

Forest Trust Land Advisory Committee Meeting
Government Center
1201 Court Street, Salem Oregon
Room 113
February 17, 2015

Pursuant to notice made by press release to newspapers of general and local circulation throughout the state and distributed to persons on the mailing list of the committee and the members of the committee, a regular meeting of the Forest Trust Land Advisory Committee (FTLAC) was held at the Department of Forestry in Salem, Oregon.

Present Committee Members: Tim Josi, Tillamook County Commissioner, Chair; Craig Pope, Polk County Commissioner, Vice Chair; Faye Stewart, Lane County Commissioner; Scott Somers for Scott Lee, Clatsop County Commissioner; Bill Baertlein, Tillamook County Commissioner; Anthony Hyde, Columbia County Commissioner

Present Department Staff: Paul Bell, Deputy State Forester; Liz Dent, State Forests Chief; Brian Pew, State Forests Deputy Chief; Kate Skinner, Tillamook District Forester; Mary Schmelz, Office Manager, Public Affairs; Mike Totey, West Oregon District Forester; Josh Barnard, Policy Analyst, State Forests; Justin Butteris, Policy Analyst, State Forests; Jennifer Erdmann, Policy Analyst, State Forests; Steve Wilson, North Cascade District Forester; Don Everingham, NWOA Assistant; Ron Zilli, Astoria Assistant District Forester; Russ Lane, North Cascade Assistant District Forester; Dave Lorenz, Southern Area Director; Kevin Boyd, Log Accountability Specialist, State Forests; Nathan Seable, South Fork Camp Manager

Present Others:

Gary Springer, Board of Forestry; Gil Riddell, County of Forest Trust Lands; Rex Storm, Associated Oregon Loggers; Christopher Smith, North Coast State Forests Coalition; Kristina McNitt, Oregon Forest Industries Council; Seth Barnes, Oregon Forest Industries Council; Mark Rasmussen, Mason Bruce and Girard

Opening Remarks, Tim Josi, Chair

Chair Josi summarized his comments at the Forest Management Plan (FMP) Board of Forestry subcommittee meeting that he attended in part this morning (February 17, 2015):

- State Forests Financial Viability: The board and department have a fiduciary responsibility to the counties.
- GPV Rule: The GPV rule's primary focus is on timber production.
- Conservation areas: When the board develops the conservation area concepts, draft language so as not to designate high conservation areas in a way that would "lock them up". Rotating lands in and out of conservation and production will result in a 70/30 percent balance over time.
- Modeling: It is important to wait until modeling is done to understand outcomes.
- If the department is hurting (financially), so are the counties.

Chair Josi asked Rex Storm to share his synopsis of the subcommittee meeting:

- The department didn't get very good direction on where to make improvements.
- One recommendation was to continue negotiating the plan with stakeholders; the department agreed to continue talking with stakeholders and will continue to model the three options.

Chair Josi asked Mark Rasmussen to share his observations about the meeting:

- The draft document is well thought out; CFTLC's influence is evident in it.
- Modeling and results will demonstrate the final plan's effectiveness.
- He expressed that he didn't understand how the department can still be losing money in the market.

Next steps: Department staff will present the draft document to the subcommittee to negotiate the final product. The original projected timeline to present this draft document to the board was March 2015; action items from today's subcommittee meeting have set back the timeline.

Approval of Minutes

- October 20, 2014 FTLAC Minutes

MOTION to approve minutes: Commissioner Hyde. SECOND: Commissioner Pope. ALL IN FAVOR. Minutes APPROVED.

Public Comment

No Public Comments

Alternative Forest Management Plan Status, Liz Dent/Brian Pew

Staff revised the Financial Viability document in reference to the NW Oregon State Forest Management Plan (2015).

- Staff welcomed feedback on the draft document.
 - Timeline: A completed FMP by 2018.
 - Funding: The State Forests division is funded by timber revenues. Currently there's an annual average of \$2.5 million in deficit spending, and staff costs are expected to increase by 2018. There's a need to bring in more revenue to offset the deficit spending (see below topic: Bridge Funding).
 - Stumpage: Longer range projection is harder to predict.
 - Appendix 1, Page 16: Illustrates full implementation versus baseline implementation of the plan. Modeling will inform the decision about the level of implementation.
- ↑ **Action:** Agency staff will update information with current data that reflects a \$7 million funding gap.

Additional revenue options/Policy Option Packages (POP's) in Governor's budget

- Recreation
- Research and monitoring
- South Fork Inmate Camp

Bridge Funding

Through the legislative process and Governor's biennial budget the agency hopes to temporarily bridge funding using General Funds. Chair Josi stated that the FTLAC went on record supporting bridge funding contingent upon a good faith effort. He said support for the POP's is contingent upon a solvent FMP that supports schools. He said that given the (market) swings "we don't want to be dependent on General Funds" and he asked that that message be clear to the State Forester when he works with the legislature.

Kristina McNitt asked to comment. She said that it appeared increased revenues from an FMP won't be seen until 2018 - 2020. She said that when State Forester Decker spoke to OFIC after the conclusion of the marbled murrelet litigation, he represented that in five years northwest forests would be managed like the Elliott forest and face similar challenges. She further said that if this is true, it could result in management restrictions before the plan could be implemented. Liz Dent responded that risks of future encumbrances relating to T & E species will be reduced by the conservation strategy in the revised FMP.

Conservation approach, Liz Dent

- This approach comes from a foundational concept from which the FMP will be detailed. The definition is drawn out of a global reference dealing with the world conservation strategy, from which several concepts flow:
- Maintaining ecological processes
- The persistence of species communities within the concept of a dynamic environment. Throughout this portion of the document, as species are considered, there is some level of certainty but with an understanding that ecological processes, by their nature, can be dynamic.
- Benefits occur not only in the conservation zone but in the production zone also, so they could be accounted for in both zones.

There was concern over the wording "restored species" possibly implying "recovered species". Liz Dent responded that this is a draft document and input such as this will be considered as the document is developed.

Production Zone, Brian Pew

- Will produce environmental, social and economic benefits and include conservation areas.
- A sustainable timber harvest that generates sufficient revenue for state forests management, counties and the school fund.
- The strategy is to promote the growth of trees and a range of products, to manage risks of T & E encumbrances and forest health issues, and to grow a forest that is resilient in the market.
- The current vision is that the trees be 40-80 years old and 14" – 20" in diameter.
- Key issues: 1) Addressing durability 2) More clarity and specifics about social benefits.

Legislative Session, Paul Bell

Biennial Budget Themes/POPs

- Fire Protection special purpose appropriation
- Bridge Funding for State Forests
- Federal Forest management/restoration
- Essential administrative capacity
- Forest Practices Act efficiency and water quality
- Promoting Biomass work

Legislative Concepts

State Forests

- SB 248: Sort Sales: Sales purchased pre-sorted; contracting separately for the sale of timber could maximize revenue. Washington State claims revenues have increased 20-25% due to sort sale contracts. Would require ORS 530 clarification.
- HB 2453 Raves: Penalty (misdemeanor) for holding large commercial events on state owned land without a permit. The concept was proposed because of public safety concerns and fire risks.

Protection and Private Forests

- HB 2454: Oregon Forestland Protection Fund: Adjusts the spending limit to share large-fire costs.
- HB 2455: Forest Products Harvest Tax: Support administration of the Forest Practices Act.

MOTION: Commissioner Pope: FTLAC supports these four bills. SECOND: Commissioner Hyde. ALL IN FAVOR. APPROVED unanimously.

Develop FTLAC Testimony for March 4th Board Meeting, FTLAC Members

Commissioner Pope will testify before the board on March 4, 2015. He will characterize the conversation at today's FTLAC meeting. He will express FTLAC members' perspective that asking staff to re-negotiate with stakeholders about FMP decisions that were previously agreed upon allows more opportunity for disagreement and is going backwards in the process. He will testify for the FTLAC that the department is on the right track and ask that the department be allowed to continue on this path.

District Roundtable (*as needed*)

West Oregon: Mike Totey shared that damage from the ice storm will result in some changes in timber sale activities for the district, for instance, some thinning sales are now going to be clear-cuts. These sales will be reflected in the 2016 West Oregon district plan.

Meeting adjourned

Attachments

- Analysis of Financial Viability and Conservation Measures for a Revised NW Oregon State Forest Management Plan (2015), Oregon Department of Forestry document
- Budget themes and highlights (2015 Legislation), Oregon Department of Forestry document
- Fact Sheet: House Bill 2453, February 9, 2015, Oregon Department of Forestry document; HB 2453 Text
- Fact Sheet: Senate Bill 248, Oregon Department of Forestry document; SB 248 Text