Committee for Family Forestlands
Meeting Minutes
December 17, 2012

Pursuant to public notice made by news release with statewide distribution, a committee meeting of the Committee for Family Forestlands [an advisory body to the Oregon Board of Forestry with authority established in Oregon Revised Statute 527.650] was held on Monday, December 17, 2012 at the Oregon Department of Forestry, Operations Building D, Santiam Room, Salem, Oregon.

Committee members present:

Craig Shinn                        Rick Barnes
Susan Watkins                      Brad Withrow-Robinson
Mike Cloughesy                     Jim James
Scott Gray                         Rex Storm
Sarah Deumling                     Absent: Roje Gootee
Joe Holmberg                       Sara Leiman

ODF staff present: Others present:

Lena Tucker                       Jim Johnson, OSU Forestry Extension
Cynthia Orlando                   Nils Christoffersen, BOF
Doug Decker                       Peter Daugherty
Ashley Probst                     Travis Medema
Brad Knotts                       Susan Dominique

Call to Order
Chair Craig Shinn called the meeting to order at 9:04 a.m.

Item 1 - Welcome, Introductions and Housekeeping

Craig asked for any additions to the published agenda. The following topics were added:

- HR 2165 Draft Rule Language Update – Ashley Probst
- Proposed Housekeeping Rule Changes – Brad Knotts
- Overview of the Governor’s Recommended Budget – Peter Daugherty
- Report on NEDC v Decker Supreme Court Case – Doug Decker
- Partnership for Forestry Education Project Update – Mike Cloughesy
- Testing membership model for Oregon Tree Farm System – Joe Holmberg

Lena introduced Susan Dominique as new to the Private Forests Program filling in as this Committee’s administrative support while Linda Ellis is on a developmental assignment.

Introductions were made roundtable. Special guest, Nils Christoffersen, BOF member was introduced from Enterprise, OR. In self-introduction, Nils shared details of his international background and wide range of forestry experiences across the globe. Nils also shared his core tenet from Aldo Leopold that, “Conservation has to be good for the land and landowners and if either is impoverished by the efforts, then it truly isn’t conservation.”

Minutes
Craig asked if members had any changes to the draft minutes from the November 13, 2012 meeting. Susan Watkins replied that she had made some changes prior to the meeting that were now reflected in
the minutes provided to the committee. No other changes were remarked. Rick initiated Motion to approve the minutes as presented, Scott seconded the motion and the minutes for November 13, 2012 were approved as presented.

Public Comment
[No comments were presented for consideration.]

Item 2 – Overview of Wallowa Resources – Nils Christoffersen
[Handouts: General information flyer – Wallowa Resources; Wallowa Integrated Biomass Campus: A Case Story; Wallowa Resources Strategic Plan 2012-14; Design Benefits of Wallowa County’s Integrated Biomass Energy Campus]

Nils shared that Wallowa Resources started in response to the economic crisis in 1995 and the shutdown of all three sawmills in Wallowa County and the resulting job loss to the community. Wallowa Resources evolved in answer to the question of how the community was going to maintain a connection to the working forests and help the community economy. He stated that there was recognition that the silvicultural prescriptions on eastside Federal lands generated smaller diameter logs, but the infrastructure did not exist to process small logs and so there was no market at the time. There was a disparate need to create something out of the smaller diameter materials. One stewardship contract with USFS resulted in 50% of stems handled being less than 6” in diameter. As Federal land treatments declined in volume/acre the economics became more difficult. As treatment harvest volumes declined, hauling costs increased and resulted in mixed loads making processing more difficult.

Wallowa Resources evolved focusing on maximizing the profit for varied loads: The initial sorts were for log volume giving greater return and then triaged the remaining materials for a variety of markets: post & pole, chips, densified heat logs, bundled pest-free firewood. There is a biomass heat plant on the campus and the ability to dry firewood and sell it interstate as pest-free is an important part of the business. The heat plant is oversized in facilitating expansion and capabilities to adding other operations.

This project was started as a public, non-profit, and private partnership that changed hands over time. Starting with Joseph Logging and Community Small Wood Solutions (post and pole/firewood) which was sold to Upstream 21 (investment holding) then to Integrated Biomass Resources. The intention was to put the whole initiative under one umbrella rather than separate partnerships. Wallowa County purchased the land and leased it back to the company. Community Solutions, Inc and Integrated Biomass Resources are currently the main entities and are looking at merging.

Question: [Craig] What is your perspective as a resident and BOF member on the CFF’s Eastside white paper and where should CFF go next to follow up on items in the report?

[Nils] Applauds CFF efforts, the key issues are very familiar:

- Reduction of risk, use of prescribed fire, reducing landowner liability and financing for fire management are all huge issues.
- Markets are a big piece for small woodland owners as infrastructure has declined.
- Technical assistance from ODF foresters, consultants, Extension service and non-profit groups is an important benefit to small woodland owners and has more value than any cost share programs.
- Forest health, especially in interfacing with Federal lands has huge consequences and loss of harvesting on Federal lands has impacted the mill infrastructure. Failure to address the Federal lands questions in promoting markets is a concern as 75% of the forested land is in federal ownership. No one expects forest levels to match the past but they should be able to create value.
Many forestland owners also are livestock producers or lease their lands for grazing. Opponents to grazing often lose the perspective of the landscape benefits of grazing and economic viability. More discussion is needed on this topic so critical open space is not lost.

There is a big push for State involvement in Federal forestland and get those collaborative efforts correct. Nils expressed a need to work within State Agencies to try and create a unified State position (across all State Agencies) to avoid and mitigate conflicts in decision-making and messaging. Communication is a key ingredient in collaboration. A unified state response would facilitate addressing forest health and corresponding economic opportunities.

Question: [Jim James] What would you do to jumpstart things changes in Federal policy on the East side?

[Nils] There is no silver bullet, certainly but lots of debate about NEPA and ESA and the impact of the laws, policies, constraints and risks that lead to good decision making on federal lands. The BLM doesn't seem to have near the problem that the USFS has even with the same laws. There has been a lot of emphasis on consensus building in the decision-making process. This takes a long time. In Wallowa county, Watershed Assessments have resulted in active management on the ground (culvert replacement, offspring water development, road decommissioning). The watershed work that is done Wallowa County is at a smaller scale than is done in the John Day area. John Day moved faster on projects and there is a need to increase the pace and scale of Federal forestland management. In the short term we cannot afford to lose more mills.

The impact of the loss of infrastructure for forest product markets and lack of progress in forest management is equating to more and more pressure to loosen land use restrictions transferring forestland to other uses such as recreation, residential use. Changes are producing more absentee landowners in Wallowa County. Presently for lands over 20 acres only 15% are permanent resident landowners.

Question: [Craig] What are your thoughts on connecting the East and West sides to move forward in a unified vision/policy concerning these interconnected landscapes?

[Nils] We need to get past the either/or of conservation vs. exploitation. How to balance competing and diverse needs on these lands and improve management without burdening the landowner with additional costs.

Comment: [Craig] There is a notion that absentee landowners mostly live in the urban areas – perhaps there is an opportunity to connect with these people, bringing them into the process with the larger landscape vision.

Report from the State Forester:
Doug was in WA DC and met with many of his counter parts. Oregon is definitely engaged in the forefront of federal forest policy discussions. On January 9th at the BOF meeting we will be welcoming the new BOF chair Tom Imeson and the second new member Mike Rose. Doug invited CFF members to join in the transition decorum at the meeting. Tom Imeson has extensive background in public service in Oregon and an interest in the federal lands issue. Mike Rose represents labor as a member of the International Machinists Union; family is part of a trust that owns forestland. In the afternoon there will be a federal forest panel to help the BOF with their next steps on the federal forest policy discussions.

Doug presented an overview of his trip to DC to witness the Supreme Court hearing of NEDC vs. Decker. Stakeholders may hear something specific from the court on January 4th. There was hope that the court would take up the merits of the question as whether runoff from forest roads is considered a point source or not. However the EPA filing of their rule rendered the case moot. The plaintiffs will now appeal the EPA rule.
Doug acknowledged the letter that the CFF sent regarding work on the Eastside Forest Issues white paper.

Question: How can CFF be helpful to the BOF and Doug?


There is lottery funding in the Governor’s budget to support collaborative efforts and eastside forest issues. CFF would be a very helpful voice as the Oregon legislature grapples with the policy and financial questions of how to engage in federal forest issues. The Blue Mtn. pilot project is a grant funded project to address fuel loading issues and utilize biomass in the federal/private land interface in Eastern Oregon.

Conservation Finance Options – how do we gain a more robust tool box to fund working forest easements; conservation easements looking at tax policy and incentives to keep working forests working? Perhaps the CFF can help develop tools to develop funding sources.

Will send CFF a specific response to letter re Eastside white paper.

Item 3 – OFRI Economic Study – Mike Cloughesy


Mike provided an overview of the Family Forests Guide to technical, financial and educational resources for Oregon’s family forest landowners. This guide was created from the Partnership for Forestry Education Grant project. The new Report “Poised to Rebound” Oregon’s Forest Sector has an associated webpage TheForestReport.org.

Action Item: Put the Know Your Forest link on the website.

Topics included in the report are:

- Economics
- Improving markets
- Sector strengths
- Crisis in dry forest environments
- Benefits of active management
- Recommended actions

The reports assessment team included Mason, Bruce & Girard; Portland State University, Northwest Economic Research Center (Tom Potiowsky), Forest Econ, Inc., and the Beck Group.

A snail’s pace recovery is happening as housing starts are on the rise, which have a direct effect on the forest sector. The question is whether the lumber is going to come from Oregon or elsewhere. Forest sector figures were reconfigured to include log truck drivers in the workforce percentages for forest industry that other surveys had not included. As of July 31st 2012 report date forest industry accounted for 6.8% of Oregon’s workforce. In rural areas that percentage is up to 20%.

Oregon’s forest sector accounts for 76,000 jobs (5.3% of all jobs) and $5.2 billion total income. The forest section accounts for 6.8% of Oregon’s total economic base and contributes more than $12.7 billion in total industrial output.

The volume of timber in Oregon today is almost the same at 1953. But 75% of annual harvest comes from private forestland. (2010 data).

On federal forests, mortality exceeded harvest. Mike spoke regarding the effect of fire reducing the harvest on federal lands and the direct correlation between harvest reductions and jobs. An increase of 1 million board feet (250 log trucks) equates to the creation of 11 jobs. Eastside capacity has declined by 52% in the last decade.
Mike pointed out a graphic within the report showing mill numbers and types by county. They were categorized by Primary Wood Manufacturers (Plywood, Pulp/Boards, and Sawmills) or Secondary Wood Products (millwork). Secondary products took a bigger hit in the recession with the reduction in the housing market values. Mill capacity declined 52% in the last decade from 765 mmbf to 370 mmbf. There are currently 70 Biomass facilities statewide.

Recommendations:
- Reshape policies for Oregon’s Federal forests
- Pursue new markets for Oregon wood products
- Enhance Oregon’s Forest sector
- Defend the Oregon Forest Practices Act
- Develop an ecosystem service market

Item 6 – Wildfire Protection Act Update - Travis Medema, Deputy Chief Protection from Fire Division

The Board of Forestry policies are to maintain green working forests; their Mission is in part to protect valuable Oregon forestland, rangelands and communities from wildfire through safe and aggressive initial attack of fires on private lands. Challenges are the ability to protect and limit risks as large fires are costly both in monetary value and range loss. The question comes up how do we reduce costs? The East side experiences inequity as they are paying a large percentage of the fire costs.

Travis reviewed the annual funding structure for fire protection. The new proposal (phased-in approach over 3 bienniums):
- Investing $1 million of general fund into base level of protection and lowers costs for landowners on Eastside.
- Another $2 million in general fund goes towards statewide severity resources. OFLPF also pays $3 million to statewide severity resources.
- General Fund and OFLPF split the $1 million deductible for the insurance policy. General and OFLPF split $20 million of large fire costs before the insurance policy is activated.

Improving outcomes, reducing the negative impacts of wildfires benefits all Oregonians. So upfront investments save money in the long term.

The Eastside has the lowest productivity but the highest protection costs and fire severity has increased. Eastside affordability is in maintaining working forest and rangelands and reducing fire severity which will promote equity in the system.

Next steps: The Wildfire Protection Act is the #1 priority policy package for the BOF and ODF it has been fully approved in the Governor’s Balanced Budget and work will continue with stakeholders group (Coalition) involvement pushing for legislative consideration in 2013-15.

The next Coalition meeting is January 17th. CFF is welcome to have representation on this group.

Question: [Craig] Does CFF want to actively support the Wildfire Protection Act?

Motion is made by Susan, Sarah seconded the motion; All members in attendance were in favor. Rick will be participating in the January 17th meeting.

Discussion brought up the question of why counties should agree to invest more in the General Fund. Travis responded that we need to emphasize the benefits of green, healthy forests, environmental benefits and jobs.

Peter responded that this is the hardest part of the argument. That although upfront investment will lower future cost there is no incentive in place to improve the system. The legislature has little risk exposure when 1/3 of the fire starts are through natural causes, 1/3 public causes and 1/3rd industry.
Questions were raised regarding the premiums on State insurance for fire risk and whether or not the premiums could be expected to go down if this concept is approved.

[Travis] Making the investments made up front would not affect the policy negatively; the premium would not be likely to increase. Work is accomplished through the State’s Insurance broker. Suppression efforts such as the camera detection network are valuable to show the state’s good faith efforts.

**Item 6a – Cohesive Wildfire Strategy – Travis Medema**

Travis has been on a special assignment for the year to work on this national strategy. Origins of the strategy are in the 2009 FLAME Act (Federal Land Assistance, Management and Enhancement Act) which directs the Department of Agriculture and the Interior to develop a cohesive wildfire management strategy. The act established an account to fund large fires, rather than having the USFS pull money from other programs. The act promoted a solution-based strategy to mitigate costs and provided funds to pay for large fire costs.

**National Collaborative Goals:**
- Restore and maintain landscapes across all jurisdictions
- Promote Fire-adapted communities
- Respond to Wildfire through effective integration of Federal, State, County and other local groups

This is important because fire management is complex and involves a wide range of stakeholders. A comprehensive effort is needed to meet the challenges to forest health and range management.

**Goal 1 – “West-centric” Strategy - Focus on the western part of the U.S. with its healthy, resilient landscapes, more active management and unique ownership patterns. Management is possible on a larger scale with the majority of land in Federal hands.**

**Goal 2 – Collaboration - is critical. So looking at middle ground in gaining consensus is important as well as looking at local market solutions.**

**Goal 3 – Response capability - The concept of All Lands – All Hands is important. Active management is needed at a larger scale. Fire’s role in the landscape is important and prescribed fire is useful however risk must not be transferred to private lands.**

What does this mean to Oregon? Establishing a national strategy creates a framework to discuss and develop plans for each of the goals, brings together stakeholders and partners, and has the potential to drive funding and activities that may shape management in the future.

Strategy must ultimately be adopted by Congress.

**Northern Blue Mtn. Pilot Project**

Oregon was one of three states (along with Idaho and Montana) to get grant funding to do a pilot project to define what the Cohesive Wildfire Strategy would look like on the ground. This project includes private and federal land in northeast Oregon and would create an integrated Geo-Region Collaborative for fire suppression and management. This pilot could increase coordination for large scale forest management projects on federal lands, improve efficiencies and markets for forest biomass removal and marketing. Will utilize UAS=understanding, acceptance, support.

The strategic vision is to provide cohesiveness:
- Establishing geographic/regional fire suppression
- Provisions for Inter-Agency Fire staffing
- Developing comprehensive Fire Severity staffing
- Exploring joint funding for critical resources
- Develop all agency plans for WUI’s
- Utilize and accelerate fuels treatments
- Removing barriers and improving effectiveness
**Item 7 – BOF Protection from Fire Work Plan – Travis Medema**

Travis thanked the committee for the letter. Prescribed fire is a widely debated topic. The Protection from Fire Division is developing a new work plan with the BOF. High priority work is being identified. Fire fighter defense, smoke management, budget issues, and wildfire protection act are all high priorities. The emerging work plan will include prescribed fire, climate and fuels, unprotected/under-protected lands.

**Working Lunch Topics:**

**A. HB2165 Draft Rule Language Review – Ashley Probst/Brad Knotts**

[Handouts]

Ashley provided a brief overview of the draft rule language that was provided in the member’s packet for review. Ashley Probst working in a rule-making developmental position in the Private Forests Program provided a review of the proposed changes to HB 2165 Rule regarding the Statutory Written Plan requirements in OR 629-605-0170 Statutory Written Plans and OR 629-635-0130 Written Plans for Streams, Lakes, Wetlands and Riparian Management Areas. There would be changes to requirements for Written Plans near Type F/D and significant wetlands if any of the following criteria is met:

- a) Operation will not directly affect RMA
- b) Stewardship Agreement is entered into; or
- c) Work performed under a General Vegetation Retention Prescription

In addition the Significant Wetlands Written Plan Requirement has been changed to 100 feet from 300 feet and Notification processing has increased from 3 to 6 days. In general these proposed changes will allow focus on higher complexity operations and require more advanced knowledge of risks to RMA so adds value to Written Plans.

Final recommendations will be presented to the BOF at the March Board meeting. Ashley has asked for feedback from the members by January 8th, 2013. Lena sent electronic versions of the changes for member review; feedback may be emailed to Ashley at aprobst@odf.state.or.us.

Brad Knotts presented materials for reviewing proposed “housekeeping” rule changes. The intent of “housekeeping” opportunities and revisions to bills is to take advantage of significant rule change periods to correct obvious grammatical or formatting errors or omissions but not to alter the meaning of any rule. Most changes fell into 3 categories: Typos/Transcription errors; General copy & paste revisions, example, adding definitions and references updates. Some changes were duplications of rules corrections from 629-605-0170 to 629-635-0130.

The committee was instructed to review housekeeping changes and send any comments back to Ashley with the Rule language comments by January 8th, 2013. Final review will be by the BOF prior to submission to the Secretary of State. The Committee recognized Brad Knott’s efforts in interpretation of rule and mitigation of misjudgments through appropriate rule language changes.

**B. Governor’s Balanced Budget – Peter Daugherty**

[Handout: ODF 2013-15 Governor’s Balanced Budget]

ODF fared well in the Governor’s Budget. Some highlights included:

- The Wildfire Protection Act receiving full funding
- Gilchrist State Forest expansion using lottery bond proceeds;
- Integrated effectiveness monitoring adds resources for water quality monitoring
- Forest Practices Act administration add stewardship forester capacity to address high FPA workload in urban interface areas
Use of general fund to support forest collaborative in seeking solutions to forest health and economic issue related to federally owned lands. Natural Resources agencies in general fared better in this budget than previously. There were no reductions in the Private Forests Division except for 5% in Administrative costs to be covered in efficiencies and PERS reductions to cost-of-living and out of state tax breaks.

Craig requested to be posted as the Legislative session unfolds so that the committee members may be supportive in communicating forestry needs.

C. Update from Trip to Washington, D.C. – Craig Shinn

Saw Doug Decker on the steps on the Supreme Court. The Farm Bill is ready to move as the work is all done – however might be re-introduced in the next session in 2013 before it goes forward. Craig was impressed with the American Forests Foundation Public Affairs Manager, Christine Cadigan and commented on her top notch influence with Congress.

Ron Wyden will accept the chairmanship of the Senate Energy and Natural Resources committee.

Item 8 – OSU Extension Representation – Brad Withrow-Robinson

Brad will invite guests from Extension who have knowledge of the topics that CFF is discussing to provide a broadened perspective, especially on Eastside topics. However, OSU needs to be prudent regarding time and travel requirements.

Jim Johnson – This is the first CFF meeting he has attended. Jim appreciated the opportunity to learn about the work the CFF is doing. The short terms for ex-officio members make it easier to ask for commitment. Jim would support paying the travel per diem to get other extension foresters to attend meetings when their expertise is needed.

Item 9 – Federal Member Recruitment – Susan Watkins

Doug Decker suggested Peg Polichio – USFS State and Private
Peter suggested Brad Siemens, who is Ray Abriel’s replacement. (Ray is retiring at the end of 2012)
Joe suggested Cindy Glick – Sweet Home District Ranger. Cindy is working on an “All Lands – All Hands Approach” project.
Peter also suggested looking at the NRCS Forester.
Brad advocates that an NRCS member would line up well with the work on EQUIP funded project and State Conservation Strategies.

Question: [Craig] What do we want this person to contribute?

Susan: The term for this position is two years. As we are continuing to focus on Eastern Oregon then we should look at someone who can help us with those issues.

Mike C.: John Allen – Supervisor on the Deschutes NF

Final suggestions: [Craig] #1 Cindy Glick #2 Peg Polichio
Craig will meet with Doug and Peter to discuss the candidates.

Item 4 – Development of a pilot project on Private Lands Collaborative – Mike Cloughesy

This pilot project might be a potential State and Private grant project. OFRI is interested in being a partner with the State.
ODF can sponsor 4 projects under the Western Competitive grant program for 2014. Pre-proposals are due to ODF in May 2013 stating what, why for formal proposal. June through August is review period,
August proposals are prepared. Parts of the criteria are about conserving, enhancing and managing landscapes; protecting landscapes from threats and preserving ecosystems; and enhancing public benefits from private forests.

Project will be focused in the John Day/Ritter valley area with Roje as the private lands lead. (ODF must be overall lead for these funds.) More investigation is needed on scope, scale and costs.

Question: What happens after Grant funds are expended?
The seed money is to start and facilitate new ideas. Ideally the Collaborative project may become self-sufficient. Use WC grant to initiate, then support specific projects with CIG or other funding. The startup creates the infrastructure to build upon.

NRCS has a program called Conservation Innovation Grants (CIG) which provides access to EQIP funds to provide cost share to landowners. It would be helpful to have the State Forest Stewardship Coordinating Committee review this project if the CIG route is used.

Craig – is there enough interest for members of the committee to pick up the lead and develop a proposal? Need to start the conversation with Roje and other interested landowners.

Questions to be answered by pre-proposal dates would include budget, partnerships, vision, benefits, operability and key themes to convince reviewers with scorable criteria.

**Action Items:**
- Mike, Roje and Brad will start the conversation and bring a plan back to the January meeting.
- Lena will identify if Angie Johnson is available/interested in the project.
- Susan Watkins will act as liaison.

**Item 10 – Preparation for 1/16/13 Discussion with Ron Alvarado, NRCS State Conservationist/ State Forest Action Plan and Conservation Strategies – Craig Shinn**

Ron Alvarado confirmed his attendance at the January meeting. He is available at 10:30am – 12:00. The members discussed questions to address to Mr. Alvarado.
- What does the future hold for NRCS funding? What is the future of the Farm Bill?
- How do we leverage EQIP funding for reforestation for private landowners after wildfire or other emergencies? How can we be nimble with this funding to address emerging events?
- What does Ron know about family forestland owners? Does he know how important NRCS is becoming to family forestland owners?
- What is NRCS’s policy regarding follow up and monitoring and on grant projects and on the ground treatments? How effective are these programs?
- What has Ron learned about establishing the Technical Service Provider (TSP) process in Oregon and what is needed for future success?
- How to improve communication and access at the local level for family forestland owners? How does Ron see OSU and ODF fitting into the work of NRCS?
- Provide overview on the eastside pilot project and how it might be a good fit for the CIG program and the “all lands” approach.

**Note:** Agenda Items for the January Meeting
- NRCS – Ron Alvarado
- Eastside Forest Issues follow up – integration of technical assistance
- Legislative Update
- TMDL update – Jim James and Peter Daugherty
• Follow up on the private land collaborative project
• Follow up on federal member recruitment
• Joe Holmberg – Tree Farm membership pilot project

**Action Items:**
• Lena will draft a welcome email for Craig to send to Ron Alvarado for the January meeting.
• Peter will invite Paul Ries to speak to the CFF during the April 17th meeting.
• Craig suggested that the CFF send John Blackwell a thank you note for his service on the BOF.
• Lena to notify Sabrina that Craig will provide public comment at the January BOF meeting to thank John Blackwell.

**Wrap Up –, Chair**

There being no further business, the meeting was adjourned at 3:04 p.m. The next meeting is scheduled for January 16th, 2013 in the Santiam Room, Bldg D, Oregon Department of Forestry, Salem, OR.

/s/
Lena Tucker
Committee Secretary
Regional Forest Practices Committee

[12/18/12]