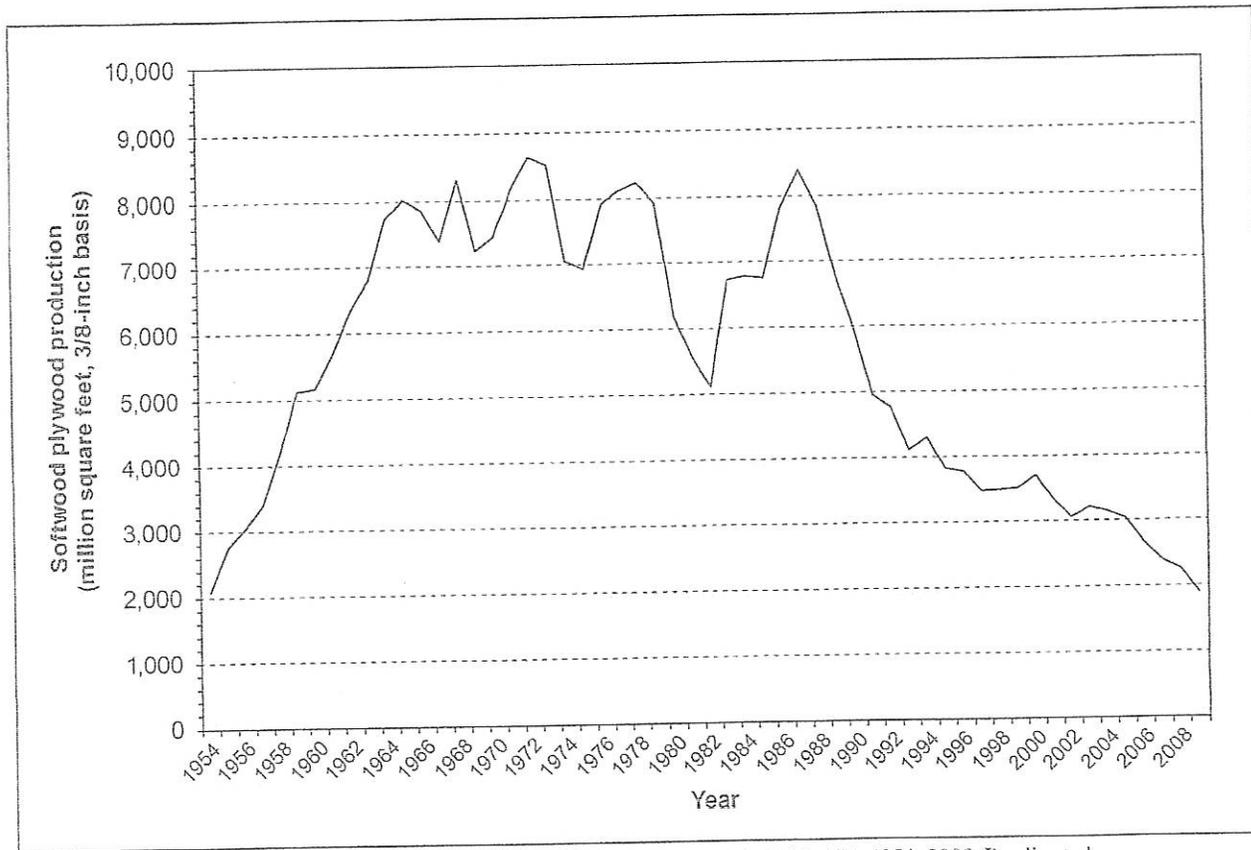


Figure 12—Oregon's softwood plywood production, 1954–2009. Source: Adair 2005, APA 1954–2009, Brodie et al. 1978, Warren 1988.

### Pulp and Board Sector

In 2008, 20 pulp and board facilities operated in Oregon; over 85 percent were located in western Oregon. Ten were board plants that produced particleboard, hardboard, and medium-density fiberboard (MDF) and 10 were pulp and paper mills. Board facilities produced a total of 2,001 MMSF of products including particleboard, MDF, and hardboard with a total sales value of close to \$404 million. Oregon's pulp and paper sector produced more than 4.4 million dry tons of pulp and paper in 2008 with a sales value close to \$2.8 billion, representing a 47 percent increase from sales reported in 2003. China's robust demand for North American pulp and paper has helped drive up demand (Lang 2008). With weaker markets in 2009, pulp and paper sales dropped to approximately \$2.5 billion and reconstituted board sales fell to approximately \$300 million.

### Remaining Sectors

Other primary forest product sectors operating in Oregon during 2008 included both timber- and residue-utilizing manufacturers. Timber-utilizing manufacturers included roundwood pulp-chip conversion operations, export operations; log home

manufacturers; cedar product facilities; log furniture manufacturers; and post, small pole, piling, and utility pole facilities. Residue-utilizing sectors included bark product plants, biomass/energy production facilities, and firewood and wood pellet producers.

The eight roundwood pulp-chip conversion facilities produced 374,283 BDUs of clean chips and shavings with a sales value of \$44.2 million. Twenty-two log home plants in Oregon in 2008 produced 24,636 thousand lineal feet (MLF) of log products, sold in the form of logs, home kits, or custom-designed homes that generated a total sales value of just under \$8 million. The 10 post, small pole, piling, and utility pole plants operating in Oregon during 2008 produced 812,000 pieces with a sales value of \$5.2 million. Four log furniture plants operated in Oregon during 2008 and produced 1,040 pieces of log furniture and 26,000 lineal feet of furniture pieces with a combined sales value of just under \$860,000. The sales value presented here includes only manufactured products and not the value of logs exported from Oregon.

Of the residue-utilizing sectors, only one commercial biomass/energy operation and two firewood and wood pellet manufacturers operated during 2008. To ensure protection of firm-level information, no further data on these facilities can be released. However, three Oregon bark product facilities produced 37,986 BDUs with a sales value of \$9.4 million.

### Timber-Processing Capacity: All Sectors

Through the FIDACS census, Oregon mills reported their 8-hour-shift and annual production capacity given sufficient supply and firm product market demand. Each product is reported in different units of volume. Sawmill production capacity was reported in MBF, lumber tally. Veneer production capacity was reported in thousands of square feet (MSF), 3/8-inch basis. Cedar product facilities reported capacity in both hundreds of square feet and MBF. Log home manufacturers measured capacity in MLF; log furniture, post, small pole, and pilings, reported capacity in pieces; and utility pole producers use MLF. Capacity in chipping facilities was reported in BDT. Each of these units was converted to a million board foot Scribner equivalent based on recovery factors appropriate for that sector to estimate the industry's total timber-processing capacity. For example: sawmill production capacity was converted to timber-processing capacity by dividing production capacity in lumber tally by each mill's overrun; veneer capacity was converted by dividing production capacity in square feet of 3/8-inch veneer by each mill's veneer recovery. Capacities for utility pole plants were converted by multiplying capacity in lineal feet by an average Scribner board-foot volume per piece or per lineal foot (Keegan et al. 2006).



Friday, January 10, 2014

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### List of Primary Processes of Forest Products

This list of primary processes utilizing forest products began with a review of the US Forest Service General Technical Report PNW-GTR-868 entitled Oregon's Forest Products Industry and Timber Harvest, 2008: Industry Trends and Impacts of the Great Recession Through 2010. It was further developed input from people within the Oregon Forest Industries.

1. Sawmills
2. Veneer plants
3. Plywood plants \*
4. Chipping facilities
5. Pulp and board facilities \*
6. Log sorting, debarking, grading and transportation facilities
7. Bark product producers
8. Utility pole and piling producers
9. Fence Post and Rail manufacturers
10. Firewood processors
11. Woody biomass energy producers
12. Fuel pellet producers
13. Log home builders
14. Log house log providers
15. Log furniture manufacturers
16. Shake and shingle mills
17. Cedar products producers
18. Engineered wood products producers \*

Engineered wood products, board plants and plywood producers would most likely be considered secondary processors unless they produce their own lumber, pulp and veneer on the same site.

There are other primary processors of minor forest products that are not made from raw logs. It may be wise to add mention of these to protect future uses that are not common now. Some of these include, but are not limited to:

1. Christmas tree processing and shipment facilities
2. Forest based floral materials
3. Wild harvested mycology products processors
4. Wild harvested fruit and berry processors
5. Wild harvested medicinals

Land Conservation & Development Commission  
635 Capitol Street NE  
Salem, OR 97301

EXHIBIT: H AGENDA ITEM: 8  
LAND CONSERVATION & DEVELOPMENT  
COMMISSION  
DATE: 3-12-15  
SUBMITTED BY:  
Timothy Dahl

March 12, 2015

Dear Committee;

I own 15 acres of woodland property in Clackamas County. A brief history – I grew up in a coastal logging/lumber/fishing community and saw the local economy grind to a halt in the 1970's, largely because of the exploitation of natural resources over the decades, coupled with a new heightened awareness which we then called 'the ecology movement'. I was a proud member of that community, and that movement, and believe I have had enough (intimate) exposure to both production and environmental aspects of the forest industry to have a legitimate opinion in some matters related to how these decisions affect FAMILIES.

My dream of becoming a forester or forest ranger was quashed by all those OSU graduates a year or two older than myself who took all the jobs. I was lucky to foresee this at a young age and switched careers to that of public service as a firefighter/EMT. But my love for the woods sustained. I bought my property in 1986, an unmanaged mixed conifer forest that needed a lot of TLC. All the time with the hope of providing for my children's college with occasional harvest operations and improving the health of my woodlands at the same time. I've taken all kinds of forestry education, including Master Woodland Manager and Master Naturalist via Oregon State University, and I currently serve as Secretary-Treasurer of the Clackamas County Farm Forestry Association, a chapter of OSWA.

I am fortunate to have been able to retire after thirty years, but still at a relatively young age. I can't wait to get out in my woods every day. I have thirty years of planning, physical work, worry, and a range of other passions related to my woodlands, and my family to take care of!

I strongly believe in utilizing trees as a precious resource and the responsibility we have to be the best stewards of the land we can be. I actually have not done as much harvesting on my land as I know I should by scientific standards. When I do harvest, and I am still doing pre-commercial thinning on this property, I like to use as much of the tree as I can. From a single cedar tree, I have offered the bark to native Americans and weavers' guilds, I have made tipi lodge poles out of the tops, fence rails out of the next section, fence posts out of the next, and finally a log for the mill on the bottom piece. If the Kalapooya people strip the bark at my home, and take it to their home and weave something beautiful, are they further processing a forest product?

I share boughs, moss and holly from my forest during the holidays. Neighbors craft wreaths and other adornments and sell them along with Christmas trees from their property. Are they further processing a forest product?

When we bought our property, we read a deed that explained that we were, for the most part, accepting the property as it is, where it is. I don't remember the verbiage, look at your deed, it's the big opening paragraph right at the beginning. My neighbors have stinky cows. Jets fly over and ruin the quiet at night, and its sometimes smoky because some folks are allowed to burn. I don't like it, but I live with it.

I understand the real issue here is the conditional use and appeals process. But the sanity can all start with this definition. I wholeheartedly support the definition as proposed by Jim James of the Oregon Small Woodlands Association.

Thank you for your consideration and work for us on this committee.



Timothy L. Dahl  
20,000 S Rainbow Forest Lane  
Oregon City, OR 97045  
(503) 349-1756



March 10, 2015

Robin Jacobs  
59890 E. Marmot Road  
Sandy, OR 97055

Land Conservation and Development Commission  
635 Capitol St., NE  
Salem, OR 97301

RE: Definition – “primary processing of forest products”

To the LCD Commission,

Thank you for the opportunity to provide public comment and share firsthand experience from having lived full time immediately adjacent to a log home company’s industrial operations in the Timber zone.

I live along the Sandy River in the Mt. Hood Corridor near Brightwood and Welches. In 2011, a log home manufacturing company moved onto a productive Timber parcel next to my home and, without permit, transformed the timber parcel into a parcel-wide heavy industrial contractor yard and operating site, complete with large fleets of operating heavy diesel construction equipment, heavy diesel trucks and dump trucks, company utility and business vehicles, a company prefabricated office building, commercial shipping containers and storage trailers, parcel-wide stockpiles of imported logs, lumber and construction materials, a sawmill, gas-and generator-powered equipment, and other equipment and supplies. Much of the timber parcel was excavated, cleared, and gravel-surfaced to house and accommodate the above, and create large, multiple manufacturing work-stage areas for log-peeling and chemical treatment of logs, manufacturing and construction of large home structures, roof trusses, and other log home components by detailing, shaping, notching, fitting and assembling log components according to custom engineered plans, and, at completion, disassembling the large log homes manufactured and erected onsite. The parcel was also cleared and gravel-surfaced parcel-wide to enable the company’s large fleet of heavy diesel construction equipment, heavy diesel trucks, and vehicles to operate and travel throughout the Timber parcel. Even though the company’s permit was denied by the County hearings officer, LUBA, and State Court of Appeals between November 2012 and January 2014, company operations and efforts to expand operations on the Timber parcel continue.

Since 2011, I have lived with year-round loud industrial noise from operating heavy diesel construction equipment, chainsaws, sawmill equipment, power grinders, and other loud power equipment used throughout all log home production and manufacturing stages. I have lived year-round in an environment overcome by strong, hazardous diesel and exhaust fumes, and toxic industrial chemical fumes and odors emanating from the site. These conditions – all posing serious health and safety threat – have created an unlivable living environment. The industrial noise and odor-fume emissions have:

- Restricted and precluded outdoor use of my property, including the ability to conduct outdoor work and engage in general outdoor living and recreation;
- Prohibited opening doors and windows year-round, including in summer, due to the industrial noise, odors, and fumes;
- Prohibited taking pets outdoors due to the fumes;
- Impaired and precluded indoor use of my home, including conducting work and engaging in all aspects of daily residential living, due to the industrial noise;

- Induced health symptoms associated with long-term exposure to loud industrial noise and caustic fumes.

These same industrial conditions have had profound impacts on area wildlife, including deer and elk in their protected winter range, and recreational users along both the river and the popular forestland recreational trail systems (the Sandy Ridge Trails and Barlow Wayside Trails) that surround the subject Timber site.

If a definition of "primary processing of forest products" be developed, it is recommended the definition:

1. Prohibit the importing of logs and other forest resources for product processing and manufacturing in the Timber zone.
2. Require the forest product be grown and harvested on the land or contiguous land where the "primary processing" occurs, as required for EFU lands.
3. Prohibit secondary processing (referred to as *primary product manufacturing* by the wood-products industry) in the Timber zone, including log home manufacturing, or custom-engineered structural shaping, notching, detailing, fitting and assembling of logs in the manufacture of homes and other structures and components.
4. Prohibit industrial chemical treatment of logs, a secondary process, in the Timber zone.
5. Set minimum setback requirements for primary processing facilities to reduce impacts and conflicts in the underlying Forest zone, and adjacent zones.
6. Ensure timber-resource lands remain dedicated to timber-resource production to meet resource needs of the wood-products industry. Timber resource lands (a recognized long-term investment) should remain dedicated to growing and harvesting timber (the resource), not for producing and manufacturing products made from the resource. Such operations belong in the industrial zone.

Thank you for consideration of these recommendations.

Sincerely,



Robin Jacobs



HOUSE OF REPRESENTATIVES  
900 COURT ST NE  
SALEM, OR 97301

Land Conservation and Development Commission  
635 Capitol St. NE  
Salem, OR 97310

Re: Primary Processing of Forest Products

Dear Commissioners:

I join Senator Thomsen in asking you to discontinue further efforts on rulemaking to define the primary processing of forest products. I have been tracking this issue for quite some time, and do not believe the language prepared by your staff has support among those in the timber industry. The industry, which has the knowledge, expertise, and experience to know what will work and what won't in the states forest zones, is dismayed at the results of your efforts to date. Creating job opportunities in rural Oregon is important – your staff efforts to date hamper those opportunities. That is not the direction that we should be heading.

We will continue to work on this issue at the legislative level, and will happily work with the Commission as we proceed. On this issue, however, the legislature should take the lead.

Sincerely,

Mark Johnson

