MEMORANDUM OF AGREEMENT
Oregon Economic and Community Development Department
Oregon Department of Forestry
Oregon Forest Resources Institute
Oregon State University College of Forestry/Oregon Forest Research Laboratory

November 1, 2007

PURPOSE

This Memorandum of Agreement is between the Oregon Department of Forestry (ODF), the Oregon Department of Economic and Community Development (OECDD), the Oregon Forest Resources Institute (OFRI) and the Oregon State University College of Forestry and Oregon Forest Research Laboratory (COF/OFRL).

The purpose of the agreement is to formalize respective state agency roles, responsibilities, and priorities for improving the contribution of Oregon's forest cluster to state and local economies and educating Oregonians about the cluster.

A November 1, 2007 Joint Resolution signed by the Chairs of the Oregon Economic and Community Development Commission, Oregon Board of Forestry, Oregon Forest Resources Institute Board, and by the Dean of the Oregon State University College of Forestry/Director of the Oregon Forest Research Laboratory has established the context, goal and objectives for a State of Oregon Forest Cluster Economic Development Strategy. The resolution is made part of this agreement by reference.

The agreement is intended to be consistent with the Joint Resolution and establish short-term work plan elements for developing the State of Oregon Forest Cluster Economic Development Strategy. Through the agreement, the participating agencies are also committing the necessary resources and institutional capacity to achieve the goals, objectives, and work plan elements.

For the purposes of this agreement, "forest cluster" means firms and organizations that support production of and benefits from primary and secondary wood products and a broad spectrum of forest ecosystem services and includes geographically concentrated and interconnected economic activities and linkages to customers and suppliers. Organizations engaged in forest resource management, education, and research are also considered part of the forest cluster.

TERMINATION, REVISION, EXTENTION

This Memorandum of Agreement becomes effective upon signing by authorized representatives of all four agencies and will remain in effect until December 31, 2009, unless terminated, revised, or extended. Any agency may terminate it's participation in the agreement at any time through written notice to the other agencies. Revisions or extensions of the agreement must be approved in writing and signed by authorized representatives of the participating agencies. Other state agencies may be added to the agreement through the revision process.

AGREEMENTS

A. ODF, OECDD, OFRI, and COF/OFRL agree:

1. To all findings and resolution elements of the November 1, 2007 Joint Resolution signed by the Chairs of the Oregon Economic and Community Development Commission, Oregon Board of Forestry, and Oregon Forest Resources Institute Board, and by the Dean of the Oregon State University College of Forestry/Director of the Oregon Forest Research Laboratory.

2. To jointly and immediately craft a work plan for developing a State of Oregon forest cluster economic development strategy that may include, but is not limited to the following steps:

   a. Coordination with the Bureau of Land Management State Director, the USDA Forest Service Regional Forester, and the USDA Forest Service Pacific Northwest Research Station Director, and others to facilitate consistent forest cluster economic development policies among these and other state and federal agencies, local governments, and Oregon's universities.

   b. Development of a white paper detailing findings about what is needed for Oregon's forest cluster in order to become more competitive and to benefit non-forest sectors of the state's economy.

   c. Development of a white paper that summarizes strategies for revitalizing forest products industries in rural areas; developing the Oregon Wood Innovation Center; aligning regulatory costs with desired forest conditions and improving regulatory benefits; enhancing programs that could boost long-term forest productivity and value; and developing markets for public benefits and environmental services delivered by forests such as high quality water, biodiversity conservation, carbon sequestration, recreation, and tourism.

   d. Identification of opportunities to increase benefits from family forestlands and financial returns to family forest landowners.

e. Harmonizing state and federal policies regarding economic development and utilization of small diameter forest biomass.

f. Improving the contribution of the Pacific Northwest Research Station to economic development strategies.

In addition, the Oregon Department of Forestry to agrees to:

1. Convene, facilitate, and lead state government policy discussions related to forest cluster economic development. The department's policy positions in such discussions will be consistent with the Board of Forestry's 2003 *Forestry Program for Oregon* and Forest Vitality Work Plan and the Oregon Department of Economic and Community Development Department's economic development programs.

2. Analyze barriers to forest industry investment and to assess the ability of Oregon's forest-related industries to remain globally competitive and to sustain production of other desired environmental, economic, and social values from Oregon's forests.

3. Analyze barriers keeping Oregon's forest industry from producing more value-added and high-technology products.

4. Complete a study of economic contributions and trends of Oregon's forest recreation and non-wood products industries.

5. Assess what and where wood could be removed from federal forests to improve forest health, consistent with other management objectives.

6. Conduct an assessment of the current environmental, economic, and social conditions and future trends of Oregon's public and private forest resources. The assessment will include analysis of accomplishments, opportunities, and barriers to Forest Cluster Economic Development Strategy implementation, identify barriers to increased forest industry investment, and assess the ability of Oregon's forest cluster businesses to remain globally competitive and to sustain production of other desired environmental, economic, and social values from Oregon's forests. The State Forestry Department will submit a report on the assessment's findings to 2011 Oregon Legislative Assembly.

7. Maintain a consistent, single point of staff contact for issues related to implementation of this agreement and dedicate a minimum of 0.5 FTE for forest cluster economic development for the duration of this agreement.

In addition, the Oregon Economic and Community Development Department agrees to:

1. Support cluster development activities that drive demand for value-added forest products, such as engineered wood products, energy production from woody biomass, and bio-based fuels.

2. Provide greater access to investments in capital, research, education, and technical assistance through alignment with the activities of the Oregon Innovation Council.

3. Assist the Oregon Department of Forestry with economic analysis on the forestry sector.

In addition, the Oregon Forest Resources Institute agrees to:

1. Provide ongoing public education on the Forest Cluster Economic Development Strategy and its importance to all Oregonians. Public education efforts may include publications, conferences, workshops and other outreach activities.

2. Collaborate with Oregon Department of Forestry, Oregon Department of Economic and Community Development Department, and Oregon State University College of Forestry on training for forest landowners and others with roles to play in implementing elements of the Strategy.

3. Support refinement of the Forest Center Economic Development Strategy through additional studies and research, as necessary.

In addition, the Oregon State University College of Forestry and Oregon Forest Research Laboratory agree to:

1. Make relevant research findings readily available in support of development of the Forest Cluster Economic Development Strategy.

2. Provide access to faculty with relevant experience in subject areas relevant to the development of the Forest Cluster Economic Development Strategy.

3. Collaborate with the Oregon Department of Forestry, Oregon Department of Economic and Community Development Department, and Oregon Forest Resources Institute on training for forest landowners and others with roles to play in implementing elements of the strategy

4. Educate a work-ready workforce capable of maintaining the global competitiveness of Oregon's forest cluster broadly defined and educating future generations of forest resource scientists.

PRODUCTS

The Oregon Department of Forestry and the Oregon Economic and Community Development Department will jointly submit a proposed comprehensive State of Oregon Forest Cluster Economic Development Strategy to the Governor by June 30, 2008. The Forest Cluster Economic Development Strategy shall include:

1. Recommendations for 2009 legislative concepts needed to implement the Strategy;

2. Recommendations for improvements in long-term state government organization, staffing, and budgeting to efficiently and effectively implement the Strategy, which may include assigning authority for Oregon Forest Cluster Economic Development Strategy to a single state agency;

3. Recommendations for improved coordination of the state government Forest Cluster Economic Development Strategy with policies, assessments, and initiatives undertaken by private and federal government partners;

4. Recommendations for proposed federal legislation;

5. Recommendations for changes in the Oregon Forest Research Laboratory, Pacific Northwest Research Station, and other federal research to better meet the needs of Oregon's forest cluster and rural communities; and

6. Recommendations for measuring performance and Strategy success.

EXPENDITURE OF FUNDS

Nothing in this Memorandum of Agreement obligates ODF, OECDD, OFRI, or COF/OFRL to expend funds in any manner or amount other than specified in their respective legislatively approved budgets.

CONTACT PERSONS FOR THIS AGREEMENT

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SIGNATURES

This memorandum of agreement, and any changes, alterations, modifications, or amendments to it, shall not be effective until approved by the appropriate representative of the parties hereto.

For the Oregon Department of Forestry

Marvin Brown, State Forester

Date: 11/1/07

For the Oregon Department of Economic and Community Development

Robert Repine, Director

Date: 11/1/07

For the Oregon Forest Resources Institute

Leslie Lehmann, Executive Director

Date: 11/6/07

For the Oregon State University College of Forestry and Oregon Forest Research Laboratory

Dr. Hal Salwasser, Dean and Director

Date: Nov. 6, 2007