

Agenda Item No:	2
Title and # of Issue:	Forest Vitality Work Plan 3, IBI 0 – Work Plan Development, <u>Progress Report</u>
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## **SUMMARY**

The purposes of this agenda item are to provide the Board with a progress report on its Forest Vitality Work Plan, anticipated next steps and potential future Board products; and to update the format of the existing Work Plan.

## **CONTEXT**

The Board of Forestry approved its Forest Vitality Work Plan on November 21, 2005. (See Attachment 1) The goal of the Work Plan has been to encourage public and private landowners to continue to willingly make investments to create economically and environmentally healthy forests.

When it was approved, Board members endorsed the concept of “bundling” five major policy topics into a single Work Plan, recognizing their strong linkages and the understanding that success was needed on all five topics or there was potential to be successful at none. Bundling also increased relative importance on these five topics compared to other issues coming before the Board. The five topics are:

1. Ensuring the sustainability of Oregon’s forest resources while improving the forest sector’s long-term contribution to national, state, and local economies;
2. Creating a unified vision of how federal forestlands should contribute to the environmental, economic, and social sustainability of all Oregon forest resources;
3. Keeping working forests working;
4. Promoting sound, sustainable forest health restoration practices, including the development of market-based solutions to reduce the risk of catastrophic wildfires and insect and disease outbreaks; and
5. Developing forestry carbon-offset markets as an incentive for managing forests, utilizing wood products and maintaining the forestland base.

Significant progress has been made on all five objectives of the Work Plan through the efforts of the Board, its cooperators, and the Department of Forestry. (See Attachment 2) Major milestones include:

1. Presentation by forest industry leaders of a proposed Oregon Forest Cluster Economic Development Strategy at the December 2008 Oregon Leadership Summit. The draft strategy was developed jointly by the Oregon Department of Forestry, Oregon Economic and Community Development Department, Oregon State University, and the Oregon Forest Resources Institute in coordination with private sector partners. (See Attachment 3)
2. The Federal Forests Advisory Committee has completed its work and provided its report to the Board of Forestry in January 2009.
3. The Board of Forestry hosted a one-day field tour in rural Clackamas County to engage stakeholders in learning about forest fragmentation due to development, and to discuss possible solutions. The Residential Emphasis Forest Charter Group was formed and produced a white paper and action plan calling for increased emphasis and awareness about the loss of forestland due to fragmentation. The Department of Forestry began working with Fidelity National Timber Resources Inc. to consider state acquisition of the former Gilchrist tract of forestland in Central Oregon that is under threat of development.
4. The Oregon Forest Biomass Working Group produced a major report in January 2007 and an Oregon Department of Forestry report on the environmental effects of forest biomass removal was published in December 2008. (See Attachment 4)
5. The Board of Forestry has retooled the Forest Resource Trust's Stand Establishment Program as an exemplary forest carbon offset program. Research and information gathering has continued on the development of a carbon accounting system and tracking and monitoring carbon offset markets.

Consistent with the Board of Forestry's recently approved Strategic Planning, Implementation, and Monitoring Work Plan and new Decision Support System, the current Work Plan's goal statement and objective statements must be replaced with a Primary Board Issue Statement and Intermediate Board Issue Statements.

The planned 2009 issue scan and the anticipated development of draft objectives for the 2011 *Forestry Program for Oregon* will provide the foundation for the Board to establish an updated Priority Set of Issues for Board of Forestry work by the end of 2009. At that point, a more comprehensive review and an update of the Forestry Vitality Work Plan will be appropriate.

## **RECOMMENDATION**

Department of Forestry staff recommends:

1. The Board re-affirm its desire for continuance for this "bundled" Forest Vitality Work Plan.
2. The Board approve the new Primary Board Issue Statement and Intermediate Board Issue Statements as replacements for the existing goal and objectives statements in the Work Plan. (See Attachment 5)

## NEXT STEPS

Work will continue under the current Work Plan in 2009. Anticipated Board products resulting from Work Plan implementation in the remainder of 2009 include:

Intermediate Board Issue 1: The four-agency core team will continue stakeholder and public outreach and will develop an action plan to implement the recommendations of the Forest Cluster Economic Development Strategy. Work accomplished under Intermediate Board issues 2 and 4 will contribute to this effort. The core team will also continue tracking short-term economic trends and actively pursue opportunities to promote Oregon forest cluster vitality.

Intermediate Board Issue 2: The Board of Forestry and Department of Forestry will be working with cooperating agencies and stakeholders to implement the recommendations of the Federal Forests Advisory Committee. Next steps may include a formal roll-out ceremony with the Governor and formation of an ad-hoc implementation committee comprised of Board members and former advisory committee members.

Intermediate Board Issue 3: Department of Forestry leadership continues to work with federal, state, local government, and private cooperators in ongoing negotiations on potential state and non-profit acquisition of Central Oregon forestlands to maintain them as working forests. If passed into law, 2009 House Bill 2216 will update the Board of Forestry's existing forest acquisition authority, with an eye toward using acquisition authority to conserve working forests.

Intermediate Board Issue 4: Future Department of Forestry involvement in forest biomass technical and policy forums will be affected by 2009-11 budget decisions. Current priorities are to link forest biomass utilization efforts to the forest restoration priorities emerging from Intermediate Board Issues 1 and 2 for the Work Plan. Particular emphasis is being placed on treatment of beetle-killed forests in south-central Oregon and plans for a 13-megawatt biomass power plant to be operating in that area in 2010. The Oregon Forest Biomass Working Group will continue to serve as network and forum for forest biomass utilization discussions.

Intermediate Board Issue 5: The Department of Forestry will continue to track implementation of the Western Climate Initiative Design Framework, specifically with respect to offsets, forestry as a part of the offsets, and how the other two state recommendations (California, Washington) are coming in play. If the Oregon Forest Carbon Stakeholder's Work Group is resurrected, it could be re-chartered more formally as the Forest Carbon Offset Advisory Committee to the Board of Forestry as authorized in statute and called for by the Forest Vitality Work Plan. While the Department of Forestry continues existing forestry carbon offset activity (e.g., the Forest Resource Trust), the Board of Forestry may wish to move ahead on developing principles for forestry carbon offsets and standards for their accounting through the advisory group. Such principles and standards would establish the Board's position in Western Climate Initiative development and as a basis for voluntary markets/over-the-counter offset transactions.

Based on relevant information provided to the Board through the 2009 issue scan and other sources and following the development of objectives for the draft 2011 *Forestry Program for Oregon*, staff will work with the Board to revise and update the Forest Vitality Work Plan. Board approval of an updated Work Plan will be scheduled for March 2010.

## **ATTACHMENTS**

- (1) Current Forest Vitality Work Plan
- (2) February 4, 2008 Progress Summary on Forest Vitality Work Plan Implementation
- (3) November 19, 2008 Draft Oregon Forest Cluster Economic Development Strategy
- (4) December 1, 2008 State Forester's Report: Environmental Effects of Forest Biomass Removal
- (5) Proposed Primary Board Issue Statement and Intermediate Board Issue Statements for the Forest Vitality Work Plan