



# Associated Oregon Loggers, Inc.

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## Infrastructure Issues and their Policy Solutions on Oregon Federal Forestlands

Public Comment by Rex Storm, Certified Forester, Associated Oregon Loggers, Inc.  
before the November 5, 2007 meeting of  
Federal Forestland Advisory Committee (FFAC), held in Salem, Oregon

Chairman Hobbs and Committee members, my name is Rex Storm, Forest Policy Manager for Associated Oregon Loggers (AOL), located in Salem. I make these comments on behalf of more than 1,000 member companies of AOL, representing logging and allied forest management operators. The vitality of the state's forest contracting industry, and the forest sector at-large, relies upon all Oregon commercial forests—including the 57% comprising the federal ownership.

Today's question for public comment inquires about my suggested policy solutions, which I see as necessary to address the timber harvest and infrastructure issues related to Oregon's federal forestlands. Increased project implementation from unhealthy & dangerous federal forests is of the utmost importance to the vitality of Oregon's forest sector. In the next 1-5 years, these federal forests must begin to contribute more to Oregon's forest economy and community social fabric, otherwise much of the necessary infrastructure required to restore these ailing forests WILL BE LOST!

### Timber Harvest & Infrastructure Issues (Problems) on Oregon Federal Forests

1. Insufficient Timber Volume: Federal timber sale volume offered is insufficient to maintain existing forestry operations and forest product manufacturing capacity—let alone, increase capacity to accomplish desired federal forest conditions. The economic reality of forest sector contribution to rural communities is illustrated by the multiplier effect of timber harvest—each million board feet of Oregon timber harvest conservatively equates to 16 full time jobs per year (direct, indirect and induced employment). The consequence of just one billion bdf of federal timber would dictate the fate of 16,000 Oregonian family-wage jobs; two billion bdf would affect 32,000 Oregonians.
2. Unreliable Timber Offering: Federal timber sale volume offering is not reliable or predictable to warrant private investment in existing forestry operations and forest product manufacturing capacity—let alone, increase capacity to achieve desired federal forest conditions.
3. Continuing Infrastructure Losses: *The urgency of forest sector infrastructure loss cannot be over emphasized!* Since the Federal Forestland Advisory Committee began meeting one year ago this month, six Oregon primary forest product mills—and additional secondary mills—have announced their closure (St. Helens, Springfield, Lebanon, Independence, John Day, Wallowa). At the FFAC's January 2007 meeting I testified this warning, "Anemic federal timber supply cannot sustain existing mill/contractor infrastructure." Although some may argue that these are market-related closures, the fundamental derivative of their demise is the high cost of logs in short supply, exacerbated by the dysfunctional and falling federal harvest.

4. Future Infrastructure Losses: The consequence of insufficient & unreliable timber sale volume offering is that the existing forest sector, community and agency infrastructure capacity cannot be sustained. Furthermore, the unhealthy & dangerous federal forest condition sore demands *an increase* in infrastructure capacity to merely begin to address the forestry work toward desired federal forest conditions. Infrastructure losses can be grouped into nine categories:
  - (a) Forest product manufacturing & workforce
  - (b) Operations & workforce (forestry, logging, construct, transport, equipment, supply)
  - (c) Rural community allied business & public enterprises (business services, retail, schools, health-law-fire protection, commercial, civic enterprises, etc.)
  - (d) Future workforce (career entrants discouraged by industry decline)
  - (e) Capital investment in forest sector infrastructure (reallocation away from sector)
  - (f) Private forestland land use conversion to non-forest uses (forests decline in value)
  - (g) Education, research, monitoring & extension (disinvestment in essential programs)
  - (h) Forest protection from wildfire (waning capability to suppress unwanted wildfire)
  - (i) Government agency forestry operations (attrition of state & federal programs)
  
5. Federal Forest Road System in Disrepair: Federal policies reducing timber harvest have had the unintended consequence of a dangerous road maintenance backlog. Reduced harvest has virtually eliminated the means to maintain the national forest & BLM road system over the past 15 years. Various funding mechanisms of the former timber program funded most road maintenance, and essentially all road construction. Lacking the majority of these funding mechanisms, federal roads today are in a terrible state of disrepair—contributing to water quality loss, resource damage, fish passage obstruction, ESA habitat problems, recreation access reduction, high firefighting costs, and excessive recreation & administrative costs.
  
6. Public-Private Infrastructure Values Harmed: The collapse of the federal forest management program over the past 17-years has dramatically impacted the delivery of, and providing for, many of the public goods once sustained by the federal forests. It is consequential that the following public goods/uses have been detrimentally impacted by the declining federal forestry:
  - Air pollution from catastrophic federal wildfires is tragically rising
  - Sustainability of federal forest resources decimated by federal wildfires, pests & disease
  - Private property losses/costs up from neighboring federal fires—federal “*bad neighbor*”
  - Public safety hazards from federal wildfires are surmounting
  - Prohibitive federal rights-of-way policies drive private access & resource costs higher
  - Municipal and irrigation water sources impacted by floundering federal forestry
  - State & private forest fire protection costs are escalating—largely due to federal debacle
  - Recreation & aesthetics diminished by messy-unhealthy federal forests & wildfires
  - Private business disruption has costly economic impacts due to more federal wildfires
  - Federal wildfire costs consume >50% of USFS budget—leaving less for management

7. County Timber Revenue Payments Evaporated: Once agencies that generated positive revenues for the federal Treasury, the US Forest Service and BLM now create multiple additional costs to American taxpayers. Since the collapse of the federal forest management program, the two agencies budgets have increased significantly—yet these same agencies accomplish less resource management, less contribution to the economy, and less income for local county governments. Today nearly all of the funding for so-called 'payments to counties & schools' comes from federal taxpayer subsidy; whereas this revenue prior to 1990 came virtually all from the timber management program. Today, rural timber county governments must annually lobby Congress for a taxpayer subsidy, which is a declining percentage of their former "timber revenue."
8. Federal Forests are Non-sustainable: Broken federal policies that obstruct timber harvest and forest management have had four unintended consequences that for decades into the future will adversely impact Oregon's forest sector infrastructure and forest sustainability:
- Alarming reforestation backlog of deforested wildfire and pest-killed forests—often left un-planted, poorly-stocked, brush-overrun, and fallow;
  - Dramatic rise in forest mortality & fuel buildup from abnormal catastrophic wildfires, pests, disease and storms—most of this mortality remains untreated;
  - Insurmountable escalation of untreated unhealthy conditions is worsening from overcrowding, a century of no density control, and inability to manage using modern forestry;
  - Unconscionable waste of dead & dying timber left to rot and burn after killed by abnormal catastrophic events and the escalation of untreated unhealthy conditions. Reduced harvest has virtually eliminated the means to maintain the national forest & BLM forest health over the past 15 years.
- Various funding mechanisms of the former timber program funded most forest treatments. Lacking the majority of these funding mechanisms, federal forests today are in a terrible state of disrepair—contributing to resource damage, high firefighting costs, excessive administrative costs, and a non-sustainable status of federal forests.
9. Federal Forest Water & Terrestrial Resources are Non-sustainable: Broken federal policies that obstruct management for water and habitat have had unintended consequences that for decades into the future will adversely impact Oregon's infrastructure and forest sustainability:
- Shortage of younger and understory forest structures, has resulted from two or three decades of insufficient acreage of forest management treatments to address a dynamic balance of forest structure types for all species habitat;
  - Obsession with no-touch riparian management over recent decades has resulted in excessive homogeneity and lacking diversity in federal stream-sides and riparian areas;
  - Unconscionable lack of modern treatments after catastrophic events is exacerbating unhealthy forest resource conditions. Reduced harvest has virtually eliminated the means to maintain or improve the national forest & BLM water and habitat over the past 15 years.
- Various funding mechanisms of the former timber program funded most water & wildlife treatments & improvements. Lacking the majority of these water & habitat funding mechanisms, federal forests today are in a terrible state of disrepair.

## Policy Solutions Needed to Address Infrastructure & Timber Harvest Problems, due to Failing Oregon Federal Forest Management

### *Short-term Changes...*

1. Rescind the 'Interim Eastside Screens'—The Regional Forester should readily replace these costly diameter limits and other artificial tree size restrictions, with guidance offering more professional discretion to line managers. For a decade, this prohibition has made many forest health treatments economically infeasible; and it furthermore has been a legal magnet for obstructive litigation.
2. Issue Restoration Policy for Catastrophic Damage—The Regional Forester could prepare and issue a new policy that would direct *required & accelerated restoration* after catastrophic wildfires, pests, disease and storms. Professional line managers need added authority to rapidly plan and conduct needed harvest and reforestation treatments after damages. As fire hazard and unhealthy federal forest conditions continue to mount, it makes sense that the USFS and BLM should create an imperative policy to expedite restoration treatments for forests damaged by catastrophic events.
3. Write a New Policy for Forest Road Access— The Regional Forester should issue a new policy to direct modern forest road management—including plan, design, build, maintain, reconstruct, and out-of-service. All forest management treatments depend on cost-effective access by an effective forest road system. Professional line managers need added authority to conduct improved transportation system decision-making, toward building and maintaining an effective forest road system that best accesses sustainable forest activities into the future.
4. Reform Forest Project Policies—The current failure to authorize modern forest practices, that are accepted across Oregon's forest sector, has driven federal forest management costs through the roof—and has grossly wasted federal taxpayer dollars on fruitless bureaucracy and made many projects infeasible. The Regional Forester should issue new policies that would direct *required efficiency improvements* in forest projects: a) expand definition of Categorical Excluded projects to include practical utility within ESA habitat(everywhere); b) create easy designation by description; c) streamlined road/easement rights-of-way process; d) streamline number of in-unit reserve trees; e) reform timber appraisal; f) contracted sale preparation; g) recovery scale by Scribner bdft or weight; and h) managerial performance should be based on forest resource acreage accomplishment.
5. FFAC Provide Written Comment on the WOPR—The BLM Draft Western Oregon Plan Revision (WOPR) will be open for the last significant public comment period, from August until January 11, 2008. This would be a timely opportunity for the FFAC to influence a major policymaking spanning 2.7 million acres of unhealthy western Oregon federal forestlands.
6. FFAC Provide Written Comment on Blue Mountain Plan—The USFS is currently preparing a forest plan revision for three Blue Mountains national forests in northeast Oregon. During 2008-09, there will be public comment concerning the plan revision draft. This is an opportunity for the FFAC to influence a plan spanning 5.5 million acres of unhealthy eastern Oregon federal forests.

## Policy Solutions: Infrastructure & Timber Harvest Problems (continued)

### *Long-term Policy Changes...*

- A. Federal Agency Reinvestment in Economic Leg of Sustainability Equation—Federal forest management administrative rules and policies warrant dramatic updates, which would strengthen economic imperatives for USFS Forest Supervisors and BLM District Managers. Over the past couple decades, federal forest plans, policies and rules have gradually lost sight of the economic values of federal forest management in Oregon. Local professional discretion has largely been superseded by Regional or national policies that result in harmful & costly unintended consequences on the economic and social sustainability of Oregon’s forest sector infrastructure.
- B. Convene a Federal Forest ‘Economic Summit’—Centered around economic and local government interests surrounding federal forests, the Board of Forestry could conduct an Oregon business & government “Summit” event, which would provide stakeholder economic input to federal managers about management of each set of federal forests (e.g. Blue Mountain Nat. Forests). This Summit could draft initiatives applicable to federal managers about critical economic matters, including: a) forest sector infrastructure & economic development; b) timber harvest & forest health restoration; c) improved project efficiencies; d) federal wildfire problems; e) impacts on non-federal neighbors; f) biomass energy via long-term federal contracts; and g) county payments from timber, not taxpayers.
- C. Redouble Federal Workforce Investment—The Forest Service and BLM over the past 18-years have disinvested in their workforce, as downsizing and reorganizations created dysfunctional staffing and skill-sets of its workforce. The agencies have imbalanced staffing, which causes problems such as: depleted operational skills, waning moral, broken merit performance systems, shortage of entry-tier employees, a surplus of anticipated retirements, high administrative costs, and a weak connection between budgets and performance accountability.
- D. Due Diligence to Complete National Forest Plan Revisions—Oregon’s national forests are now functioning without current Forest Plans. The US Forest Service must complete Oregon’s forest plan revisions by 2011, including improvements in following areas: a) minimize areas withdrawn from harvest; b) aggressively treat overstocked & unhealthy stands; c) active management of riparian zones; d) sufficient forest road access; and e) intensive management within 1 mile of forest boundaries to respect neighboring property owner values and interface hazards.
- E. Refrain from Indirect “De Facto” Prohibitions—The federal agencies have a real & present danger—restrictions that indirectly tie the hands of professional line managers attempting to manage forests. A highly visible example is the ‘Roadless Rule’, which eliminates management options on 60 million acres nationwide. These sorts of anti-forestry policies virtually assure that any decision or project will be expensive, inefficient, usually ineffective, sometimes harmful, and often infeasible.

Thank you for the opportunity to speak concerning the forest sector infrastructure necessary to sustainably manage Oregon’s federal forests. I lend our support to complete your proceedings at the earliest opportunity.