



Oregon

Theodore R. Kulongoski, Governor

Department of Forestry

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June 2, 2008



John W. Warness
Eastern Oregon Forest Protection Association
1604 27th Street
La Grande, OR 97850

Dear John,

Thank you for your recent correspondence from the Eastern Oregon Forest Protective Association (EOFPA).

The 2007 fire season was a very challenging one in both the Northeast and Central Oregon districts. As you explained so well in your letter, setting new record high energy release components for 17 days creates an environment conducive to large fire growth which is exactly what happened in Eastern Oregon. I did have the opportunity to visit several of the large fires last season in both NEO and COD. As always I'm impressed with the work of the districts, the landowners and cooperating agencies in preparing for, and containing these types of events.

I'm very pleased to hear about how the relationships and partnerships worked so well during all the fire activity. When the fire danger reaches critical points, it's very important to have strong leadership from all the cooperators and agencies so the needed work gets accomplished. I will pass on your appreciation of the district employees to the respective district foresters as I'm sure they will appreciate the recognition.

I believe your description of the rising costs of fire protection as the "perfect storm" is accurate. Rising fire protection costs have been the focal point of many discussions with association members, landowners, Legislators and the department leadership team and will continue to be until a resolution is developed. We are committed to providing a cost effective program that recognizes funding mechanisms' representative of fire causes and public benefits for healthy private forest lands. Some of the work we did this year to try and build a better understanding of firefighting issues was to provide opportunities for a the departments budget analysts to visit active fires and participate in the district budgeting process. We hope to do more of this type of activity in the future with the analysts and legislators.

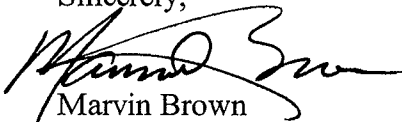
As you are aware the department is working on a Legislative Concept called the “Wildland Fire Reduction Act” that if successful will build additional capacity into the complete and coordinated system helping to reduce the costs of large fires. As this concept is developed the Association’s landowners input and support will be critical in helping it gain momentum and become successful.

I understand many of the issues relating to the NEO Budget Committee not approving their budget. Landowners all over the state have many of the same issues however not as severe as some of our eastside districts. Solutions to these issues need to be developed through public policy processes with the Legislature. The “Wildland Fire Reduction Act” mentioned above is a process that may provide a solution but ultimately will not be successful without landowner involvement.

The Protection from Fire Division has faced many challenges over the years and found that using a collaborative approach to problem solving provides the best solutions. I’m looking forward to working with you and the rest of the Eastern Oregon Forest Protection Association members to finding a creative solution that is sustainable for fire protection funding in Eastern Oregon.

Thank you again for your letter and I wish you all the best for this coming fire season.

Sincerely,



Marvin Brown
State Forester

May 12th, 2008

Marvin Brown
Oregon State Forester
Oregon Department of Forestry
2600 State Street
Salem, Oregon 97310

Dear Marvin,

As President and as a representative of the Eastern Oregon Forest Protective Association (EOFPA), I am writing this letter to serve two purposes: 1) to comment on the 2007 fire season, and 2) to express our deep concerns about the rising assessment rates for landowners for wildfire protection in Eastern Oregon.

2007 turned out to be another very busy and dangerous fire season in both Northeast Oregon District (NEO) and Central Oregon District (COD). We experienced very high Energy Release Components (a fire danger measurement) through the height of the summer burning season. These indices stayed high well into September and October making for a long season. NEO District set new records for maximum daily ERCs for 17 days during fire season and were above the 80th percentile ERC threshold for a total of 43 days. COD had similar indices. As a result of these extremes, there were several large fires within both Northeast Oregon District and Central Oregon District. In one instance, there was a lightning event where there were 27 down-strikes that resulted in 22 fires. Preparation and allocation of SPA resources, District resources, landowner resources and cooperators resources prevented a potentially catastrophic situation from developing. I provided one example of the success of our program; however, there were many other successes that resulted from those partnerships and preparation.

I have to also attribute the success of fighting these fires and the others this year to the quality of the ODF firefighting personnel and in the overhead and managers. They have made sure that our level of preparedness was at the right levels. Most of our relationships are with the District personnel and I believe these relationships are solid. The reason they are solid is due to their professionalism, quality of work and work ethic, and experience both with fire and with working relationships with the landowner community. I know the landowners in the Association are behind me when I say thank you for ODF's people, leadership, support and professionalism. We also want to acknowledge all of the other cooperators such as the USFS, BLM, ODFW, OFIC and Keep Oregon Green for the support and outstanding effort they gave to fighting and preventing fires here in Eastern Oregon. We as landowners and you as professionals have a lot of work ahead of us and I think that with leadership on both sides that we can move forward.

The other purpose of this letter is to discuss the perfect storm that has been brewing for several years. That storm is the result of a combination of rapidly increasing cost of fire protection within EOFPA that are being funded by landowners that are struggling during tough economic times. As you have already heard, the Northeast District Budget Committee did not pass the NEO District fire protection budget this year. The reasons are outlined in an attached letter from the NEO District Budget Committee to the Board of Forestry dated April 24th, 2008. The first major point of the letter was to note that we totally support the Department and the people working for the Department. The budget was rejected based on the increasing assessments of 20% for timber and 18% for grazing. Unfortunately these increases are based on increased fires that are beyond the landowner's control. Over two-thirds of the fires (66%) are a result of lightning or recreation. When all was said and done in fire season 2007 for EOFPA, the landowners of the State paid 80% of the costs and the General Fund for the State paid only 20% of the costs. This is a far cry from a 50/50 match between landowner money and general fund money. The NEO District Budget Committee letter goes on further to state that the current budget as presented does give us the level of protection we need. The following is a quote from the letter cited above:

"Where do we go from here?" is a good question. The condition of our working forests and ranches state wide is the result of pressures from poor economics and increasing higher and better use (HBU) values (causing land fragmentation). The values that are not considered are recreation access, wildlife, water, and community support. It is the committee's belief that the public benefits from these values but is not adequately participating in the protection those values. Private forest and range landowners are simply shouldering too much of the costs.


Much the same situation exists in Central Oregon District. The proposed budget for the coming fiscal year increased 10% over the current year. However, due to low ending balances due to several severe fire seasons in a row, the rate paid by the landowners for forest protection has increased a staggering 31%. A landowner who owns 10,000 acres of forestland in Central Oregon District will now pay over \$17,000 to protect those lands for the year. In the current environment of low markets, high management costs, and development pressures, many landowners are considering whether it is still worth it to retain and manage these lands for forest values or sell them to developers.

EOFPA had its annual membership meeting on May 1st at which the topics above were extensively discussed. The membership voted to send the two budgets to the Board of Forestry as were recommended by the Budget Committees for COD and NEO. Central Oregon District fire protection budget passed only after lengthy and tense discussion on the issues related to the cost of fire protection. The concerns the COD discussed so intensely are the same as outlined above regarding the increasing fire assessments and reducing working forest and ranch values. Northeast Oregon District fire protection budget did NOT pass solely based on the cost or assessment rate for landowners. Again, the Northeast Oregon landowners are walking a trail never walked before but this action on the protection budget was deemed the best way to highlight how serious the cost of fire protection is to all landowners in Eastern Oregon. EOFPA is committed to telling the story but we are also asking for help. This is one way to get our message out.

It is expected that the Board of Forestry will take action on both NEO District and Central Oregon District fire protection budgets for FY 2009. We all have to work together and with your leadership and the leadership provided by the owners of working forests and ranches, we can address these tough issues.

On behalf of the Eastern Oregon Forest Protective Association, I wish you a good and productive 2008.

Regards,



John W. Warness
President EOFPA

Attachments: NEO Budget Committee Letter and COD Letter to State Forester.

CC: Board of Forestry
Paul Bell, Division Chief
EOFPA Board of Directors
Cliff Liedtke, Area Director
John Buckman, NEO District Forester
George Ponte, COD District Forester

Oregon Board of Forestry
2600 State Street
Salem, Oregon 97310

April 24th, 2008

RE: Response concerning Northeast Oregon District Fire Protection Budget Committee meeting

Dear Board Members,

This letter is to inform you that the Budget Committee for the Northeast Oregon District for ODF recently met to discuss the proposed budget for FY 2009. After extensive discussion, the Budget Committee voted down the proposed FY 2009 fire protection budget. The main reason was the 20% increase in the fire patrol assessment rate for timber and an 18% increase in the fire patrol assessment rate for grazing.

The decision was not made lightly because this is territory where we have never been before. I will also say that this is in no way reflective of the performance of the ODF personnel or their ability to provide adequate fire protection of our property. We have the utmost respect and confidence in the department and the people. So why did we vote the budget down?

First and foremost is that the cost of fire protection is increasing while the values generated by our working forests and ranches in the northeast corner of the State are decreasing. The fire costs are increasing due to forces out of our control. These include weather patterns that are warming and drying and increased fuel loading which result in high risk fire conditions in our forests and rangelands. This issue is particularly evident on our neighboring *unmanaged* Federal forestlands in this region. The majority of the fire causes over the last 10 years have been lightning and recreation. These "public" caused fires make up close to 66% of the total starts. Fire Season 2007 was very active and very expensive in NEO District. Between the normal budget for the District and the extra costs related to suppression of large fires, the District spent about \$7.2 million dollars in 2007. Through our acreage assessments, EFCC assessments, improvement surcharges, and harvest taxes, the landowners, both in NEO and elsewhere in the State, paid about 80% of the total management and suppression cost incurred by NEO District in 2007. The other 20% comes from the General Fund for the State of Oregon. Eastern Oregon and southwest Oregon is where the majority of the large and expensive fires occur thus a large portion of the costs are occurring here as well. Based on these funding discrepancies between landowner monies and General Fund dollars, the budget committee voted not to support the current NEO District fire budget in order to send a message for help and support for these uncontrollable forces.

"Where do we go from here?" is a good question. The economic viability of our working forests and ranches state-wide are the result of pressures from poor economics and increasing higher and better use (HBU) values (causing land fragmentation). The values that are not considered are recreation access, wildlife, water, and community support. It is the committee's belief that the public benefits from these values but is not adequately participating in terms of funding their fire protection. Private landowners are simply shouldering too much of the costs for fire protection.

In the past few years, this committee has sent several letters to the State Forester and the Legislature that have touched on the many aspects of land management, fire fighting costs and the funding equation. They have praised the relationship building and cooperation of all agencies involved. The landowners have been in total support throughout these changes. These letters have reported on issues like loss of milling infrastructure, fuel build-up through the lack of management in our national forests, rising harvesting and trucking costs, and the increasing pressures to sell and fragment our working forests and ranches. These issues haven't changed and the costs of fire protection continues going up as the result. We have also looked forward to the next year and see more increases coming. We are in a perfect storm with falling revenues and increasing costs affecting private landowners and government state wide; so what can we do? We need leadership from all levels to tackle these issues and we felt that rejecting the proposed fire budget will help spur everyone into action. We believe there are some good ideas floating around and it will take some leadership to begin to bring them together. With the support of our Budget Committees, Protection Associations, industry associations, State Forestry, and the Board of Forestry we can begin this journey.

The members of the NEO District Budget Committee stand behind our vote but also stand up and are ready to help attack these issues. We are not unreasonable people in NE Oregon and we look forward to working with the state to keep ranches and forests intact for future generations.

Sincerely,



Chris Heffernan, Chairman
Northeast Oregon District Fire Budget Committee

April 21, 2008

State Forester and Board of Forestry
Oregon Department of Forestry
2600 State Street
Salem, OR 97301

Dear Mr. Brown and Board Members,

On April 17, 2008 the Central Oregon District Budget Committee voted to approve the District's 2009 budget. The budget increased 10% but the rate is increasing by 31%. This was a big jump and we do not see any relief in sight. There was much discussion and we approved it with trepidation and would like to voice some strong concerns. We only approved the budget out of respect for the District staff and the need to start the fire season with a budget.

First, we are very satisfied with the level of protection provided us, and the performance of the District in protecting our lands. The issue is, whether Eastern Oregon landowners can sustain continuing rising payments on low productive lands. Profit margins for forest, grazing and farm landowners become less each year. Landowners are at a critical junction.

We are concerned that as these lands become less affordable they will turn to other owners and uses. Already they are being swept up in sub-divisions, destination resorts, hunting preserves, and absentee owners that do little management on the lands. Fuels are building up on some private land as they are on neighboring unmanaged Federal lands.

If a landowner owned 10,000 acres of typical eastern Oregon forest land they would be paying over \$17,000 in forest patrol assessment. There are few mills remaining in Eastern Oregon. Hauling distances are great. Often logging small low productive timber lands is just a break even affair. The land is becoming worthless to them as far as generating any income. Grazing lands are under similar circumstances.

We feel that it is time all of us including the State Forester, the Board of Forestry and the Legislature look at the protection funding scheme in Oregon and make some changes. Eastern Oregon landowners cannot continue at this rate into the future. These lands will continue to convert to other uses. More forest, grazing and agricultural lands will be lost.

We wish we could propose some solutions. We know it is a complicated issue. It will take some time and all of us working together to come to appropriate decisions.

Sincerely,

Michael W. Templeton
Chairman
COD Budget Committee