

Meeting Notes

Subject: Forest Cluster Core Team

Date: July 29, 2008

Attendees:

Mike Cloughesy, OFRI
Scott Leavengood, OSU
Chris Knowles, OSU
Eric Hansen, OSU
Karen Goddin, OECDD
Chris Clafin, OECDD
Gary Lettman, ODF
David Morman, ODF

Guests:

Dana Shannon, OECDD
Chris Jarmer, Oregon Forest Industries Council
Gary Springer, Starker Forests

Oregon Innovation Council Established Industries Grant proposal status

- It appears the OSU grant request is moving forward (Pre-proposal available at: http://www.oregon.gov/ODF/RESOURCE_PLANNING/docs/forestclusterproject_OSUGrantProposal.pdf)
- Oregon Inc. is planning for the full council to vote on the proposal sometime in the first week of September. They would like to make it a media event with the Governor in attendance at a forest products facility, mostly likely within an hour of Portland.
- The three-part proposal remains intact and includes a request for \$2.6 million. It will be included in a larger Oregon Innovations supplement to OECDD budget totaling \$26.1 million.
- After Council approval, it will also need legislative approval. A formal lobby campaign will take place through Oregon Inc., but we should think about involving key legislators in the September event.
- We also need to strongly link the grant request to our forest cluster work. That linkage will benefit both.

Short-term forest cluster issues and opportunities

- Malheur National Forest agreement
 - Governor's Strategic Reserve Fund and ODF contributions were used
 - Retired USFS foresters working for the local Soil and Water Conservation District will to help with project layout
 - Potentially about 20 million BF produced
 - Great media opportunity once wood starts to move
 - Thanks to OECDD and others for involvement
- Klamath and Lake Counties beetle-killed timber
 - Governor's tour planned for August 21
 - Key players may meet in advance to coordinate messages. Should include a Collins Co. representative.
 - Still trying to clarify state involvement but ODF has already made commitments

- through a Memorandum of Agreement
- OECD will make sure local Business Development Officer Larry Holzgang is fully briefed
- We need to coordinate forest cluster work with Federal Forest Advisory Committee recommendations and with local actions to address the Klamath and Lake County situation
- New Oregon Solutions projects being proposed for Harney County. Looking at forest restoration, range restoration, juniper management.

Governor's briefing

- **Governor's briefing on draft forest cluster recommendations has been rescheduled for September 24 at 11:00 a.m.**
- Five of seven forest cluster executives invited to the briefing have already been contacted by the core team. Their input has been used to refine the forest cluster economic development strategy recommendations.
- The intent is for the executives to present the recommendations to the Governor and his staff
- Additional advance coordination is needed with the four agency heads, the seven industry executives, and the Governor's natural resources and economic development staffs.
- Highlight during the briefing those recommendations already supported by 2009 Policy Option Packages and the Oregon Inc. grant proposal
- Need to boil down to 3 or 4 recommendations for the Governor to support
- Encourage the cluster executives at the briefing to express support for positive steps already being taken by the Governor and state government

Draft Forest Cluster recommendations

- Based on executives comments, boil the draft recommendations down significantly
- Focus on three topics
 - Federal Forest Restoration
 - Forest Cluster Vitality
 - Forestry Workforce
- Three key recommendations each
- Link to existing initiatives and Policy Option Packages
- Continue to look for ways to engage a broader set of forest cluster partners. Eastern Oregon primary producers are already involved. We need to find ways to reach out to urban cluster partners as well.
- Continue to promote building connections between cluster elements. Biofuels is a good place to start
- Develop companion one-page implementation summaries for each recommendation which includes:
 - Why important?
 - Needed private sector actions
 - Role for state government
 - Agency assignments
 - Additional resources needed
 - Milestones
 - Deliverables
 - Measures of success
- Try to have at least the Federal Forests Restoration summaries ready before the

August 21 Governor's tour

Implementation of Oregon Indicator of Sustainable Forest Management B.d.: Forest products sector vitality

- US Forest Service PNW Research Station is willing to help fund the next Oregon "mill study"
- Methods in place to address most of the indicator metrics except investment
- Federal volume under contract might be a useful additional metric
- ODF would like to add a more forward-looking metric dealing with innovation
 - Need to clarify definition of innovation
 - Poor data available on new technology adoption
 - Often the key to good information on innovation is finding asking the right person to ask at the manufacturing facility level.
 - OSU can provide advice

Oregon Economic and Community Development reorganization

- Moving towards a statewide and regional approach more focused on clusters, including the forest cluster
- Geographical representation by business development officers will still be important
- Reorganization efforts link to the forest cluster project objective on addressing state government institutional capacity to implement the economic development strategy once it is in place

Next Steps

- The Core Team will continue work via email to refine the recommendations summary to be used at the Sept. 24 Governor's briefing and the companion work plan.
- The refined recommendations will be shared with the four agency heads, the Governor's staff and the seven cluster executives prior to the briefing. Stakeholders tracking the project will also be kept informed via email and the project website: http://www.oregon.gov/ODF/RESOURCE_PLANNING/forestclusterstrategy.shtml
- The next Core Team meeting is tentatively planned for September 24 from 1-3:30, immediately following the Governor's briefing. Meeting location is tentatively OECDD headquarters.