

INDEX

November 7, 2008

<u>Item #</u>	<u>Page #</u>
** State Forests Management – Board Discussion and Deliberation	3
A. Minutes – August 18, 2008 Workshop	9
B. State Forests Management – Land Acquisitions, Exchanges & Decertification ..	10
C. Dynamic Forest Ecosystems – Issue 5, Obj. 1	10
D. <i>Forestry Program for Oregon</i> Implementation – Issue 1, Audit Committee	10
1. State Forester’s Comments	10
1A. Public Comments [none].....	10
2. Forest Vitality – Issue 3, FFAC Guidance Document	11
3. Proposed New Work Plan – Board Strategic Planning, Implementation and Monitoring	11
4. <i>Forestry Program for Oregon</i> Implementation – Oregon Indicators of Sustainable Management	12
5. Forest Regulation – Issue 6, Hybrid Poplars – Alternatives	12
6. Forest Regulation – Issue 6, Landslides and Safety, Intermediate Risk Sites	14

Attachments below are available on the web @ <http://oregon.gov/ODF/Board>

1. Staff Recommendation – State Forests Management, Agenda Item **
2. Facilitator’s Handout – Discussion Framework, State Forests Management, Agenda Item **
3. Facilitator’s Summary of Economic, Environmental & Social Values, Agenda Item **
4. Draft FFAC Guidance Document, Agenda Item 2
5. Staff Presentation – Board of Forestry Strategic Planning, Implementation and Monitoring Work Plan, Agenda Item 3
6. New Work Plan – Strikeout Version, Agenda Item 3
7. Public Comment – Don Rice, Agenda Item 5
8. Public Comment – Paul Harlan, Agenda Item 5
9. Public Comment – Al Thayer, Agenda Item 5
10. Public Comment – Eric Geyer, Agenda Item 6

OREGON STATE BOARD OF FORESTRY

November 7, 2008 Minutes

In accordance with the provisions of ORS 526.016, a meeting of the Oregon Board of Forestry was held on November 7, 2008 at the State Forester's Headquarters, 2600 State Street, Salem, Oregon.

In the absence of an appointed Chair, Board member Cal Mukumoto agreed to facilitate the meeting, and called the public meeting to order at 8:03 a.m.

Board Members Present:

Larry Giustina	Peter Hayes	Barbara Craig
Jennifer Phillippi	Cal Mukumoto	Bill Hutchison

Others present:

Emre Atalay, Ascentium	
Mike Caplan, Ascentium	
Donald Fontenot, Sierra Club	
Eric Geyer, Roseburg Forest Products	
Jake Gibbs, Lone Rock Timber Co.	
Wayne Giesy, Hull-Oakes	
Elaine Hallmark, Oregon Consensus	
Paul Harlan, Collins Pine	
Steve Hobbs, Federal Forestlands Advisory Committee	
Russ Hoeflich, The Nature Conservancy	
Chris Jarmer, Oregon Forest Industries Council	
Tim Josi, Tillamook County Commissioner	
Rod Kraemer, Oregon Department of Fish and Wildlife	
Turner Odell, Oregon Consensus	
Dick Posekany, Frank Lumber Co.	
Don Rice, Green Wood Resources	
Gil Riddell, Council of Forest Trust Land Counties	
Ralph Saperstein, Conkling, Fiskum & McCormick	
Gary Springer, Starker Forests	
Rex Storm, Associated Oregon Loggers	
Alan Thayer, Oregon Small Woodlands Association	
Bob Van Dyk, Wild Salmon Center	
Ray Wilkeson, Oregon Forest Industries Council	
Marvin Brown, State Forester	Paul Bell, Chief, Protection Div.
Dan Postrel, Agency Affairs	Mike Bordelon, NWOA Director
Jeri Chase	Jim Paul, Chief, Resources Division
Jeff Foreman	Peter Daugherty, Dep. Chief, Resources
Mary Schmelz	Marganne Allen
Nancy Hirsch, Chief, State Forests Div.	David Morman, Forest Resources
Mike Cafferata, Deputy Chief, State Forests	Kevin Birch
Jeff Brandt	Cathy Clem
Ed DeBlander	Andy Herstrom
Liz Dent	Walter Schutt
Tod Haren	Andrew Yost
Marcia Humes	
Rosemary Mannix	
Rob Nall	
Roger Welty	
Ron Zilli	

** STATE FOREST MANAGEMENT – BOARD DISCUSSION AND DELIBERATION

The Board continued its discussion and deliberation of the previous day's recommendation (Attachment 1) regarding State Forests Management. The discussion was facilitated by Elaine Hallmark and Turner Odell, Oregon Consensus, Portland State University. Ms. Hallmark reviewed her "single text" document, summarized from discussion, to assist the Board and provide a framework for discussion (Attachment 2). She also provided a summary of her notes from the previous day's discussion related to economic, environmental and social values (Attachment 3).

Clarification of Species of Concern Strategy staff recommendation: the strategy would be a continuous improvement project, with the assumption that the Department would begin the rulemaking process to revise the Forest Management Plan administrative rule, changing the reference to the Habitat Conservation Plan to Species of Concern Plan. Staff would proceed with the Species of Concern Plan development under the assumption that the Performance Measure targets were still in place.

Listed below are discussion comments:

- Develop the Species of Concern Plan in the context of performance measure work – test the hypothesis that Performance Measures are sufficient.
- Balance should occur in policy.
- Must understand what a robust, effective Species of Concern Plan requires, and have the Plan, before making a decision in the context of the Forest Management Plan.
- Consensus is difficult when questions must be asked about intent.
- The suite of performance measures has risks and judgments; the performance measures are policy parameters, which provide direction to the Department.
- If the question is the amount of complex structure needed in the medium- and long-term to achieve the goals, staff should inform the Board rather than the Board establishing a target.
- It is premature to change the parameters, which are aspirational and guidelines. The Department's recommendation is supported with continuing improvement on the revenue issue and development of Species of Concern Plan in the context of the performance measures.
- The Board must make the Species of Concern determination, focusing on species' needs, and by reconciling that with the performance measures and the Forest Management Plan.
- The performance measures must be tested in a focused way; more work was needed.
- Staff's recommendation provides a context within which to work; the Species of Concern Plan was one aspect of meeting Greatest Permanent Value within the set of established targets.
- Must determine the framework within which the species work would be bound.
- The Species of Concern Plan should be developed within the existing guidance in Chapter 3 of the Forest Management Plan.
- A mosaic must be created that meets Greatest Permanent Value.
- The ranges of alternatives are unclear; the "middle" is unknown.

- Keep the performance measures, during the interim, while the Department moves forward on analysis, in the context of the recommendation.
 - *Clarification: Moving forward on the revenue issue would not preclude the Board's option to work on the rest of the performance measure targets. Staff would need the Board's affirmation that work should move in the direction of 20% complex structure in 20 years [Performance Measure 6] and the 5-10% revenue increase [Performance 3].*
- Recommendations for improvement should be implemented as quickly as possible.
- Not enough information to adjust the revenue or complex structure targets. Staff to identify what is needed to meet the goals tied to biodiversity in the current Forest Management Plan, and identify potential consequences of pursuing the current performance measure run, the base case, and wood emphasis.
- Need an assessment of habitat risk and mitigations to risk, as well as options for management that can improve revenue.

Accepting the facilitator's suggestion, the Board began an in-depth review of the wording contained in the Department's recommendations. The Board's final action, which includes key components of the Board's discussion, is shown below. *[The Board's deliberation and action was accomplished in two sections; for continuity, it is shown in one piece.]*

With Board consensus, it was ordered:

The Board adopts the Department recommendations as modified below, and recognizes the planning process will lead to a revision of the Forest Management Plan:

Performance Measure Target 3

The Board directs the Department to pursue increased timber revenues by implementing incrementally a 3% per year increase, while on a trajectory toward the 30-35% revenue target. This increase is subject to a number of changes, including development of policy and strategies for species of concern. Based on the recent modeling efforts, a 5-10% increase is possible using the strategies applied during recent modeling work.

The Board requests additional information about different alternative scenarios for increasing revenues, including:

- **Assess opportunities for increasing revenue that hold Performance Measure #3 harmless while allowing Performance Measure #6 to float;**
- **Account for habitat contributions by areas unavailable for harvest outside the 20% complex structure mapped to meet Performance Measure 6.**

Performance Measure Target 6

The Board affirms its direction to the Department to pursue designation of 20% of the Clatsop and Tillamook State Forests towards complex structure development. This structure will be located where it is anticipated to develop into complex forest within 20 years and provide greatest benefit to species of concern.

The Board directs the Department to continue its species of concern work. This work will occur within the scope of the Department's recommendation, consistent with the Greatest Permanent Value rule and the current Forest Management Plan guiding principles.

Steps for this work include:

- Hold preliminary policy discussion with Board.
 - Include discussion of scientific review options.
- Provide information for the Board that includes:
 - The evaluation of the Base Case [current Forest Management Plan] and Performance Measure model runs that includes:
 - A risk assessment that includes an assessment of the probability to maintain or enhance habitats for species of concern. (e.g., H, M, and L);
 - Possible mitigation approaches with recommendations;
 - Outside scientific assistance and review.
- Conduct a Board species of concern policy development workshop.
- Develop species of concern strategies in line with Board policy guidance.

2009 Board Work Plan

The Board directs the Department to develop a draft 2009 Board work plan that incorporates the continuous improvement plan concepts.

This planning process will inform decisions on Performance Measures and Targets in relation to Greatest Permanent Value.

CONTINUOUS IMPROVEMENT PLAN

The staff recommendation is based on the best available data and assumptions. Future Board and staff work (planned and/or anticipated) will continue to inform the Board's decision making related to the ongoing process of balancing and adjusting the outcomes expected from the management of Board of Forestry lands. New and improved data will test and refine the assumptions associated with the recommendation. Following is a summary of anticipated or planned improvement efforts that will support and inform the Board's ongoing policy decision making:

Performance Measure Improvement Process

The current Board work plan recognizes the need for continuous improvements to the performance measures. There are a number of recommendations in the 2008 PM Report as well as other ideas that have surfaced through discussions with Board members that the Board will likely want to consider in their upcoming 2009 work plan.

Certification of Board of Forestry Lands

It is anticipated the Board and the Department will continue considering the value added by certifying lands to meet either the Forest Steward Council and/or the Sustainable Forestry Initiative certification systems. This process or subsequent certification could inform the Board on the results/outcomes they are striving for in their performance measures.

Ecosystem Services

A current contract with Oregon State University will provide some results, specifically related to recreation values. Other work is underway related to ecosystem services, some of which will require further Board direction (i.e. wind energy, carbon credits).

Recreation

As a result of the recreation assessment in 2007, the department has developed and is implementing an action plan. It is anticipated that the Board will play a role in the visioning process (long term future condition) for recreation management beginning in 2009.

Research & Monitoring Strategic Plan

The department recognizes the research and monitoring strategic plan may need to be updated to reflect current questions and priorities. A process for updating this plan will be shared with the Board and implemented in 2009. This plan is currently part of the Implementation Plan package approved by the State Forester in 2003.

Other Districts

Evaluate and make recommendations to the Board of Forestry about appropriate management approaches for the other districts, which will include an analysis of the performance targets relevant to these districts.

Spatial data, forest inventory, yield tables, other model data and components and in evaluations of effects on fish and wildlife.

The table below lists the specific areas of improvement and an initial assignment of priority for each. The remainder of the document provides additional information for each area of improvement. All areas of improvement are important to create enhancements to the harvest model and resource strategy development, but priorities for work have been established as follows:

- High – critical to the reliability and accuracy of the harvest models, associated outputs and species of concern strategy development.
- Moderate – improve the reliability and accuracy of the harvest models, associated outputs and species of concern strategy development.
- Low – result in better outputs from the harvest models or is important to maintain its functionality in the future or longer term species of concern strategy refinements.

<u>#</u>	<u>Description</u>	<u>Priority</u>
	<u>Spatial Data</u>	
<u>1</u>	<u>Maintaining Harvest and Transportation Data</u>	<u>Low</u>
<u>2</u>	<u>Tillamook Transportation Planning</u>	<u>Moderate</u>
<u>3</u>	<u>Tillamook Harvest Units</u>	<u>Moderate</u>
	<u>Forest Inventory</u>	

#	Description	Priority
1	<u>Volume Estimates on Tillamook District</u>	<u>High</u>
2	<u>Stand Structure Algorithm</u>	<u>Low</u>
3	<u>Incorporate Additional Tillamook Inventory</u>	<u>High</u>
	<u>Yield Tables</u>	
1	<u>Volume Estimates on Tillamook District</u>	<u>High</u>
2	<u>Calibration of the FVS¹ Growth Model</u>	<u>High</u>
3	<u>Regeneration Growth Model</u>	<u>Low</u>
4	<u>Management Prescriptions</u>	<u>Low</u>
5	<u>Snags and Down Wood Model</u>	<u>High</u>
6	<u>Stand Structure Algorithm</u>	<u>Moderate</u>
7	<u>Reforestation Cost Tables</u>	<u>Low</u>
	<u>Modeling</u>	
1	<u>Logging and Transportation Costs</u>	<u>Moderate</u>
2	<u>Sensitivity Analysis and Testing</u>	<u>Moderate</u>
3	<u>Peer Review</u>	<u>Moderate</u>
	<u>Landscape Design</u>	
1	<u>Determine the scale that the implementation landscape design will be designated. Options include; district level, forest level or combined forest level.</u>	<u>High</u>
2	<u>Conduct analysis of the amount, location and contribution that forested areas that are unavailable for harvest contribute to the longer term 30 percent complex structure goal.</u>	<u>High</u>

Spatial Data

The spatial data identifies the physical locations of natural resources (such as stands, harvest units, riparian areas, and northern spotted owls) and other land attributes (such as counties and taxing districts) that are used by the model for decision making or generating reports. Areas of improvement for the spatial data include the following.

- 1. Maintaining Harvest Unit and Transportation Data: Develop a process for updating and maintaining the harvest unit and transportation systems used in the model.**
- 2. Tillamook Transportation Planning: The existing road system on the Tillamook District is an obstacle to the efficient and effective management of the district. Continue the current transportation planning project for the district and use the results to revise the General Forest Road Plan for the Tillamook.**
- 3. Tillamook Harvest Units: Evaluate and refine the Tillamook General Harvest Unit Plan using the results of the transportation planning project and the LIDAR topographic data.**

Forest Inventory

The forest inventory provides information on the current condition of trees, such as species, size, and volume, and other vegetation across the forest. The inventory is used to generate yield tables that project the growth of the forest and its potential outputs (i.e., stand structure and volume). The following aspects of the forest inventory have been identified for improvement.

1. Tillamook Volume: An analysis of the model output for the Tillamook District indicates the harvest volume per acre is approximately 30 percent above actual harvest volume realized from recent timber sales. Currently, it is not known whether the issue is related to the forest inventory or the yield tables, but staff is developing a plan to analyze and resolve the issue.
2. Stand Structure: Continue to evaluate and improve the stand structure algorithm, with a focus on:
 - Refining the threshold for layering of hemlock and mixed hardwood stands;
 - Refining the distinction between Regeneration and Closed Single Canopy Stands;
 - Incorporating a “death and decay” model for snags and down wood; and
 - Developing a predictive model for understory vegetation.
3. Tillamook Inventory: Continue the accelerated inventory on the Tillamook District until 50% of the stands have been inventoried; maintain the inventory on the other districts. About 20% of the stands will be inventoried by the end of 2009. The department will continue to invest in inventory beyond 2009 on an annual basis (through contracts and current staffing), with a priority to complete the 50% level.

Yield Tables

While the forest inventory provides information on the current condition of individual stands and the forest, it is the yield tables that project the potential growth of these stands into the future and affect the predicted outputs (stand structure and volume) of the individual stands under a variety of management prescriptions. The harvest models use the outputs from the yield tables to generate their solutions. The following aspects of the yield tables have been identified as areas needing improvement.

1. Volume Estimates on Tillamook District: As noted above, the harvest volume estimates appear to be incorrect on Tillamook District. The underlying problem needs to be identified and corrected. The results in the Board material have been adjusted to better reflect actual timber volumes being removed from recent harvests.
2. Calibration of the Growth Model: The yield tables are based on the Pacific Northwest Coast Variant of the Forest Vegetation Simulator (FVS) growth model. During the analysis of the yield table outputs, it became apparent this regional variant needs to be calibrated for the Clatsop and Tillamook State Forests. The data required to calibrate the growth model includes tree growth information from permanent plots; this information should be available for these two forests by the end of 2009.
3. Regeneration Growth Model: It is generally recognized that FVS does not grow stands less than 15 years old as accurately as desired. Identification of a young stand growth model to complement FVS will improve the accuracy of future

yield tables. The Peer Review of the Harvest &Habitat (H&H) Model Project also made this recommendation.

4. Management Prescriptions: Each stand in the yield tables has up to 105 different management prescriptions that provide a variety of thinning intensities and timing options for use by the model. The current management prescriptions are based on the strata-based yield tables. The new yield tables should be reviewed to determine whether changes in the prescriptions should be made, because the stands are based on actual measures rather than strata averages.
5. Snags and Downed Wood: Calibrating and incorporating a “death and decay” model for snags and downed wood into the yield tables will allow these two structural components to be projected into the future. Incorporation of snags and downed wood into the yield tables will provide a better estimate of older forest structure (OFS) and allow a more detailed analysis of habitat for a wider variety of wildlife species.
6. Stand Structure Algorithm: As noted above, the stand structure algorithm in the yield tables does not result in a highly reliable distinction between closed single canopy (CSC) and understory (UDS), or layered (LYR) and OFS. The incorporation of snags and downed wood will help improve the identification of OFS. In addition, an analysis of the results of the stand structure algorithm in the stand-level inventory may identify stand characteristics that could be used in the yield table to distinguish between CSC and UDS.
7. Reforestation Cost Tables: The cost to establish a new plantation after a regeneration type harvest is identified in one of the yield tables. These tables were not updated in the current set of model runs due to a timing conflict. They should be updated before the end of 2008.

Harvest Models

Analysis of functionality and outputs of the harvest models has only recently begun, so all areas for continued improvement may not be identified. Areas currently identified for continued improvement include the following.

1. Logging and Transportation Costs: Logging and transportation costs within the model were not updated in the current set of model runs due to a timing conflict. They should be updated before the end of 2008.
2. Sensitivity Analysis and Testing: There is a need to conduct several analyses to determine the model’s sensitivity to log prices, stand structure algorithms, inventory basis (i.e., strata versus imputation), long-term sustained yield, and others.
3. Peer Review: Continue to evaluate and implement recommendations from the Peer Review of the H&H Model Project.

The Consent Agenda [A – D] was approved in one block.

Consent Agenda:

- A. MINUTES – AUGUST 18, 2008 WORKSHOP

The minutes of the August 18, 2008 Workshop are approved.

B. STATE FORESTS MANAGEMENT – ISSUE 2, OBJ. 4 – LAND ACQUISITIONS, EXCHANGES AND DECERTIFICATION

Larry Giustina abstained from approval, citing possible conflict of interest.
[revision requested by Larry Giustina at the January 7, 2009 meeting]

The Board approves the conditional decertification of 15 parcels (approximately 3,221 acres, located in Coos, Curry, Douglas and Lane Counties. The Common School Forest Land designation will be removed when the parcels are sold or exchanged by executing a Resolution and Order.

C. DYNAMIC FOREST ECOSYSTEMS – ISSUE 5, OBJ. 1 – PROMOTE DIALOGUE AND UNDERSTANDING

Update on the implementation of the Dynamic Forest Ecosystem Work Plan.
Information only, no action required.

D. FORESTRY PROGRAM FOR OREGON IMPLEMENTATION – ISSUE 1, OBJ. 4 – ADAPTIVE MANAGEMENT

Appointment to the Audit Committee.

Dave Lorenz, Western Lane District Forester is appointed to the Oregon Department of Forestry Audit Committee.

Action and Information:

1. STATE FORESTER’S COMMENTS

Jim Paul, Chief, State Forests Division, described the potential 10% General Fund reductions in the 2009-11 Budget, as directed by the Governor. The reductions would be focused on the Private Forests Program, reducing staff levels to that in late 1980s.

He also provided an update on the Private Forests Work Plan. Mr. Paul suggested the work be framed as a higher policy effort, focusing on the purpose and future of the Private Forests program, including funding and outcomes. Staff will return to the Board at its January 7, 2009 meeting with a revised draft work plan.

1A. PUBLIC COMMENTS

There were no comments from the public.

2. FOREST VITALITY – ISSUE 3, OBJ. 2 – FEDERAL FORESTLANDS

Federal Forestlands Advisory Committee [FFAC] Draft Guidance Document

Steve Hobbs, Chair of the Federal Forestlands Advisory Committee, Russ Hoeflich, Nature Conservancy and Kevin Birch, Forest Resources Planning Senior Policy Analyst reviewed and described the substantive revisions to the Draft Guidance document developed by the FFAC (Attachment 4). When finalized, the Guidance Document will be used to articulate the State’s vision for how federal forestlands should be managed, and provided recommendations for policy changes and new State of Oregon initiatives on key issues related to achieving the vision.

Mr. Hoeflich commented that the Nation faced a forest health emergency, and urged the Board to approve the recommendations contained in document.

Substantive revisions were made to the section titled “Problem Interactions with Climate Change” [Attachment 4 pages 16-18] to be more balanced and descriptive about climate change and its relation to forest thinning. Other revisions addressed the issue of the State speaking with one voice, with the Forestry Department acting as the lead agency, funding, project scale, escaped fires, added clarity, and implementation.

Mr. Hobbs noted that broad support would be necessary to implement changes to federal forestland management. Mr. Hoeflich added that having federal and state employees that can assist with the interpretation of statutory, regulatory and administrative framework was critical.

The final document will undergo professional editing and be presented to the Board at its January 7, 2009 meeting in Salem. Following the Board’s adoption, the document will be sent to Governor Kulongoski for approval.

Following a brief discussion, and with consensus of the Board, it was ordered:

The revisions to the policy recommendations in the FFAC draft guidance document are approved.

3. PROPOSED NEW WORK PLAN – BOARD STRATEGIC PLANNING, IMPLEMENTATION AND MONITORING

David Morman, Forest Resources Planning Program Director reviewed the proposed new work plan designed to replace the current *Forestry Program for Oregon* Implementation work plan (Attachment 5). The new work plan, titled “Board Strategic Planning, Implementation and Monitoring”, links the *Forestry Program for Oregon*, Oregon Indicators of Sustainable Forest Management, Board work plans and periodic issue scans, and oversight of Department work related to the Board’s strategic planning.

Mr. Morman noted that terminology was revised in the work plan: *goal* changed to Primary Board Issue; *objectives* changed to Intermediate Board Issues, followed by a review of the five Intermediate Issues, the products and timelines.

Following a brief discussion, and with Board consensus, it was ordered:

The Board of Forestry Strategic Planning, Implementation and Monitoring Work Plan is adopted, and replaces the *Forestry Program for Oregon Implementation Work Plan.*

4. FORESTRY PROGRAM FOR OREGON IMPLEMENTATION – ISSUE 1, OBJ. 2 – MEASURE PROGRESS

Oregon Indicators of Sustainable Forest Management

David Morman, Forest Resources Planning Program Director noted that first reports have been produced for five more Oregon Indicators of Sustainable Forest Management. First reports on four indicators were provided at the March 2008 meeting. A web-based platform for indicator reporting will be available soon. Indicator updates for these nine indicators, and first reports on the remaining ten indicators, will be provided to the Board as they become available.

5. FOREST REGULATION [PRIVATE FORESTS] – ISSUE 6, OBJ. 2 – MINIMIZE THE ADVERSE FINANCIAL EFFECTS OF REGULATION

Hybrid Poplars – Alternatives for Ensuring Alignment with Policy Goals

Peter Daugherty, Deputy Chief, Private Forests Division and Marganne Allen, summarized the information and issue paper contained in the agenda item. They described: issues raised by hybrid poplar growers; the Board's authority to modify or waive the limitations and requirements of certain statutes for intensively managed hardwood plantations [House Bill 3628 – 2008 Special Session]; the alternatives for the Board's resolution of issues with the Forest Practices Act administration on hybrid poplar operations; and, the Department's recommendations.

The Department recommended the waiver of one or more of the requirements in ORS 527.676, 527.740, 527.750 and 527.755 as a term of a stewardship agreement provided for in ORS 527.736(4), and delegation of approval of waivers for stewardship agreements to the State Forester. The recommendation provided the preferred alternative to the issues raised regarding the Forest Practices Act and hybrid poplar plantations. The recommendation also balanced the integrity of the Forest Practices Act with flexibility tailored to site-specific conditions.

Following staff's presentation, Cal Mukumoto called for public comment.

Don Rice, Greenwood Resources commented on the expansion of the market for poplar products and the creation of new jobs in rural Oregon. Mr. Rice expressed support for the Department's recommendation (Attachment 7).

Paul Harlan, Collins Pine Company described the hybrid poplar tree farming technology and the manufacturing process, and also expressed support for the Department's recommendation (Attachment 8).

Al Thayer, Oregon Small Woodlands Association supporting the Department's recommendation, suggested the addition of the "modify or waive" limitations and requirements of certain Forest Practices Act statutes. He expressed concern about the extent and duration of relief provided to hardwood plantation growers, stating cottonwood was a low value, non-native species, the growing of which uses tremendous amounts of water. He noted that an unlevel playing field would be created with small family woodland owners by those growing saw-timber that would compete with hardwoods grown and harvested under the full regulatory and harvest tax requirements (Attachment 9).

Responding to Bill Hutchison's question, Marvin Brown stated that water use was regulated by the Water Resources Department, and that water use permits had been issued.

Following public comment, Mr. Daugherty and Ms. Allen re-joined the Board to assist in its discussion and deliberation.

Peter Daugherty stated that the Private Forests Division, through the Forest Practices Act, did not classify land as forestland; forests were regulated regardless of land use. Regulation of land under the Forest Practices Act did not trigger a change in tax structure. Although forestland deferrals could be requested of the County Assessor by the landowner, the forest products harvest tax would be paid by the harvest of trees as an operation.

Mr. Daugherty noted that the phrase "modify" should be added to the recommendation, as requested by Mr. Thayer. He also added that stewardship agreements were the appropriate venue for hybrid poplar plantations as the most efficient and effective tool that improved management.

Peter Hayes abstained from the Board's deliberation on the Department's recommendation, citing conflict of interest. He did, however, participate in the Board's discussion and asked if staff had developed a set of principles for modification or waiver of the established requirements in statutes. Mr. Daugherty responded that the purpose statements throughout the Forest Practices Act were the core set of principles, as well as the *Forestry Program for Oregon* strategy statements. In cases where policy did not exist, staff would ask the Board for guidance and direction. The stewardship agreements, which are public documents, would also document the decision for waiver or modification of statutory requirements. Stewardship agreements can be terminated by either the Department or the landowner. Regular auditing occurs to ensure that the terms of the agreement were met.

Following the Board's discussion, and with Board consensus, it was ordered:

The Department is directed to begin the rulemaking process to waive or modify one or more of the requirements contained in ORS 527.676, 527.740, 527.750 and 527.755, as a term of a stewardship agreement, as allowed in ORS 527.736(4). Approval is delegated to the State Forester for approval of waiver or modifications for stewardship agreements.

6. FOREST REGULATION – ISSUE 6, OBJ. 2 – MINIMIZE THE ADVERSE FINANCIAL EFFECTS OF REGULATION

Landslides and Public Safety – Intermediate Risk Sites

In the interest of time, Marvin Brown suggested the item be approved by consent. Written comment provided by **Eric Geyer**, Roseburg Forest Products was distributed and reviewed by the Board. Mr. Geyer requested a thorough review of the proposed rule to ensure the objectives of public safety were met without unnecessary restrictions, and the level to which shared responsibility in Senate Bill 12 and ORS 195.250-192.260 were met.

Peter Daugherty, Deputy Chief, Private Forests Division suggested that the following sentence be added to the recommendation to incorporate Mr. Geyer's request: Direct the Department to meet with stakeholders, landowners and Regional Forest Practices Committees to ensure that the Department considers sufficient alternatives in developing the proposed rules.

With Board consensus, it was ordered:

It is determined that the draft permanent rule to implement the provisions of ORS 527.710(10) do not result in new or increased standards for forest practices. Therefore, scientific-findings and economic-analysis under ORS 527.714(5) and (7) are not required. Given that analysis done in the process of developing the proposed rules indicated some potential for increased restriction and/or economic impact to landowners, the Department is directed to provide the Board with appropriate information on alternatives evaluated and economic impact, prior to requesting forma rulemaking authority.

The Department is also directed to meet with stakeholders, landowners and Regional Forest Practices Committees to ensure that the Department considers sufficient alternatives in developing the proposed rules.

There being no further business before the Board, Cal Mukumoto adjourned the meeting at 3:05 p.m.

Respectfully submitted,

/s/ Marvin Brown

Marvin Brown, State Forester and
Secretary to the Board

GB

Approved by the Board, with one revision on page 10, at its January 7, 2009 meeting.