



# Associated Oregon Loggers, Inc.

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Adapting the Forest Management Plans  
Comments by Rex Storm, Certified Forester  
Forest Policy Manager, Associated Oregon Loggers, Inc.  
before the Oregon Board of Forestry  
November 6, 2008

Board members, my name is Rex Storm, Forest Policy Manager for Associated Oregon Loggers (AOL). I make these comments on behalf of the more than 1,000 member companies of AOL, representing logging and allied forest management businesses working across Oregon. Since 1995, I've helped develop and implement the NW Oregon State Forest Management Plan (FMP). Although I'm a member of the State Forest Advisory Committee, today I'm speaking on behalf of only AOL.

Thank you for the opportunity to share our concern and interest in management of state forests—in particular the FMP, adopted January 3, 2001. I strongly urge the Board to amend the FMP to achieve a 30-35% increase in revenues from current annual revenue to counties. I also urge you to reject the Department recommendation, which is based on retaining the failed strategies of the FMP.

When the FMP was adopted in 2001, timber output was promised to be similar to outputs under traditional management. For over seven years, this promise has been unfulfilled. Another promise was that the FMP would mend the controversy surrounding public forestry and afford ODF the “social license” to manage state forests with balance. That promise has also been unfulfilled. Not unlike the debacle of the federal Northwest Forest Plan—whose promises of balance and restored public confidence also failed on all fronts—today, the FMP must be acknowledged for its insights, as we begin work together to create a new plan that would meet *all* the Board's performance measures.

The Board's *November 2008, State Forest Performance Report* indicates that the greatest permanent value to Oregonians (GPV) is not now being achieved, nor could it in the future under the current FMP. I testified three times before the Board over the past two years in support of FMP amendment (April 28 & June 7, 2006, and June 6, 2007). Since 2003, we've been convinced that the FMP's unrealistic strategies have sabotaged State Forest attainment of GPV and Performance Measures.

There is ample evidence supporting a Board decision today, directing the Department to make significant FMP amendments—thereby creating a new plan. Our suggested changes include:

1. Install strategies to acknowledge 30-35% increased revenue objectives for the trust counties
2. Modify riparian strategies to more closely parallel the Oregon Forest Practices Act & Rules
3. Reduce & refine the excessive so-called “non-loggable” acreage, which is now off-limits
4. Adopt a strategy to accelerate regeneration of poorly stocked, productive stands (Tillamook)
5. Redouble road access investment through a capital investment strategy (Tillamook)
6. Reform the “guiding principles, vision and goals”, which are now a contradictory paradox
7. Greatly revise the “species of concern” strategy, which has no tangible legal mandate
8. Concentrate efforts to refocus the now-redundant leave trees only on a priority acreage
9. Revise the long-term complex structural strategies to include all set-asides, for 20% of area
10. Redesign take avoidance strategies (listed species), using non-federal and local expectations
11. Discontinue pursuit of a federal Habitat Conservation Plan (HCP), which offers no net value

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AGENDA ITEM C  
Attachment 10

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We base our recommendation on several factors, including:

1. State Forest Performance Report (PR) (Nov. 2008) reveals non-attainment in several areas, which indicates that the GPV is not being accomplished under the current FMP.
2. The current FMP no longer has support of the important stakeholders necessary to make it succeed (forest trust land counties, state timber purchasers, forest operators).
3. The 2008 Performance Report and the 2006 Harvest & Habitat Project (H&H) both revealed that FMP strategies would not achieve the annual harvest volume promised when the plan was adopted in 2001.
4. The model outputs & analysis of the FMP utilized many un-founded and false assumptions, which exaggerated an excessive acreage of so-called “non-loggable” acreage. Much of this acreage should not be declared off-limits to all management, and all structure contribution.
5. The last two winter storms unraveled many coastal stands that had been thinned—exposing the unsuitability of the FMP thinning strategies in the coastal zone. Coastal forests warrant a dramatic revision of FMP management strategies.
6. The rapidly-eroding Oregon and national economies foretell of pending state forest revenue declines to counties. Without any harvest volume increase, state forest timber revenues will plummet, at the same time county government revenues from other sources are declining.
7. The failed proposal for a Habitat Conservation Plan (HCP)—begun prior to the 2001 FPM adoption—would suggest that alternative take avoidance species strategies are now warranted for management of state forests. The “species of concern” strategies are not necessary.

Regarding the Nov. 2008 State Forest Performance Report (PR) —which the Board is today reviewing—it is apparent that for the eighth year the FMP is under-performing in several areas that warrant FMP amendment. These areas of needed improvement include:

Measure #1—Net Return on Asset Value (ROAV) of 1.5% is markedly below the 4-6% expectation for private forest investment. The alarming downward trend, and total 0.9% decline since 2006 is simply unacceptable.

#1—ROAV –The trend of the current FMP suggests that ROAV will decline to ZERO, as forest inventory (asset value) climbs, in pursuit of an idealistic complex stand percentage.

#1—ROAV – H&H model exercise suggests that stand (and per acre) yields are significantly reduced to achieve high structure complexity—thereby reducing future harvest volumes and predicted returns for ROAV

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#1—ROAV – Abject failure of the current FMP’s numerous strategies have rendered ODF powerless to even sustain current harvest volumes. Major FMP revisions are warranted.

#2 & 3—Financial Contributions to Communities & Governments – Under-performance of harvest volume directly translates into stifled economic activities in forest communities.

#4—Forest health: invasives, pests, disease, fire, under-performing stands – The impacts of windfall and storm damage need to be included in affects of value losses. Also, opportunity foregone by failing to regenerate the poorly-stocked productive sites on Tillamook District.

#6—Structure – AOL strongly disagrees with giving preeminence to Performance Measure 6-Habitat, at the sacrifice of other PMs 1, 2 3, and 7. The FMP attempt to achieve a high percentage of complex structure is unrealistic, and very costly in terms of foregone opportunity for forest growth & yield. The Performance results indicate that the Closed Single Canopy and Understory structures continue to far exceed the targets. The FMP’s slow progress toward reducing CSC and UDS is drastically reducing future harvest and revenue yields form these state forests.

#7—Recreation -- Under-performance of revenue and harvest volume directly translates into stifled revenues available to help support growing recreational demands upon state forests. This dramatic impact of insufficient revenues warrants greater emphasis by the FMP strategies. Without increase revenues, state forest recreation growth would reverse—as maintenance costs would surpass current revenue levels.

We urge the Board to act on the new developments that warrant amending the FMP, for the purpose of improving the Performance Measures, and therefore greatest permanent value to Oregonians. Please consider the *urgent* importance of state forest timber revenue (harvest volume) to Oregon’s forest economy, our rural community fabric, and keeping state forest management sustainable.

Thank you for this opportunity to comment. We anticipate continuing a productive working relationship with the Board and Department.