



Council of Forest Trust Land Counties

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June 6, 2007

PRESENTATION TO THE BOARD OF FORESTRY BY TIM JOSI, FTLAC CHAIR

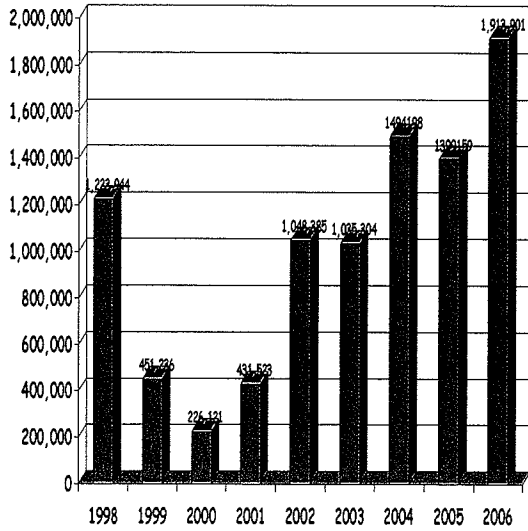
- FTLAC is encouraged by the BOF's adoption of Performance Measures. They:
 - They establish benchmarks
 - They give a methodology to measure progress
- FTLAC is also very encouraged by ODF's and the BOF's interest in NPV & ROAV Performance Measure – this reflects the BOF's position as a fiduciary of State Forest Trust Lands.
- We feel strongly that the current 2.4% ROAV is too low: (PM 1)
 - Private timberland owners expect a 5-6% ROAV
 - We believe a 50 to 60% discount does not meet the economic component of GPV.
- We also believe increasing ROAV will not adversely impact social and environmental values.
 - More revenues will be available for campsites, trails, in-stream improvements, etc. (PM 5, 6 & 7)
 - Increased revenue to taxing districts and schools will improve social benefits. (PM 2 & 3)
 - Research shows Salmonids are not impacted by current FPA practices (charts: 2) (PM 5)
- Our suggestions about how to improve ROAV by modifying the FMP in order to get these lands back on track: (PM 1, 2 & 3)
 - Drop or renegotiate the HCP
 - Dedicate fewer acres to complex structure
 - A 50% complex structure target requires dedicating 85-90% of the land to becoming complex structure – this is too much and is one of the reasons why these lands have deviated from their primary purpose.
 - We urge the BOF to consider a lower complex structure target, or limiting complex structure to a smaller part of the landscape.
 - Move the FMP closer to the FPA for:
 - Riparian buffers
 - Leave trees
 - Endangered species protection

- Rely more on clear-cutting.
 - This increases stumpage values, which increases ROAV.
 - And more effectively replaces slow growing Swiss Needle Cast stands
 - Consider a departure from even flow in order to deal with the SNC problem
 - Shorten the rotation age to better reflect economic maturity.
- These suggested changes would be consistent with the findings from the Tillamook County v. State of Oregon (FDF Judgment).

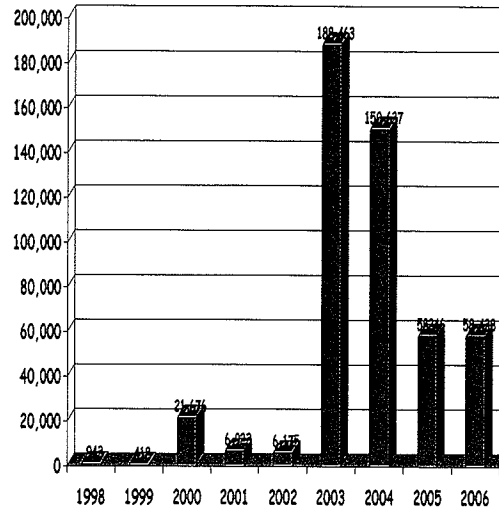
“The interaction between the counties and the state, over many years of working together under the statutory scheme, envisions management of the forests lands to achieve the highest return to the counties.” Judge Richard L. Barron, Presiding Judge, 9-12-2005
 - Challenges facing rural Oregon:
 - Secure Rural Schools (Safety Net) legislation and its impact on roads and county general funds. (chart)
 - Average wage comparison between rural and metropolitan Oregon (chart)
 - Condition of Tillamook County roads: worst in the state.
 - Impact of Measure 47/50 and our inability to grow out of this problem. (charts: 2)
 - Public lands dominate our counties leaving us no recourse. (charts: 2)
 - FTLAC believes the trust land purpose has gotten off track; the conditions you see today are an inevitable result of the trust lands not performing their intended role in the economic and social health of the communities and counties these lands dominate; these lands would not be in State hands today if counties had not transferred them to the State in order to fulfill the promise of sustaining the counties they dominate.
- We have no other options – no control over federal lands, no release from the constitutional handcuffs of Measures 5 & 50, and we cannot grow out of these limitations. The trust lands must fully participate in the health of our communities, as they were intended to do.
- FTLAC reminds the BOF of our position that a management target for these lands should be no less than 90% of what would be allowed under the FPA. Increasing ROAV accordingly would be consistent with our position.
 - And finally, FTLAC urges the BOF to act today. If you need to move from your informal, ad-hoc process of consensus, so be it. The long-term sustainability of our rural economies is at stake.

Little North Fork Wilson River (12 miles long)

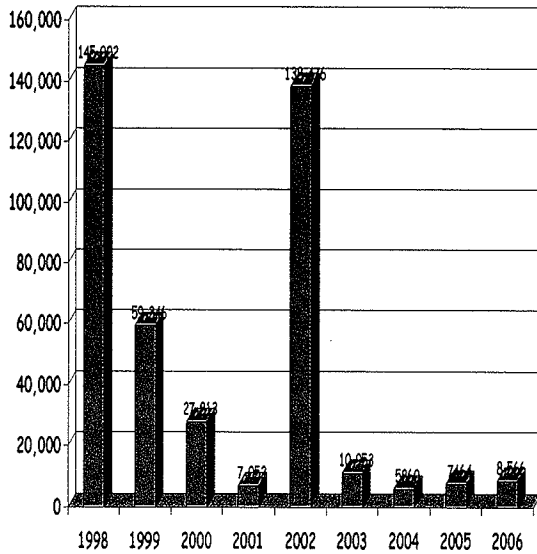
Chinook Fry Migrants



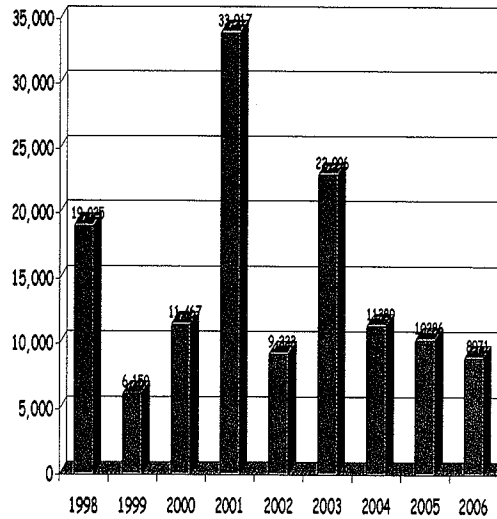
Coho Fry Migrants



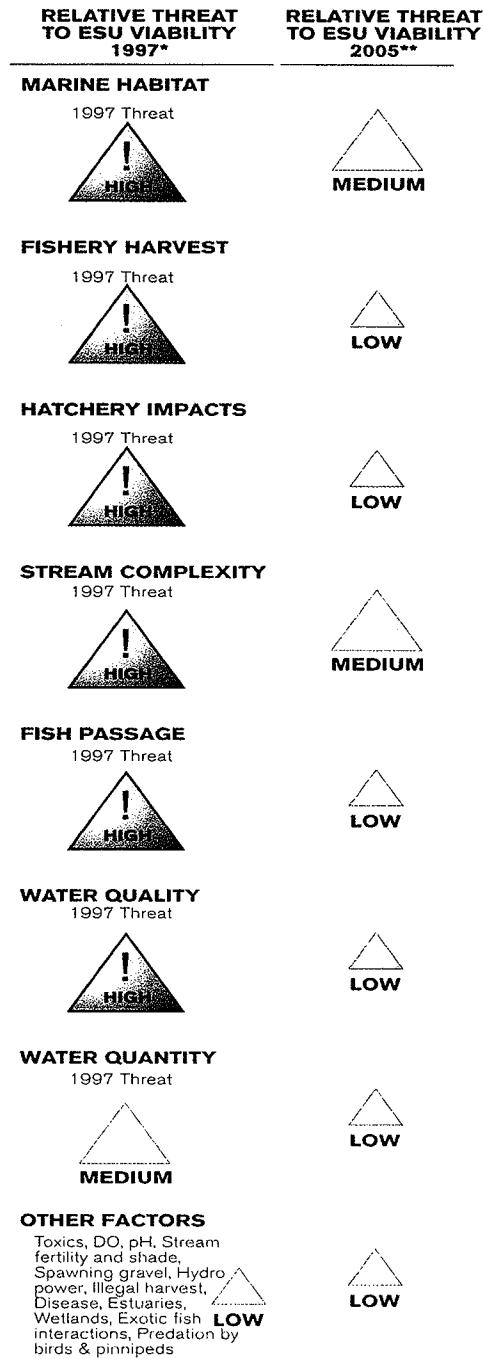
Coho Smolt Migrants



Steelhead Migrants



RESEARCH INDICATES FOREST PRACTICES HAVE LITTLE IMPACT ON SALMONIDS:



This chart compares perceived level of threat to ESU viability, for each potential limiting factor, in 1997 and 2005.

* 1997 threats are Oregon's interpretation of NOAA evaluation.

** 2005 threats are Oregon's assessment.

Threats to ESU Viability

1. Based on Oregon's finding that the Coastal Coho ESU is viable – plus evaluation of habitat data, conservation efforts, and monitoring programs – current levels of threat to continued ESU viability were determined.
2. Oregon concluded that two risk factors (marine habitat and stream complexity) currently present moderate levels of risk to future ESU viability.
3. This finding is in sharp contrast to 1997 when many risk factors (marine habitat, fishery harvest, hatchery impacts, stream complexity, fish passage, and water quality) were thought to present high levels of threat to ESU viability.

Future ESU Viability

1. A diverse set of conditions supports the conclusion that this ESU will maintain its viability into the foreseeable future. This set of conditions includes laws, management programs, monitoring, environmental conditions, and societal networks. In concert, these conditions serve to sustain and improve future viability of the ESU by: (1) reversing many of the environmental alterations and fishery impacts caused by historical management practices; (2) conserving existing conditions that support viability of the ESU; (3) creating future environmental conditions, based on an understanding of primary threats to individual populations, that will further improve the viability of the ESU in fulfillment of Oregon Plan objectives; and (4) maintaining a comprehensive monitoring program to allow adaptive management of conservation efforts as new information is gained.

2. It is unlikely that conditions currently supporting viability of the ESU will change so rapidly or dramatically as to preclude future, timely detection and protective action under Oregon management programs or the federal ESA.

3. Ongoing vigilance regarding conservation and restoration programs is necessary to sustain and improve viability of the ESU, most notably the responsiveness of these programs to variation in marine survival.

Introduction

Oregon counties are dramatically impacted by the loss of PL 106-393 funds. Critical public safety programs will be cut. County roads and bridges will continue to deteriorate at an increased rate. And people who depend on public and mental health programs will suffer. This scenario will be played out in nearly every county in Oregon.

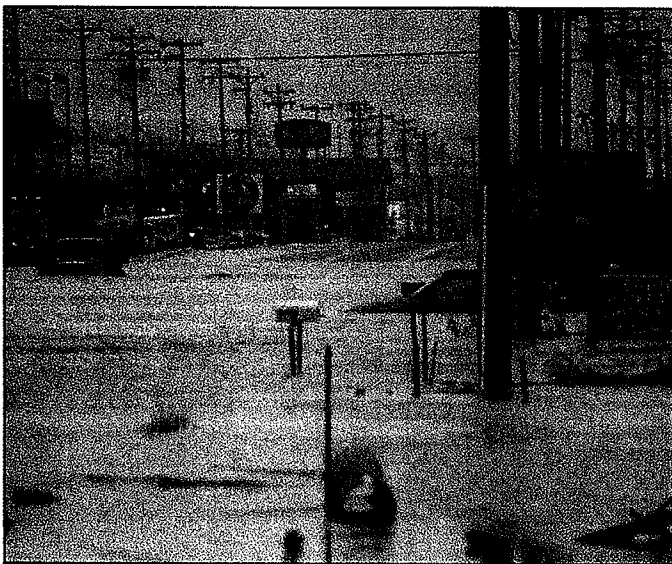
We are not asking for a handout. We need the State's help in order to help ourselves.

County Discretionary General Funds with a Loss of More Than One- Third of Their Revenue

Douglas – 69%
Josephine – 68%
Curry – 63%
Coos – 54%
Lane – 35%
Jackson – 34%

County Road Programs with a Loss of More Than One-Third of Their Revenue

Grant – 73%
Harney – 70%
Lake – 66%
Curry – 64%
Douglas – 59%
Wheeler – 58%
Klamath – 56%
Crook – 52%
Lincoln – 50%
Wallowa – 49%
Lane – 47%
Wasco – 47%
Tillamook – 44%
Hood River – 43%
Linn – 42%
Baker – 35%



Notice that Curry, Douglas and Lane counties lose more than 1/3 of both their discretionary General Funds and their road funds.

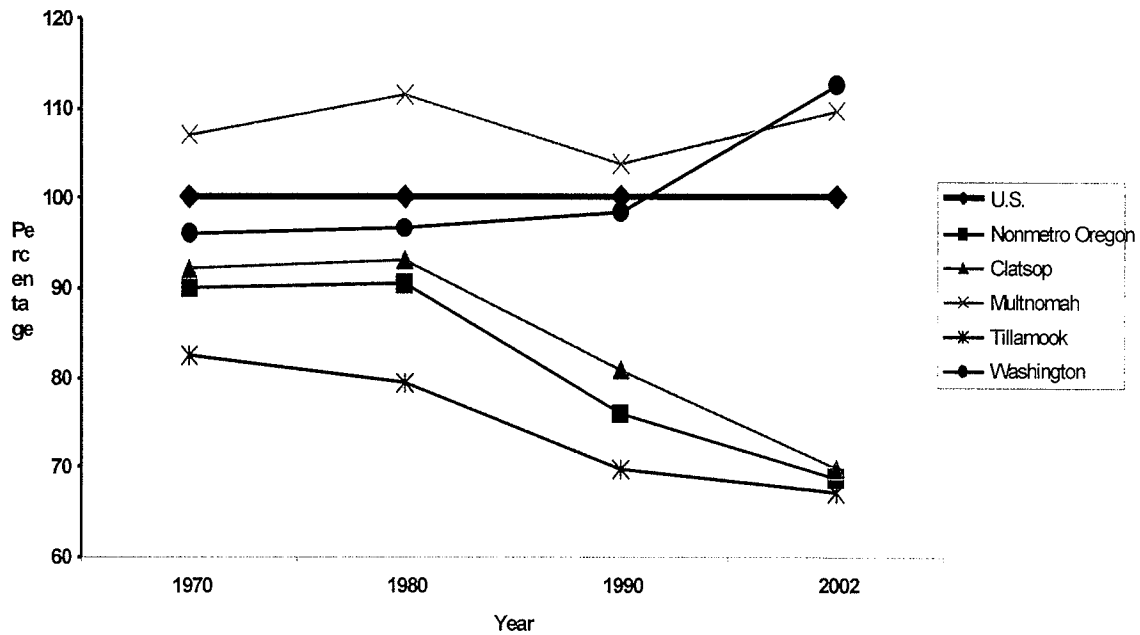
How did we get where we are today? Where did these resources come from?

Social impact of low paying Service Sector Jobs:

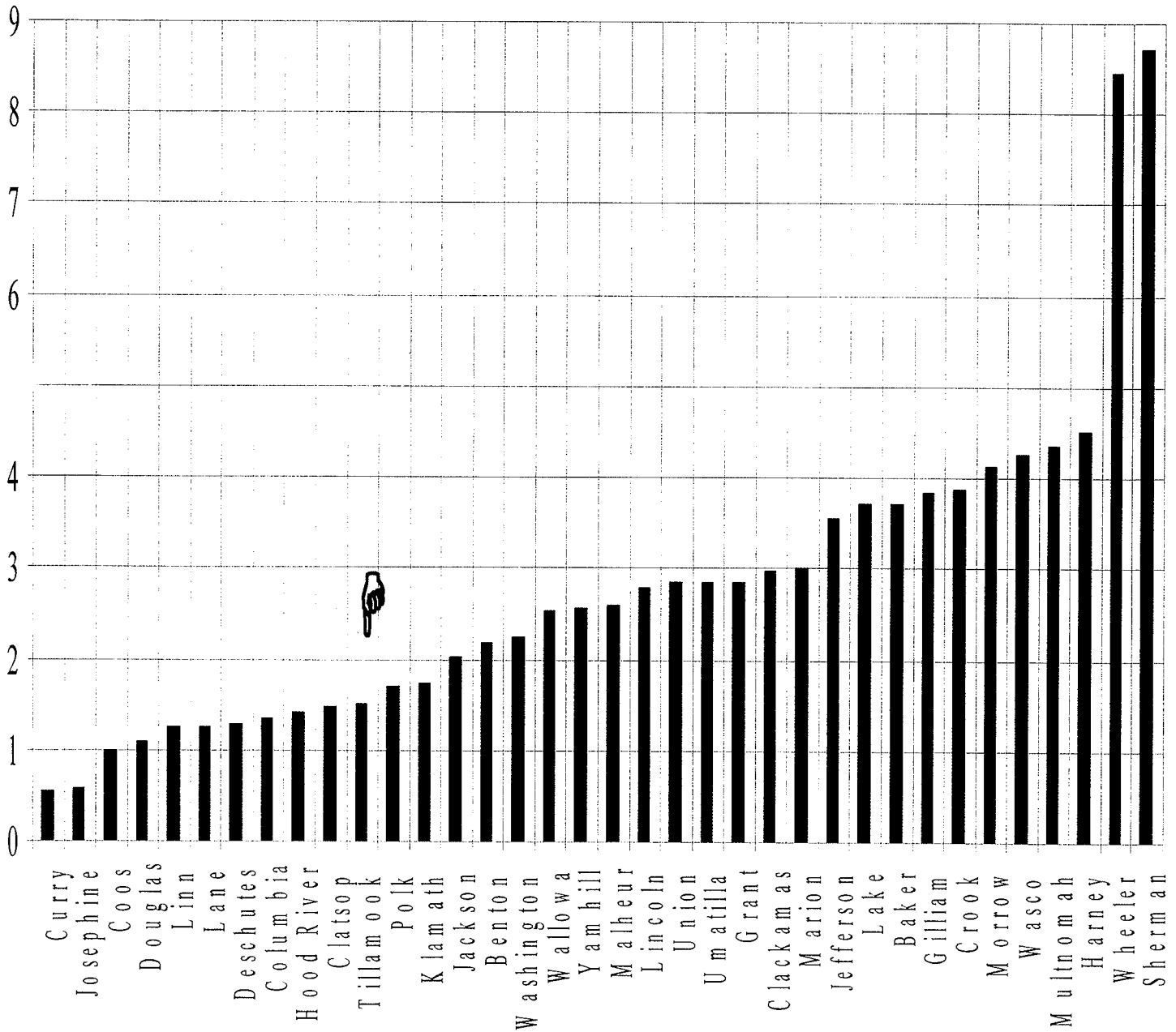
- ✓ Higher incidence of drug and alcohol abuse
- ✓ Higher incidence of domestic violence
- ✓ Shortage of affordable housing
- ✓ High incidence of kids going to bed hungry

Average earnings per job: 1970 - 2002

Selected Counties and Nonmetropolitan Oregon Average Earnings Per Job as an income indicator compared to the U.S. from 1970 to 2002 - Chart by Bruce Sorte, OSU, with Data from Gary Smith, WSU.



■ Measure 47/50 Permanent Property Tax Rate Used



MEASURE 47/50 (1995) CREATED PERMENENT PROPERTY TAX RATES

- ASSESSED VALUES CAN GROW NO MORE THAN 3% PER YEAR.
- TAXES ARE BASED ON ASSESSED VALUES – NOT THE REAL MARKET VALUE
 - NEW DEVELOPMENTS ARE BASED ON COUNTY-WIDE PERCENTAGE OF ASSESSED VALUE WHEN COMPARED TO THE REAL MARKET VALUE.
 - CURRENTLY THE ASSESSED VALUE IS ABOUT 65% OF RMV

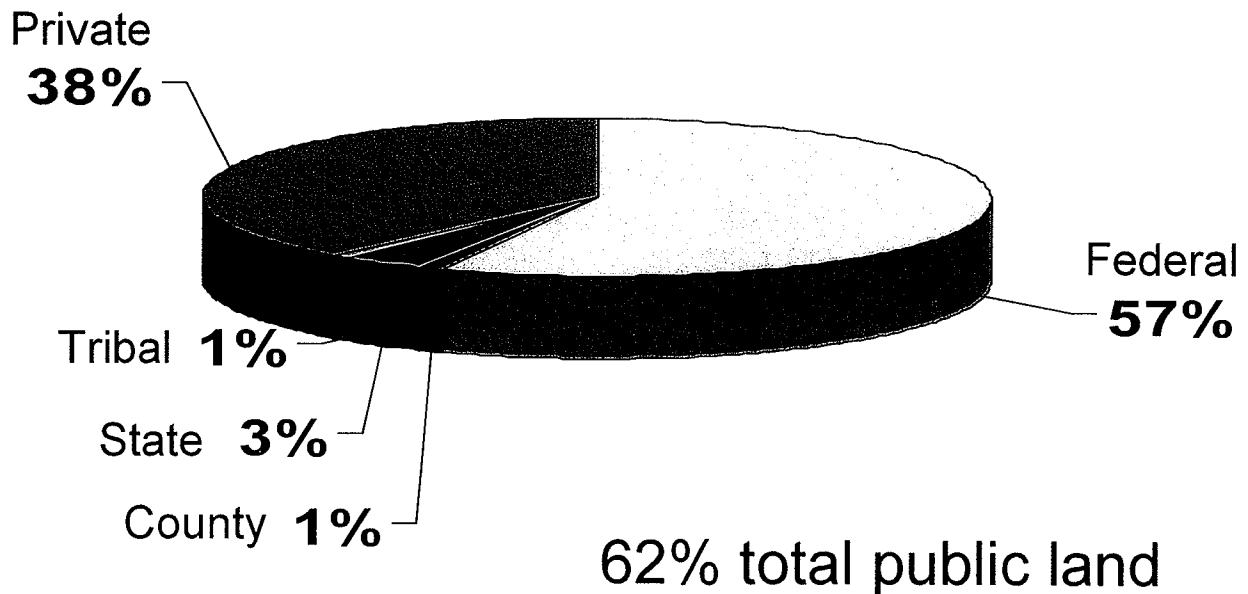
FOR EXAMPLE:

- WE HAVE A 154 NEW HOMES IN NETARTS VALUED AT \$350,000 EACH WHEN COMPLETED
- $\$350,000 \times 154 = \$53,900,000$
- $\$53,900,000 \times 65\% = \$35,035,000$ ASSESSED VALUE
- $\$35,035,000 \times \0.00150 COUNTY TAX RATE = \$52,552

- \$52,552 WILL NOT PAY FOR ONE ADDITIONAL SHERIFF DEPUTY
- WE CAN'T GROW OUR WAY OUT OF THIS PROBLEM
- IN FACT, THE MORE WE GROW THE WORSE OUR FUNDING PROBLEM GETS.

Oregon Land Ownership (Acres)

| | | | |
|--------------------|-------------------|--------------------------|------------------|
| Federal | 34,556,870 | State | 1,924,093 |
| BLM | 15,707,693 | Dept. of Admin. Services | 401 |
| O & C | 2,651,771 | Dept. of Aviation | 1,413 |
| USFS | 15,548,851 | Dept. of State Lands | 781,619 |
| US Fish & Wildlife | 486,139 | Military Dept. | 2,400 |
| National Parks | 162,416 | Dept. of corrections | 4,639 |
| | | Dept. of Human Services | 149 |
| County | 554,287 | Youth Authority | 390 |
| Tribal | 815,469 | University System | 51,369 |
| | | Dept. of Education | 58 |
| Private | 23,546,337 | State Fair | 158 |
| | | Dept. of Forestry | 658,025 |
| | | Dept. of Parks & Rec. | 96,137 |
| | | Dept. of Fish & Wildlife | 150,729 |
| | | Dept. of Transportation | 176,563 |
| | | Other | 40 |



Since 62% of Oregon's land has been restricted from economic use, Oregonians need to understand the implications of what this means.

Tillamook Land Ownership (Acres)

| | |
|---------|---------|
| Private | 237,000 |
| BLM | 50,000 |
| USFS | 103,000 |
| State | 306,000 |
| Other | 4,000 |
| <hr/> | |
| Total | 700,000 |

