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; Earl Fisher, Commissioner; Faye Stewart, Lane County Commissioner; Mike Propes, Polk County Commissioner; Chuck Hurliman, Tillamook County Commissioner; Nichole Williams, Clatsop County; Nancy Hirsch, Chief State Forests Division, Oregon Department of Forestry

**Absent Committee Members:**
Susan Morgan, Douglas County Commissioner; Chair; Patricia Roberts, Clatsop County Commissioner; Anthony Hyde, Columbia County Commissioner

**Present Department Staff:**
Clark Seely, Associate State Forester; Mike Cafferata, Deputy Chief, State Forests Division; Dan Postrel, Program Director Agency Affairs; Doug Decker, NWOA; Jeff Foreman, Agency Affairs; Jeff Brandt, State Forests Program; Greg Cline, North Cascade District; Dan Goody, Forest Grove; Dave Lorenz, Western Lane District; Andy White, NWOA; Jennifer Weikel, State Forests; Ron Zilli, Astoria District

**Present Others:**
Gil Ridell, Association of Oregon Counties; Chris Jarmer, Oregon Forest Industries Council; Mark Rasmussen, Mason, Bruce & Girard, Inc.; Bob Van Dyke, Wild Salmon Center, Rex Storm, AOL

**Approval of minutes of last meeting**
Chuck Hurliman made a motion to approve the April 3, 2009 meeting minutes. Mike Propes seconded the motion. Minutes approved.

**Overview June 3, 2009 Board of Forestry Agenda - Mike Cafferata and Staff**
Mike Cafferata provided an overview of the services that the Department would not be providing after July 1, due to layoffs. Modeling results will be provided at a slower pace. Mike discussed the Board of Forestry agenda for June 3, 2009.

**Recommendation to Board of Forestry at June 3, 2009 meeting: Changes to the Northwest Forest Management Plan to Best Meet Performance Measures**
The recommendation is to decouple the Habitat Conservation Plan (HCP) from Forest Management Plan (FMP) and not have the management plans tied to the federal processes. The Department can always pursue the HCP as a tool for endangered species compliance, but this recommendation would remove the HCP from FMP’s. Tim Josi said he was glad that the
assumption that State Forests are tied to federal law is being addressed, and that this would allow more direction from the Board about Species of Concern.

Model Results of Species of Concern Evaluation
Species of Concern strategies for the three north coast districts are almost finalized. If the Species of Concern strategies recommendation is not accepted by the Board, it could result in rewriting the FMP. Mark Rasmussen asked if the same questions asked about whether the HCP was a good business decision should be asked about the Species of Concern strategies. Mike Cafferata said the analysis covered the benefits for species and the costs. Mark Rasmussen suggested the 19 questions reviewed at the last meeting be asked about Take Avoidance in order to evaluate cost effectiveness. Tim Josi suggested there be the least amount of language written into the OARs so the Department would have the ability to be flexible in interpreting the rule.

The Department thinks the recommendations better represent the balanced combination of outcomes contemplated by this Board. Tim Josi stated that the assumption in this plan didn’t include the fiduciary responsibility to the counties. He suggested that if the Department wanted to build cooperation, the counties should be included in policy recommendations. Nancy Hirsch recognized that the work done in the last 18 months left a lot of people out of the process due to ambitious timeframes. However, the foundational principles and goals of Chapter 3 in the FMP have remained. Chair Blackwell has expressed that the current construct would not achieve the targets set by the Board; that is why the Board wants to move in the direction of changing some strategies in the FMP.

If the Board made a decision on June 3, the Board’s proposed language would be presented at the September Board meeting. If the language is approved, staff would proceed according to the Administrative Procedures Act to adopt new OARs for the FMP. The decision would potentially affect annual operation plans beginning in late 2011.

Tim Josi said he would testify at the June 3 Board meeting, asking the Board to proceed slowly when considering the Department’s Species of Concern strategy/recommendation. He would ask that a new FMP be drafted. Nancy Hirsch said she thought the FTLAC would see the risks and benefits that staff has evaluated for the Species of Concern strategies.

Steve Laam said the current FMP has accomplished a lot from the field perspective. When Threatened and Endangered species issues arose, it was difficult to put a sale plan together. A strategy was needed that would legally armor the Department; the plan accomplished this. The plan also was consistent with social expectations; there hasn’t been a problem with ballot measures about forest management of State Forests.

Evaluation of How the Performance Measure Management Approach, In Combination with Species of Concerns Strategies, Affects All Nine Performance Measures
Mike Cafferata discussed Agenda Item 3, “Improving the NW FMP to Achieve the Desired Outcomes”. He compared the base case of the current FMP with an HCP to the Performance Measure model run with 30 percent complex structure and a Species of Concern list. An analysis compared economic values, return on asset values, direct and indirect financial contributions, support for communities, and contributions to State and local governments.
Agenda Item 2, with attachment, is an analysis of how the strategy would affect fish and wildlife, comparing two management regimes. Both models have a moderate to high probability of providing habitat for Species of Concern.

**Public Comments**
Bob Van Dyke, Wild Salmon Center, said there are many Oregonians who have a broader range of interests, e.g., fish and species habitat protection, whose views are not represented by the FTLAC members. He said the FTLAC sees species concerns as constraints to timber production. He said he understood that some counties need the revenue, but finding sustainability on forests means finding political sustainability as well. That means bringing all parties to the table.

Tim Josi read from an August 20, 2008 survey which asked participants whether they would support legislation to require the Clatsop and Tillamook State Forests be managed primarily for timber production. Seventy percent of the 401 respondents said they would support such legislation; 17 percent were opposed; 13 percent were unsure. There was a 12 percent increase in those supporting legislation, compared to the 2006 survey.

**FTLAC Forest Management Plan Option & Tillamook Inventory - Mark Rasmussen**
Mark Rasmussen developed an alternative to the FMP that meets the counties’ criteria of 90 percent of the revenues available under the Forest Practices Act (FPA) standards, and determines what the counties would trade off for the remaining 10 percent.

Mark reviewed the alternatives developed by State Forests’ staff. The Wood Emphasis Alternative is based on managing the forest with only the FPA as a constraint. This alternative will produce 272 MMBF per year, with 80,000 acres unavailable for harvest. This alternative exceeds the Board of Forestry Performance Measures for economic benefits. The net present value for this alternative is $1.86 Billion. The next alternative uses FPA stream buffers and leave trees and provides more protection and habitat than the FPA does for Northern Spotted Owls and Marbled Murrelets. This alternative would produce 256 MMBF per year, with an additional 39,000 acres unavailable for harvest due to additional habitat. The net present value is a 4% less than the previous alternative.

The FTLAC would like Mr. Rasmussen to present this information to the next Board of Forestry meeting.

**Annual Operations Plan Updates – Mike Cafferata and Staff**
The public comment period for the 2010 Annual Operations Plans (AOP’s) and the North Coast District Implementation Plans (IMP’s) ended May 13th. There were three comments on the IMP revisions. Public meetings were held at each district, and went well. No AOP public comments were received by the Forest Grove, Tillamook or West Oregon Districts. The other districts all received public comments on their AOP’s.

**Legislative Update – Policy and Budget Bills - Clark Seely, Dan Postrel, and Nancy Hirsch**
The Agency budget has completed its hearings in the House Ways and Means committee. There was outstanding turnout in support of the Agency during public testimony. The State Economist sees the possibility of recovery from the recession beginning in late 2009, though the state’s budget will be constrained through 2010. True recovery will more likely begin in 2011.

The budget for the 2007-09 biennium still shows a negative ending balance of approximately $350 million, even with the reductions the legislature has made. This gap needs to be brought to zero by June 30th. It does not appear like the legislature will take anything from the Forest Development
Fund. The 2009 – 11 biennial budget gap is approximately $530 million, which is 15 – 20% of the current service level budget, which will result in budget reductions for agencies. The Department is reviewing and working on obtaining stimulus funds for the agency.

Dan Postrel reported that discussions began early in the legislative session regarding state forests. The bills have narrowed to three that affect state forests:

- HB 2216 is regarding acquisition of the Gilchrist Forest, as well as including updates to current provisions.
- HB 3072 is about Greatest Permanent Value. The Board of Forestry has decided to oppose this bill.
- HB 3249 gives authority to the Board of Forestry to set up forest conservation areas. The FTLAC felt that this bill would not progress to passage.

There was also a proposed bill to change the formula from 75 – 25 to 85 – 15, which would take significant funding from the Agency. This bill has been stopped, at Tim Josi’s urging.

**State Forests Fiscal Year 2010 Reductions – Nancy Hirsch**

Nancy Hirsch reported that revenues have dropped by 20%, and revenue projections for the next biennium were 40% lower. Stimulus funds may help the State Forests Program in two ways, 1) provide positions for people laid off; 2) allow flexibility to shift funds when revenues return to higher levels. Staff reductions will affect the Agency’s fire fighting ability. The State Forests Division will be assessing work priorities with the reduced staff.

**Stimulus Opportunities – Tom Savage**

The US Forest Service announced that funds will be available for invasive weed control. The Department received $2.5 million for this project; a large portion will go to State Forests. The total funds announced are $11.5 million; these funds are not awarded yet.

Other projects include funding for oversight of contractors performing the work. These would result in additional positions, not regular State Forest’s positions. The US Forest Service has entered into some agreements to work with the Department for positions in project oversight.

Tim Josi gave a public performance review of the State Forest’s staff, saying they are all very professional and have done a very good job of providing him and the committee with information they needed and have engaged in open and honest discussions of State Forest and County issues. There were other supportive comments about the State Forest’s staff.

**After formal meeting: FTLAC Customer Service Key Performance Measure Survey**

**Adjourn**

**Next Meeting: Friday, August 14, 2009, ODF Salem, Santiam Room, Building D**

**Handouts:**

*State Forests Research and Monitoring Program Summary*

*Board of Forestry State Forests agenda packet*

*Power Point notes of Mark Rasmussen’s presentation*

*Timber 2008 Survey Research Report Executive Summary August 20, 2008 by The Nelson Report*

*Oregon Economic and Revenue Forecast Summary May 2009*