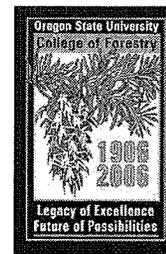




Oregon Forest Cluster Economic Development Strategy Executive Summary



OREGON
ECONOMIC & COMMUNITY
DEVELOPMENT DEPARTMENT



The Oregon Department of Forestry (ODF), the Oregon Department of Economic and Community Development (OECD), the Oregon Forest Resources Institute (OFRI), and the Oregon State University (OSU) College of Forestry/Oregon Forest Research Laboratory are working together with private sector partners to craft a state economic development strategy for Oregon's Forest Cluster.¹ The goal of the Forest Cluster economic development strategy is to:

Create and maintain a favorable investment climate for environmentally sensitive, socially responsible, and globally competitive forest-based businesses throughout Oregon. As a result, these businesses will generate high quality, value-added products; family wage, highly skilled employment; increased revenues to private landowners for providing public benefits, and increased forest products exports.

To achieve this goal and to help implement the Governor's broader Economic Vision for Oregon, the proposed Oregon Forest Cluster Economic Development Strategy includes:

1. Federal Forest Restoration

Immediate Actions Needed:

- Widely communicate Oregon forest health and forest cluster and rural community economic vitality as priorities of the Governor and the State of Oregon.
- Encourage and support local collaboration efforts on federal forest restoration work.
- Explore a role for the State of Oregon to directly participate in addressing federal forest/private forest interface issues with respect to fires, insects, and diseases.

These actions are consistent with the strong consensus reached at the 2007 Oregon Leadership Summit, with the recommendations emerging from the Oregon Board of Forestry's Federal Forestlands Advisory Committee, and with the recent successful negotiations regarding increased economic activity on the Malheur National Forest. The actions are supported through ODF's Agency Request Budget.

¹ "Forest Cluster" means firms and organizations that support production of and benefits from primary and secondary wood products and a broad spectrum of forest ecosystem services and includes geographically concentrated and interconnected economic activities and linkages to customers and suppliers. Organizations engaged in forest resource management, education, and research are also considered part of the Forest Cluster.

2. Forest Cluster Vitality

Immediate Actions Needed:

- Promote development of market opportunities for ecosystems services and products.
- Promote increased funding for integrated research programs that directly benefit the forest cluster through improved management systems, technologies, and higher value wood products.
- Promote state and federal laws and policies which provide economic incentives for biomass energy industry development.
- Ensure the Governor's *Investing in Infrastructure and Communities* Initiative meets the transportation and energy needs of the forest cluster.

The Oregon Innovation Council is supporting an OSU proposal for (1) enhanced forest transportation research and development to reduce costs, (2) developing comprehensive silviculture technologies through the Center for Intensive Planted Forest Silviculture, and (3) strengthening the commercialization support capabilities of the Oregon Wood Innovation Center. The Oregon Forest Biomass Work Group has already developed recommendations for needed policies and laws and, at the state level, much has already been accomplished through the Governor's 2007 renewable energy legislative agenda. The Agency Request Budget for OECD addresses Oregon Innovation Council, cluster support, industry sector outreach, and the Governor's Strategic Initiatives Fund.

3. Forestry Workforce

Immediate Actions Needed:

- Maintain the involvement of the forest cluster in workforce development initiatives.
- Support increased state investments in forestry, business and engineering degree programs at public universities and community colleges to increase the supply of professional graduates.
- Communicate with high school teachers, counselors, students and parents about the career opportunities in the forest cluster and develop appropriate forestry education programs for students who want to pursue university/community college education or enter the workforce directly from high school.

These actions will support the Governor's *Investing in Human Capital and Promoting Innovation* initiative. OFRI will continue its K-12 forestry workforce education program and seek new partners.

Next Steps

With the Governor's support, ODF, OECD, OFRI and OSU will develop a work plan for implementing these actions. The work plan will provide details on:

- Why the actions are important
- Needed private sector involvement
- The role for state government
- Agency assignments
- Additional agency resources needed
- Milestones
- Deliverables
- Measures of success

The four agencies will then enlarge the conversation with private sector forest cluster partners to build support for implementation of the Oregon Forest Cluster Economic Development Strategy.