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; Jim Bernard, Clackamas County Commissioner, Co-Chair; Patricia Roberts, Clatsop County Commissioner; Anthony Hyde, Columbia County Commissioner; Faye Stewart, Lane County Commissioner

**Absent Committee Members:** Chuck Hurliman, Tillamook County Commissioner

**Present Department Staff:** Doug Decker, State Forester; Satish Upadhyay, Administrative Division Chief; Mike Cafferata, State Forests Deputy Division Chief; Andy White, Forest Grove District Forester; Dan Postrel, Agency Affairs Director; Mary Schmelz, Office Manager, Agency Affairs; Kevin Weeks, Information Officer, Agency Affairs; Dave Lorenz, Acting Southern Oregon Area Director; Mike Bondelon, Northwest Oregon Area Director; Mike Totey, West Oregon District Forester; Tom Savage, Astoria District Forester; Keith Baldwin, Policy Specialist, State Forests Division

**Present Others:** Craig Pope, Polk County Commissioner; John Lindsey, Linn County Commissioner; Gary Springer, Oregon Board of Forestry; Randy Herford, Starker Forests; Gil Riddell, Council of Oregon Counties; Bob Van Dyk, Wild Salmon Center; Chris Jarmer, Oregon Forest Industries Council; Rex Storm, Associated Oregon Loggers; Lisa Sue, BLM; Chris Bacon(sp?), BLM

**Approve Minutes, Introductions**

**Motion:** Anthony Hyde: Approve minutes. Second: Jim Bernard. All in favor. Minutes approved. Correction to minutes: Faye Stewart was present via conference call.

**Chair comments:** Chair Josi asked Gil Riddell to start the process of replacing the Polk County committee seat that Commissioner Propes held.

**Legislative update**

- **HB2001** Requires management primarily for timber production. Sponsored by Co-Speaker Hanna. Would redefine GPV, and, more specifically, elevate timber production and revenue generation to be the primary purpose of state forests. Currently at Ways and Means Committee. Testimony was given at House Agriculture and Natural Resources Committee asserting that the Board of Forestry, rather than the Legislature, is the best forum to make forest management policy decisions. Chair Josi said the FTLAC’s position, as a rule, is that the Legislature not intervene in state forests’ policy. The FTLAC introduced similar bills in the past because they thought the Board wasn’t meeting its fiduciary responsibility to the counties. Last year the Board agreed to increase harvest on state forests; for that reason, the FTLAC didn’t take a position on this bill.

- **HB2875** Specifies that public lands used for wildlife management be open to hunting. Sponsored by Representative Clem. The bill is primarily about notification. The department is comfortable with the bill, with the inclusion of exemptions regarding operations, fire closures, etc.

- **SB862** Authorizes biomass supply agreement. Requires assessment. Mostly would impact drier lands in Oregon, therefore would have lesser implications to state forests. Re-states existing authorities. This bill 1) is a vehicle for the Governor’s biomass utilization goals; 2) allows the Board to enter into competitive bids and have biomass supply agreements; 3) states that biomass removal operations are subject to the Forest Practices Act; 4) requires the department to conduct a statewide assessment using existing information about biomass.
Public Comment
Rex Storm, Associated Oregon Loggers, spoke on behalf of timber companies and forest contractors. He submitted a written copy of his comments to the FTLAC at the February 11, 2011 meeting. He said that the GPV and the Northwest Oregon Plan are not performing to their expectations, and that the recession spotlights this.

John Lindsey, Linn County Commissioner, disagreed with biofuel policies. He expressed concern over the loss of infrastructure and equipment in forest industries in Oregon, specifically the closure of the Albany mill – the first paper mill to recycle paper. He said that the longer we wait for these policies to develop, the more industry leaves Oregon and the harder it is to maintain infrastructure.

Department Budget Update
Satish Upadhyay
Proposed Budget/Ways and Means Committee
Agency executives attended Ways and Means hearings from April 25 – April 28, 2011. Fourteen stakeholders were present in support of the agency; four written testimonies were submitted.

Governor’s Balanced Budget
The Governor’s 2011-13 balanced budget increased from $303mil to $310mil, compared to the 09-11 legislatively adopted budget. The increase in General Funds (GF) is about $5.6 mil because:

- $2.1 mil was shifted from a special purpose appropriation (Emergency Board Fund) into part of agency’s budget.
- The Private Forests program split changed from 60% GF / 40% harvest tax to 58% GF / 42% harvest tax. Industry was consulted and agreed to the change, with the understanding that it is only for one biennium.
- The balanced budget adds an additional $1.2 million to cover a portion of the last biennium’s 58% reduction in the Private Forests program; funding won’t return to 07-09 biennium level.
- $2.3 million from lottery funds for the Gilchrist purchase debt service. An additional $.7 mil in lottery funds is dedicated for forest health.

The Protection Division funding had significant changes:

1) The base Protection funding split is proposed to change from 50% GF / 50% private landowners to 45% GF / 55% private landowners, which means private landowners will have to contribute the additional $2.6 mil. The Governor expressed interest in a supplemental budget that would maintain the 50/50 split.
2) The Governor’s Balanced Budget does not include the establishment of as special purpose appropriation for Severity Resources/insurance, which results in a $2.6 million deficit.

Next Steps
The Legislature will schedule a budget work session with the agency. State Forester Decker said he was cautiously optimistic that there will be some level of restoration of stewardship forester positions.

Implementation Plans – Executive Summary Update
Tom Savage and District Foresters
The 2011 IP revision is the next iteration of the 10 year plan, using information that led to some modifications of the 2009 plan, and beginning to incorporate changes in the 2010 NW Oregon Forest Management Plan.

Key Changes to 2011 IP:

1) Amount of Complex Forest Structure developed in the long term.
2) Change in policy for providing habitat to native wildlife – Species of Concern approach.
3) Change in harvest levels.
4) Recreation plan integration for Astoria district IP’s.

The IP’s outline how management will move forests toward closed canopy, understory, regeneration, layered and Older Forest Structure targets. Currently regeneration categories are increasing and closed single canopy are decreasing. Some stands are moving into Closed Single Canopy. Older Forest Structure is low but increasing (as expected – Older Forest Structure will take more time to achieve). Chair Josi noted that Swiss Needle Cast disease will also make the Older Forest Structure more difficult to achieve.
Changes in harvest levels (projections):
- Astoria: 2011 IP will achieve harvest level target of 73 mmbf; in 2009 the level was 61mmbf.
- Forest Grove: 2011 IP will achieve harvest level target of 61 mmbf; in 2009 the level was 58mmbf.
- County revenues are likely to increase over the next 10 year period, subject to timber market prices.

Next steps: The Tillamook district IP’s will be completed next year; other district IP’s will follow.

Fiscal Budgets and Revenue

General Guidance

The agency is in its fiscal budget cycle. Budgets help the agency make the best management and investment decisions given available resources. This year the budget guidance is relatively general and, due to the downturn in the economy, instructions are to minimize certain activities. Some specifics: 1) The same level of reforestation will continue from last year; 2) Same level of recreation support, with a focus on maintaining the current infrastructure.

Revenues (January 2011 forecast)

Mike Cafferata distributed a chart with projected revenues, by county, over the next six years. The overall forecast is positive, indicating a slow increase in revenue. The first year’s projections are relatively certain (i.e., timber contracts are in place). The next two to three years are less certain, but include planned sales. The following six (plus) years are much more uncertain because the market is unknown, and sales aren’t planned six years in advance. Revenues have increased a little, and some sales have sold since January. China is buying a lot of timber products, therefore creating a log shortage in Oregon, which is increasing bid prices.

Note: The Forest Development Fund, the State Forests program’s “savings account”, is currently spending more than saving. Discussion point: The primary beneficiary of the CSL funds are schools. At a future FTLAC meeting, invite a school representative from a CSL county to attend.

Board of Forestry / State Land Board

Gilchrist phase two

Mike Cafferata

The agency is still considering the possibility of purchasing a piece of land next to Gilchrist phase one. Some possible sources of funding would be through the Forest Legacy or by selling carbon credits. The purchase is uncertain; a state agency may not qualify for carbon credits.

INR April and June

Mike Cafferata

At last Board of Forestry meeting, the Board received and asked questions about the Institute of Natural Resources’ (INR) review of the science used in the revised Forest Management Plan (FMP). The agency will consider the findings and prepare further questions/information that may be helpful to the Board. Continuation of the INR report discussion is planned for the June 8, 2011, Board meeting.

Context/Background: In 2001, the FMP was approved. Not long after approval, it became apparent that certain expectations couldn’t be met. This led to alternate proposed models to achieve goals: Performance Measures with targets, zonal, conservation, and biological approaches. The agency concentrated on a Performance Measure approach. In April 2009, the Species of Concern strategy, focusing on maintaining, enhancing and restoring habitat, was included. Two documents were presented to INR, 1) 2001 FMP with the HCP, and 2) Alternative FMP (e.g., Species of Concern strategy, social aspects). The agency compared these plans, making assumptions that appeared consistent with current science. INR has disagreed with this analysis. They suggested that a much more detailed analysis was needed, particularly regarding “older forests structure” being too broad of a term, i.e., more detail is needed about populations, habitat relationship models, riparian areas, etc.

Parameters to keep in mind as this review and discussion continue:
- What is the statutory mandate of the agency/Board?
- What is the administrative rule?
- At what point will there be enough information to make a decision?
• What risks are involved?

Patricia Roberts emphasized the need for public outreach on this topic so that misinformation doesn’t disseminate, and to inform the public of fiscal impacts of studies (funding comes from timber revenues).

**Elliot State Forest April and June (State Land Board)**
The Board of Forestry had asked the agency to start rulemaking for the Elliott, which is a challenging project. The agency was unable to get an HCP with federal services, so will instead employ take avoidance. The State Land Board has authority to manage Common School Funds lands, and will meet in October 2011 to hear panel discussions and comments.

[*Action*: Mike Cafferata: Remind Tim Josi when the October 2011 Land Board meeting is scheduled; he may attend.]

**GPV and Planning Rule**
This was a consent agenda item at the April 2011 Board meeting. The Board will resume discussion in June 2011, with consideration of the INR report.

*Meeting Adjourn*

**Meeting Materials:**
“Executive Summary – 2011 Astoria and Forest Grove Districts Implementation Plan”, Department of Forestry
“2011-13 Governor’s Balanced Budget”, Department of Forestry
February 11, 2011 Public Comment, Rex Storm, Associated Oregon Loggers, Inc.
“January 2011 Revenue Projection”, Department of Forestry
“Astoria and Forest Grove Districts: District Implementation Plans Revisions 2011”, Powerpoint presentation, Department of Forestry

*Post meeting: 2010 Department Customer Service Survey*    
FTLAC Members

*Next Meeting:* July 21, 2011, 9:30a.m. – 1:30p.m., Santiam Room, Department of Forestry, Salem