

Forest Trust Land Advisory Committee

Oregon Department of Forestry
Salem, Oregon
Minutes
February 19, 2010

Pursuant to notice made by press release to newspapers of general and local circulation throughout the state and distributed to persons on the mailing list of the committee and the members of the committee, a regular meeting of the Forest Trust Land Advisory Committee (FTLAC) was held at the Department of Forestry in Salem, Oregon.

Present Committee Members:

Tim Josi, Tillamook County Commissioner, Chair; Patricia Roberts, Co-Chair, Clatsop County Commissioner; Faye Stewart, Lane County Commissioner; Chuck Hurliman, Tillamook County Commissioner; Nancy Hirsch, Chief State Forests Division, Oregon Department of Forestry; Anthony Hyde, Columbia County Commissioner

Absent Committee Members: Earl Fisher, Columbia County Commissioner; Susan Morgan, Douglas County Commissioner; Chair; Mike Propes, Polk County Commissioner; Anthony Hyde, Columbia County Commissioner

Present Department Staff: Mike Cafferata, Deputy Chief, State Forests Division; Doug Decker, Project Leader, State Forests Division; Jeff Foreman, Agency Affairs; Dan Goody, Forest Grove; Dave Lorenz, Western Lane; Andy White, NWOA; Tom Savage, Astoria District; Mike Totey, West Oregon District; Mary Schmelz, Agency Affairs

Present Others: Gil Ridell, Association of Oregon Counties; Chris Jarmer, Oregon Forest Industries Council; Mark Rasmussen, Mason, Bruce & Girard, Inc.

Approval of minutes of last meeting

The August 14, 2009 minutes were approved with one change: Anthony Hyde will be added to the absent committee member roster for that meeting date.

Gilchrist Forest Acquisition, Doug Decker

The Board approved acquisition of about 43,000 acres in the Gilchrist tract in Klamath County. Funding for the acquisition was found through a 20 year Lottery bond. The Department envisions managing the forest much as the Sun Pass Forest is managed. Bill Swarts, who works for the previous owner Fidelity, is familiar with past management so will be valuable in providing land data and information about area operators. The Gilchrist forest consists mostly of Ponderosa and Lodgepole pine with an average age class of 15-20 years old.

The Department is exploring a pilot project using carbon credits to help fund acquisition of a second Gilchrist parcel. The Conservation Fund has acquired an adjacent 25,000-acre piece of Gilchrist property on the Department's behalf. The Conservation Fund purchases property and then transfers it to natural resource agencies with the goal of keeping land, such as forestland, from becoming fragmented and developed. They will hold the title on this additional 25,000 acre parcel. There won't be deed restrictions after that land is acquired. Within the next 3-7 years the Department will work towards acquiring the land, probably using carbon credits and forest legacy dollars, as funding is available. In

addition, the Department is considering acquiring Spring Butte, owned by Fidelity. The parcel is beyond what the agency can afford, but alternative “creative” funding is being explored.

Anthony Hyde expressed support of the Department becoming more involved in carbon credit markets. Mark Rasmussen said there are a lot of different standards within carbon markets; the Department needs to find a standard that allows for the correct carbon product. It is required that the carbon be in addition to carbon that would have existed without a program. Within forestry, that means carrying more inventory and longer rotations. From a financial perspective, it is important to analyze whether enough money from carbon credits can be attained in order to justify longer rotations. Doug Decker said carbon credits in the Gilchrist wouldn’t replace harvest, but rather be in addition to a harvest program. Counties would be a beneficiary of 2/3 of the revenue that comes from carbon credits. Chair Tim Josi asked Doug to make the distinction between 1) carbon only, and 2) harvesting with a supplemented carbon program clear to the Board of Forestry.

Board rule review process, Nancy Hirsch

Input from other parties, including the FTLAC and a Public Advisory Committee (PAC), was incorporated into this process. The State Forests Division staff also presented feedback to the Board on both the greatest permanent value and planning rule. The final PAC report will be submitted at the April 22, 2010 Board meeting. Between April and June 2010 the agency will develop rule concepts that represent the broad range of views involved. At the May 21, 2010 FTLAC meeting the draft concepts and agency recommendation will be presented. The Board will review the concepts on June 9, 2010, but will not be expected to make a decision at that time.

Chair Josi commented that the Department needs to show leadership by informing the Board what they think is the best direction to take. Nancy said the Department will zero in on a recommendation, but will present what the board requested, which is the full range of views.

Once rule concepts are narrowed down and the Board makes a decision, final rule language will go to the Board, and then rulemaking will begin. The earliest new rules may be in place would be by May of 2011.

Gil Ridell discussed the Council of Forest Trust Lands input on the GPV rule. By moving subsection two under subsection one, timber harvest and revenues are emphasized in the rule. He said the Board needs to understand their obligation to the counties, which is to foremost consider timber harvest and revenues.

MOTION: Chuck Hurliman motioned that the term in the rule “best available science” be changed to another term, perhaps to “reliable information”. **SECOND:** No second.

Elliot State Forests – next steps, Nancy Hirsch

The State Land Board felt that the revised Habitat Conservation Plan (HCP) and a new Forest Management Plan (FMP) as proposed would be a good business decision, generating about 40 MMBF from the Elliot Forest.

The Department has reached a standstill with the National Marine Fisheries Services (NMFS). The Department has agreed to do a scientific review of aquatic and riparian strategies. The review will be completed by September 2010 and inform whether or not the DSL and ODF can move forward successfully with NMFS on the proposed HCP. The Department must have agreement with the federal agencies or move to an alternate plan. An alternate plan would involve revising the new FMP on the

Elliott and shifting to take avoidance to comply with the Endangered Species Act. Either way, a new plan on the Elliott will be complete and effective January 2012.

Public Comments, Mike Cafferata

The public comment period ended January 29, 2010, but was extended to February 12, 2010. About 1700 public comments were received. Most comments were form letters from Sierra Club and Oregon Wild members. About 30 comments were directed at the current plan. Several people attended the Salem public hearing but no one testified. Twenty people attended the Seaside hearing; three were in support of the changes to the plan, seventeen were against them.

Clark Seely, Hearings Officer, will draft a report outlining the comments by themes. The Department will respond to the comments, wait for a science review, and then report to the Board of Forestry.

Annual operation plan status for 2011, Mike Cafferata

The Annual Operation Plans are approved by District Foresters and should be finished by June 2010. The public comment period will in end (added word "end" see July 9, 2010 minutes) April 2010. The Department is trying to do better job linking activities, accomplishments, funding and expenditures to AOP's. AOP's align with current Forest Management Plans (FMP's) and Implementation Plans. Due to anticipated changes in the FMP, there could be amendments to the AOP's in the North Coast districts next year.

Housing, Wood Product and Log Price Trends and Recent Sale Results, Gary Lettman

Gary Lettman gave a presentation regarding the positive & negative indicators of economic recovery and its impact on the timber market. Some highlights were:

- There is recovery, however it is slow recovery.
- There is an increase in lumber and panel prices.
- We aren't seeing a strong bounce back in housing.
- Log prices are coming up again.
- Housing starts look like they will get stronger in the future – expect recovery in log prices.
- Building of non-residential structures has decreased.
- Timber sales are selling, currently at about 23% above what was expected.

Adjourn

Materials:

- *Map of Gilchrist Forest, Doug Decker*
- *Acquisition Steps, Doug Decker*
- *Rule Review - GPV and Planning, Nancy Hirsch*
- *Board of Forestry agenda, March 3, 2010*
- *Proposed Greatest Permanent Value Rule Highlights January 7, 2010, Council of Forest Trust Land Counties, Gil Ridell*
- *Housing, Wood Product, Log Price Trends and recent Timber sales presentation, Gary Lettman*

Next Meeting: *Friday, April 9, 2010, ODF Salem, Santiam Room, Building D*