

OREGON BOARD OF FORESTRY  
NOVEMBER 6, 2008  
TESTIMONY OF DAVE IVANOFF  
PRESIDENT  
HAMPTON TREE FARMS, INC.

I have been involved in the public process of developing the Forest Management Plan (FMP) since its inception in 1993. Early on, and throughout the development of the plan, I expressed concern that the Oregon Department of Forestry's (ODF) self-imposed management constraints within the FMP would unnecessarily constrain appropriate levels of timber outputs and subsequent revenue flow necessary to meet the fiduciary responsibility that exists with these trust lands.

When the FMP was approved in January 2001, we hoped a "win-win" scenario had been achieved, based on assurances of abundant timber outputs by ODF personnel during the public planning process. However, after several years of formal implementation and the recent modeling effort, ODF personnel have finally acknowledged "... that both quantitative performance measure targets (PM3 Revenue and PM6 Wildlife) cannot be simultaneously achieved." This conclusion appears in Attachment 8 of Agenda Item 1 for this Board of Forestry (BOF) meeting. Had this fact been known by those of us in the forest products sector, and especially by the Council of Forest Trust Land Counties (CFTLC), broad public support for the FMP would not have been achieved. In addition, former State Forester Jim Brown told me some time ago that when he gave initial approval in the early to mid 1990's for the concept of Structure Based Management (SBM) to go forward as a potential land management strategy, it was only after his staff assured him at that time that timber harvest levels on the north coast of about 270 million board feet per year could be sustained under such a land management scenario.

As I read the ODF staff recommendation in Attachment 8, I was shocked to read that the ODF staff recommends movement in a direction to achieve the target for PM3 (Revenue), but at the same time recommends achievement of the target for PM6 (Wildlife). Implicit in its conclusions within the recommendation paper is that ODF staff recognizes that achievement of the revenue target within the current land management strategy will generate at most a 5% to 10% improvement in revenue, with further improvement beyond that point achieved only by untested alternative sources of revenue, such as the sale of carbon credits, conservation easements, and other strategies. The clear intent of the original transfer of these lands was that these lands were to be managed primarily to generate revenue for the trust counties. Paul Levesque, of Tillamook County, has convincingly testified in front of this board on a number of occasions and produced historical documents supporting this position. For the staff recommendation to place the goal of revenue generation subordinate to that of attainment of other environmental objectives on these trust lands is a clear violation of the original transfer intent, and should not be done. In my view, achievement of the revenue target specified by the BOF at its November 2007 meeting in Klamath Falls should have been the highest priority in the ODF staff recommendation for future land management activity. (It is important to acknowledge that achievement of a 30% to 35% increase in revenue, as mandated in the Klamath Falls BOF decision, would translate into an annual timber harvest level of about 240 million board feet per year from the Astoria and Forest Grove-Tillamook districts. At this level, this is still almost 40 million board feet less annual harvest than what was represented by ODF personnel to the public when the FMP was approved in January 2001.)

Today, you are being asked to make significant policy choices based on recent modeling work done by ODF staff. Not surprisingly, the new modeling effort shows that even more anemic timber output levels will continue as a result of the policy choices of extended rotations, riparian buffer strategies that dramatically exceed those of the Forest Practices Act without scientific justification to do so, and many other of the self-imposed constraints to more traditional management embodied within the FMP. Given the clear mandate for revenue generation to the trust counties, why does it continue to be necessary for these onerous management

constraints to remain in place, especially now that the objective of negotiating an HCP with the federal services has been abandoned?

As it relates to the Wood Emphasis model, the very brief list of assumptions and graphs provided on Friday, October 31, 2008 on the ODF website leave me with a number of points that raise questions as to the accuracy and reliability of the data. For example, when one calculates the acres harvested per year from the "Wood Emphasis Model Results Summary," it appears the numbers provided would reflect a rotation age of longer than 50 years as specified under Item 2 in the "Wood Emphasis Model Assumptions." In addition, the Average Annual Volume/Acre totals are incorrect, and cause further concern as to the accuracy of all conclusions derived from this modeling work. For the Even Flow scenario, the graph showing residual inventory over time suggests that an annual average harvest of about 229 million board feet per year results in an inventory depletion rate of about 2 billion board feet over the 80 year harvest period. What this suggests is that annual growth on the available land base is only about 204 million board feet per year. From the text of the land available for management under Item 10 of the model assumptions, this level of growth on the available 400,000 to 430,000 acres of highly productive timberland is unreasonably low and not credible. If after closer examination of the data within the Wood Emphasis Model still supports this conclusion, then the reduced growth is the consequence of the impaired productivity brought about by the SBM heavy thinning regime over the last decade. (As previously testified by me and others to the BOF, some of the thinning prescriptions have severely reduced timber stocking levels in an attempt to rapidly create complex forest structure. In many cases, catastrophic blowdown has resulted, along with increased brush competition and unnatural accumulations of slash and woody debris which pose forest health risks from fire, insects and disease.) Finally, one more "back of the envelope" calculation to test the reasonableness of the Wood Emphasis Model is to take the beginning available inventory of just under 10 billion board feet and multiply that by a conservative growth rate of 3%. At a conservative 3% growth rate, these north coast state timberlands are growing at least 300 million board feet per year on the land base available for management. Any harvest level activity under 300 million board feet per year on the Astoria and Forest Grove-Tillamook districts will not exceed growth and will add forest structure over time. The point in all of this is to make the case to the BOF that if modifications to the FMP's land management policy choices are made, and revised timber output levels are developed to compare to what a more traditional approach would generate, then this recently published Wood Emphasis Model is overly conservative for purposes of that comparison.

In summary, the state of Oregon owns about 3% of the forest land base in the state. The ability of these lands to significantly contribute to the habitat needs of old-growth dependant species is limited, and the legal requirement to do so simply does not exist. With millions of acres of federal land already set aside for the needs of old growth dependent species and other environmental values, I question the need to do so on this relatively small component of Oregon's forestland base as well. On the other hand, higher sustainable timber output levels and the subsequent improvement in revenue flow to the citizens of Oregon will be critical to maintaining a viable forest products sector and the rural communities in which it operates. Higher timber output levels will not result in an "either-or" result. Modern forestry can not only produce abundant timber and revenue flow, but also other environmental values can be enhanced as well. One only has to look at the incredible contributions Oregon's forest landowners, both public and private have made under the Oregon Salmon Plan. Oregon is facing incredibly challenging economic conditions in the next two to three years, and potentially beyond. Optimized use of all of our natural resources will certainly help maintain vital public services, including adequate funding for our public school system. I respectfully request the BOF reject the ODF staff recommendation outlined in Attachment 8 of Agenda Item 1. Instead, please instruct the ODF staff to modify the FMP to achieve the improved revenue flow targets, as specified in your November 2007 consensus-based decision made in Klamath Falls. Your decision at that time to improve revenue flow to the tune of 30% to 35% provided very clear direction, and I believe the ODF staff needs to be more responsive in presenting ideas to the BOF in order to achieve this clear expectation, even if modifications to the existing FMP are required.

Thank you for the opportunity to testify.