

Revised Draft Guiding Principles Including April 2018 Board of Forestry Feedback and Stakeholder Input

After receiving additional stakeholder input, the Division has modified the Revised Draft Guiding Principles. Three versions of the Draft Guiding Principles are included in these updated materials. The updates to the official July 2018 Board of Forestry materials include:

1. Staff Recommendation: This version incorporates stakeholder input in addition to the feedback from the April 2018 Board of Forestry meeting. This “clean” version does not track revisions.
2. Revised Draft Guiding Principles Version 2: This version shows added and deleted text with different font styles to display feedback from the April 2018 Board of Forestry meeting as well as the additional stakeholder feedback.
3. Revised Draft Guiding Principles: This version was the original version included in the July 2018 Board of Forestry materials prior to stakeholder input.

Staff Recommendation
Revised Draft Guiding Principles Version 2
Including April 2018 Board of Forestry Feedback and Stakeholder Input

This Staff Recommendation of version 2 of the Revised Draft Guiding Principles incorporates stakeholder input in addition to the feedback from the April 2018 Board of Forestry meeting. This “clean” version does not indicate revisions with different font styles.

Staff Recommendation
Revised Draft Guiding Principles Version 2
Including April 2018 Board of Forestry Feedback and Stakeholder Input

The Forest Management Planning rule (OAR 629-035-0030) identifies required elements for Forest Management Plans. Among these are: “Guiding principles that include legal mandates and Board of Forestry policies.” Taken together, and at the direction of the Board of Forestry, the guiding principles shall guide the development of the management plan including goals, strategies and measurable outcomes. The Division proposes the following set of draft guiding principles for a revised Forest Management Plan (FMP).

Principle 1 – The Forest Management Plan will be grounded in the management mandates for Board of Forestry lands as expressed in the Greatest Permanent Value (GPV) and Forest Management Planning OARs, and the mandates for Common School lands.

Oregon Administrative Rule Chapter 629, Division 35, Management of State Forest Lands, provides the foundation for the development of the Forest Management Plan for Board of Forestry lands. The Oregon Constitution provides the foundation for the management of Common School Forest Lands.

Division 35 includes definitions, findings and principles associated with acquired lands, language defining GPV, and direction for the development of Forest Management Plans. While the rule language is the ultimate source, the primary elements and themes in these rules include:

- *The resources and values articulated in the OARs:*
 - Sustainable and predictable timber harvest and revenues;
 - Properly functioning aquatic habitats;
 - Protection, maintenance, and enhancement of native wildlife habitats;
 - Protection of soil, air, and water;
 - Provision of outdoor recreation activities;
 - Consideration of landscape effect;
 - Protection from fire, disease, insects, and pests;
 - Also mentioned are: protection against floods and erosion, protection of water supplies, grazing, forage, and browse for domestic livestock, forest administrative sites, and mining leases and contracts.
- *The OARs direct that the FMP will include strategies that:*
 - Contribute to biological diversity of forest stand types and structures at the landscape level and over time;
 - Apply silvicultural techniques that provide a variety of forest conditions and resources;
 - Conserve and maintain genetic diversity of forest tree species;
 - Manage forest conditions to result in a high probability of maintaining and restoring properly functioning aquatic habitats;
 - Protect, maintain, and enhance native wildlife habitats;
 - Recognize that forests are dynamic;

- Provide for healthy forests by using an integrated pest management approach and utilizing appropriate genetic sources of seed;
 - Maintain or enhance forest soil productivity;
 - Maintain and enhance forest productivity by producing sustainable levels of timber;
 - Apply management strategies that enhance timber yield and value while contributing to the diversity of habitats for native fish and wildlife.
- *State Forests are actively managed:* The rules require active management of state forests defined as “applying practices over time and across the landscape to achieve site-specific forest resource goals using an integrated, science-based approach that promotes the compatibility of most forest uses and resources over time and across the landscape.”
 - *The plans are to use an integrated management approach, and pursue compatibility of uses over time and space:* Compatible means “capable of existing or operating together in harmony.” Integrated management means “bringing together knowledge of various disciplines (forestry, fisheries, wildlife, and water) to understand and promote land management actions that consider effects and benefits to all.”
 - *The plans consider landscape context:* The rules direct that “landscape context” be considered. Landscape is defined as “a broad geographic area that may cover many acres and more than one ownership, and may include a watershed or sub-watershed areas.” Plans must contain “a description and assessment of the resources within the planning area and consideration of surrounding ownership in order to provide a landscape context.”
 - *The counties have a recognizable interest:* The rules include a Board finding that “the counties in which these forest lands are located have a protected and recognizable interest in receiving revenues from these forest lands; however, the Board and the State Forester are not required to manage these forest lands to maximize revenues, exclude all non-revenue producing uses on these forest lands, or to produce revenue from every acre of these forests lands.”
 - *The plans incorporate an adaptive management approach:* The rules direct that plans be based on best science available, use monitoring and research to generate new information, and an adaptive management approach. Adaptive management means “the process of implementing plans in a scientifically based, systematically structured approach that tests and monitors assumptions and predictions in management plans and uses the resulting information to improve the plans or management practices used to implement them.”

Common School Lands: The Oregon Constitution (Article VIII, Section 5) authorizes the State Land Board to manage Common School Forest Lands “with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management.” The primary obligation of the Land Board, as trustee, is to manage and protect these lands for the maximum short- and long-term benefit of the public schools, consistent with sound stewardship /conservation and business management principles. The Board is not required to maximize present income without regard to other considerations.¹

¹ Department of State Lands Asset Management Plan 2006-2016.

Principle 2 – State forests will be managed, conserved, and restored to provide overall biological diversity of state forest lands, including the variety of habitats for native fish and wildlife, and accompanying ecological processes. The Greatest Permanent Value and Forest Management Planning rules are the Board’s expression of providing conservation.

The Greatest Permanent Value and Forest Planning rules include many attributes that are directly tied to providing conservation on Board of Forestry lands. These references include but are not limited to: providing and restoring properly functioning aquatic systems; protecting, maintaining, and enhancing native wildlife habitats; contributing to biological diversity of forest stand types and structures at the landscape level and over time; and conserving and maintaining genetic diversity of forest tree species.

Principle 3 – The plan will provide revenue to ensure financial viability and sustain the values that support GPV.

The plan will provide sufficient revenue to support the stewardship of these forest lands and achieve the blend of economic, social, and environmental benefits. Financial viability is achieved over the long-term through continued protection and management of the forest asset and over the short-term with operational tools that ensure cash flow is available to the division for sound management of state forest lands.

In the current business model 98% of revenue is derived from the sale of timber and all Board of Forestry expenditures and revenues are managed in the Forest Development Fund. Expanding and diversifying revenue streams to support public benefits can increase financial stability over the long-term. Services are prioritized based on funding availability, through tools including fiscal and biennial budgets, fiscal year operating plans, timber marketing, and annual operating plans. Financial viability is achieved over the long-term with business strategies that align anticipated funding availability with services that are prioritized by GPV. Several tools are used, including a business plan, business improvements, and financial metrics to assess future investments, revenue projections, implementation plans, the Forest Management Plan, and risk management.

Principle 4 – The plan will provide for a range of social benefits for all Oregonians including direct and indirect financial contributions to local and state governments, ecosystem services, opportunities for public access and recreational use, support for diverse local employment opportunities, and a process for participating in the forest management planning and implementation process.

State forest lands support multiple social benefits on a variety of scales and seeks to contribute to community well-being for all Oregonians. They provide ecosystem services including clean air, clean water, shade, and wildlife habitat that enhance the quality of life for all Oregonians and draw visitors. Active forest management provides revenue for counties, social services and education. It builds communities by supporting family-wage jobs and contributing to local, regional and state economies. The Division provides lasting and diverse outdoor recreational, interpretive, and educational experiences that inspire visitors to enjoy, respect, and connect with Oregon’s state forests.

Principle 5 – The plan will recognize that investments in forest and watershed restoration are necessary to achieve desired outcomes that align with the Greatest Permanent Value policy direction for Board of Forestry and the “greatest benefit for the people” standard for Common School Forest Lands.

Restoration efforts are considered when an area has been heavily altered to a non-desirable condition. This condition may have arisen for a variety of reasons, including: incomplete knowledge in previous management, unintended resource interactions, or even natural disturbance events with footprints that conflict with desirable outcomes given management goals. In these cases, restoration activities will be considered in an effort to move the resource to a more desired state, as articulated through management goals.

Forest restoration: When the state acquired the northwest Oregon state forest lands, some lands had a legacy of repeated, large-scale wildfires, and other lands had already been extensively logged. Oregonians approved bonds to implement a massive restoration project across these state forest lands, planting primarily Douglas-fir. Many of these Douglas-fir stands were seeded and planted with seed that is now known to be "off-site" (i.e., not genetically adapted to local conditions). A large portion of these reforested lands (e.g. 46% of Tillamook district) are affected by Swiss needle cast (SNC), a native fungus that affects the growth and vitality of forest stands. The combination of single species (Douglas-fir) stands and off-site seed is thought to increase the susceptibility of the stands to SNC. A long-term forest health strategy in the SNC zone is to actively manage stands to reduce the amount and proportion of Douglas-fir and increase the amount of native species not susceptible to the disease. In addition, appropriate seed sources will be used to replace the off-site seed. In addition to SNC, there are large areas of compromised and aging alder stands, and other stands that would benefit from restoration treatments.

Disturbance events such as ice storms, wind events, floods, and fires can lead to under-productive forest conditions throughout State Forest lands that are susceptible to insect and disease. These stands often require immediate action to restore resilient and productive forest conditions.

The plan will recognize these restoration needs, and develop goals and strategies that seek creative funding mechanisms to implement them. The restoration effort will contribute to creating healthy forest landscapes that will be resilient in the face of climate change, fire, or other disturbance events and stressors. Monitoring and adaptive management will be an important component of the restoration efforts.

Watershed Health: For over 20 years, the state of Oregon has made a concerted effort to conserve and improve rivers and watersheds throughout the state, with the direct involvement of local communities. ODF's management plans and activities have been an important part of those efforts. The plan will continue to support the Oregon Watershed Enhancement Board (OWEB) mission to “help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies” and emphasize a continuing commitment to restoration activities, recognizing the vital contribution that these forests can make to the success of large-scale regional efforts like the Oregon Plan for Salmon and Watersheds.

Principle 6 – The plan will be developed and implemented at a scale and pace that provide the appropriate geographic and temporal blend of economic, social, and environmental outcomes.

The geographic scale of plan strategy and implementation will have an effect on the spatial distribution of plan outcomes. Likewise, the temporal pace of strategy implementation and investments will have an effect on the distribution of environmental, social, and economic outcomes over time. These dynamics will be considered in creating and implementing a plan that provides the most appropriate blend of spatial and temporal outcomes.

The plan will not individually optimize environmental, social, or economic outcomes, at each geographic scale, or for every time period, but will strive for the most geographically and temporally appropriate blend of environmental, social, and economic outcomes.

Principle 7 – The plan will provide varying levels of economic, environmental, and social outcomes over time as fiscal conditions change. While this approach will result in short-term trade-offs among specific goals, over the long-term Greatest Permanent Value will be achieved.

Different GPV outcomes may be emphasized at different time periods, depending on fiscal conditions. For example, when fiscal conditions are favorable, higher investments may be made in restoration efforts to promote forest stand development for both commercial (stand investment) and habitat goals. Fluctuating timber market conditions may favor more or less timber harvest, but over the long-term the plan will provide a predictable and sustainable flow of timber. Protection of native fish and wildlife habitats will be maintained consistent with the strategies established in the plan. Services associated with non-revenue generating activities may fluctuate based on competing priorities and budgetary constraints.

While the level of service provided for any given GPV outcome will vary, actions necessary to assure proper forest stewardship will be a high priority. Specific decisions will be made in a deliberative and thoughtful process that achieves GPV over the long-term and considers future consequences.

Principle 8: The plan will comply with other state and federal laws and rules.

In addition to the management mandates specific to Board of Forestry and Common School Lands, the Forest Management Plan will address compliance with other state and federal laws and rules including, but not limited to: the state and federal Endangered Species Acts; the Oregon Forest Practices Act; and cultural resource protection administered by the State Historic Preservation Office and coordinated with Indian tribes and the State Police. Protection and contribution to the recovery of listed species can utilize a range of approaches such as take avoidance with a combination of conservation, protection, and restoration strategies. The plan could be coupled with programmatic ESA compliance agreements such as Habitat Conservation Plans, Candidate Conservation Agreements with Assurances, and Safe Harbor Agreements.

Principle 9 – Diverse input from Oregonians and a variety of interested parties will be a high priority throughout planning processes.

Understanding, acceptance, and support from stakeholder groups contributes to long-term success in managing State Forests. The Division is committed to open, equitable, and transparent stakeholder engagement processes. Additionally, counties within which we manage Board of Forestry lands have a statutorily established relationship with the Board through the Forest Trust Lands Advisory Committee (FTLAC). The Division provides accurate and timely information to ensure FTLAC has the information they need to advise the Board of Forestry and the State Forester.

The Department recognizes the importance and value of reaching out to Oregon’s federally-recognized Tribes on issues related to managing Oregon’s state forests. We will pursue opportunities to meet with Tribal Chairs, Councils and directors to listen and learn from the Tribes, seek opportunities for input and collaboration, and build relationships.

Principle 10 – The plan will achieve goals through cooperative efforts with other agencies and units of local government, user groups, or organizations.

Management objectives can often be achieved more effectively and efficiently through collaboration with others. Consultation and communication with other agencies and entities, including counties, will be important to identify areas where ODF’s efforts intersect with other state initiatives. These include but are not limited to: The Oregon Plan for Salmon and Watersheds (OWEB); the Oregon Conservation Strategy (ODFW); the Oregon State Parks and Recreation’s (OPRD) Statewide Comprehensive Outdoor Recreation Plan (SCORP); Federal and State sister agencies, and the State Historic Preservation Office’s cultural and archaeological programs (OPRD).

Principle 11 – The plan will be implemented to adapt to climate change and mitigate its impacts on the management of state forest lands. The Plan will also contribute to climate change mitigation and sequester carbon.

Future changes in temperature, precipitation, and hydrologic processes may alter the distribution of climate conditions, as well as the frequency of disturbances, including insects, disease, wildfire, and drought. Within the context of the Division’s overarching adaptive management framework, the plan will implement forest management strategies directed at ecological processes and functional characteristics, to determine the potential to promote resilient forest conditions. A focus on strategies that adapt to changing conditions will ensure the Division is able to meet State Forests’ management objectives over the long-term.

State forest lands and wood products derived from active management contribute to the overall sequestration of carbon- a factor in mitigating global climate change.

Revised Draft Guiding Principles Version 2
Showing April 2018 Board of Forestry Feedback and
Stakeholder Input

This Version 2 of the Revised Draft Guiding Principles shows added and deleted text, with different font styles, to demonstrate feedback from the April 2018 Board of Forestry meeting as well as additional stakeholder feedback. The proposed changes are indicated as follows.

Text that has been modified per direction from the April 2018 BOF meeting:

- Added text is indicated with underlined text
- Deleted text is indicated with ~~striketrough~~.

Text that has been modified to incorporate stakeholder input after the July 2018 official BOF materials were made available:

- Added text is indicated with underlined and [brackets] surrounding the added text
- Deleted is indicated with ~~striketrough~~ and [brackets] surrounding the deleted text.

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 - Manage forest conditions to result in a high probability of maintaining and restoring properly functioning aquatic habitats;
 - Protect, maintain, and enhance native wildlife habitats;
 - Recognize that forests are dynamic;
 - Provide for healthy forests by using an integrated pest management approach and utilizing appropriate genetic sources of seed;

- Maintain or enhance forest soil productivity;
 - Maintain and enhance forest productivity by producing sustainable levels of timber [~~consistent with protecting, maintaining, and enhancing other forest resources~~];
 - Apply management strategies that enhance timber yield and value while contributing to the diversity of habitats for native fish and wildlife.
- *State Forests are actively managed:* The rules require active management of state forests defined as “applying practices over time and across the landscape to achieve site-specific forest resource goals using an integrated, science-based approach that promotes the compatibility of most forest uses and resources over time and across the landscape.”
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Common School Lands: The Oregon Constitution (Article VIII, Section 5) authorizes the State Land Board to manage Common School Forest Lands “with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management.” The primary obligation of the Land Board, as trustee, is to manage and protect these lands for the maximum short- and long-term benefit of the public schools, consistent with sound stewardship /conservation and business management principles. The Board is not required to maximize present income without regard to other considerations.²

² Department of State Lands Asset Management Plan 2006-2016.

Principle 2 – State forests will be managed, conserved, and restored to provide overall biological diversity of state forest lands, including the variety of habitats for native fish and wildlife, and accompanying ecological processes. The Greatest Permanent Value and Forest Management Planning rules are the Board’s expression of providing conservation.

The Greatest Permanent Value and Forest Planning rules include many attributes that are directly tied to providing conservation on Board [of Forestry] lands. These references include but are not limited to: providing and restoring properly functioning aquatic systems; protecting, maintaining, and enhancing native wildlife habitats; contributing to biological diversity of forest stand types and structures at the landscape level and over time; and conserving and maintaining genetic diversity of forest tree species.

Principle 3 – ~~Financial viability is the ability to generate sufficient income to provide values that support GPV. In the current business model 98% of revenue is derived from the sale of timber and all Board of Forestry expenditures and revenues are managed in the Forest Development Fund. The plan will provide revenue to ensure financial viability and sustain the values that support GPV.~~

[The plan will provide sufficient revenue to support the stewardship of these forest lands and achieve the blend of economic, social, and environmental benefits.] Financial viability is achieved [over the long-term through continued protection and management of the forest asset and] over the short-term with operational tools that ensure cash flow is available to [the division for sound management of state forest lands State Forests.]

In the current business model 98% of revenue is derived from the sale of timber and all Board of Forestry expenditures and revenues are managed in the Forest Development Fund. [Expanding and diversifying revenue streams to support public benefits can increase financial stability over the long-term.] Services are prioritized based on funding availability, through tools including fiscal and biennial budgets, fiscal year operating plans, timber marketing, and annual operating plans. Financial viability is achieved over the long-term with business strategies that align anticipated funding availability with services that are prioritized by GPV. Several tools are used, including a business plan [~~e.g., diversification of revenue streams~~], business improvements, and financial metrics to assess future investments, revenue projections, implementation plans, the Forest Management Plan, and risk management.

Principle 4 – The plan will provide for a range of social benefits for all Oregonians including direct and indirect financial contributions to local and state governments, ecosystem services, opportunities for public access and recreational use, support for diverse local employment [opportunities], and a process for participating in the forest management planning and implementation process.

State forest lands support multiple social benefits on a variety of scales and seeks to contribute to community well-being for all Oregonians. They provide ecosystem services including clean air, clean water, shade, and wildlife habitat that enhance the quality of life for all Oregonians and draw visitors. [~~Employment and revenues resulting from active forest management help support family wage jobs, contribute to economies, social services and education at the local, regional, and state levels.~~] [Active forest management provides revenue for counties, social services and education. It builds communities by supporting family-wage jobs and contributing to local, regional and state economies.] The Division

provides lasting and diverse outdoor recreational, interpretive, and educational experiences that inspire visitors to enjoy, respect, and connect with Oregon's state forests.

Principle 5 – The plan will recognize that investments in forest and watershed restoration are necessary to achieve desired outcomes that align with the Greatest Permanent Value policy direction for Board of Forestry and the “greatest benefit for the people” standard for Common School Forest Lands.

Restoration efforts are considered when an area has been heavily altered to a non-desirable condition. This condition may have arisen for a variety of reasons, including: incomplete knowledge in previous management, unintended resource interactions, or even natural disturbance events with footprints that conflict with desirable outcomes given management goals. In these cases, restoration activities will be considered in an effort to move the resource to a more desired state, as articulated through management goals.

Forest restoration: When the state acquired the northwest Oregon state forest lands, some lands had a legacy of repeated, large-scale wildfires, and other lands had already been extensively logged. Oregonians approved bonds to implement a massive restoration project across these state forest lands, planting primarily Douglas-fir. Many of these Douglas-fir stands were seeded and planted with seed that is now known to be "off-site" (i.e., not genetically adapted to local conditions). A large portion of these reforested lands (e.g. 46% of Tillamook district) are affected by Swiss needle cast (SNC), a native fungus that affects the growth and vitality of forest stands. The combination of single species (Douglas-fir) stands and off-site seed is thought to increase the susceptibility of the stands to SNC. A long-term forest health strategy in the SNC zone is to actively manage stands to reduce the amount and proportion of Douglas-fir and increase the amount of native species not susceptible to the disease. In addition, appropriate seed sources will be used to replace the off-site seed. In addition to SNC, there are [large] areas of compromised and aging alder stands, and other stands that would benefit from restoration treatments.

Disturbance events such as ice storms, wind events, floods, and fires can lead to under-productive forest conditions throughout State Forest lands that are susceptible to insect and disease. These stands often require immediate action to restore resilient and productive forest conditions.

The plan will recognize these restoration needs, and develop goals and strategies that seek creative funding mechanisms to implement them. The restoration effort will contribute to creating healthy forest landscapes that will be resilient in the face of climate change, fire, or other disturbance events and stressors. Monitoring and adaptive management will be an important component of the restoration efforts.

Watershed Health: For over 20 years, the state of Oregon has made a concerted effort to conserve and improve rivers and watersheds throughout the state, with the direct involvement of local communities. ODF's management plans and activities have been an important part of those efforts. The plan will continue to support the Oregon Watershed Enhancement Board (OWEB) mission to “help protect and restore healthy watersheds and natural habitats that support thriving communities and strong

economies” and emphasize a continuing commitment to restoration activities, recognizing the vital contribution that these forests can make to the success of large-scale regional efforts like the Oregon Plan for Salmon and Watersheds.

Principle 6 – The plan will be developed and implemented at a scale and pace that provide the appropriate geographic and temporal blend of economic, social, and environmental outcomes.

The geographic scale of plan strategy and implementation will have an effect on the spatial distribution of plan outcomes. Likewise, the temporal pace of strategy implementation and investments will have an effect on the distribution of environmental, social, and economic outcomes over time. These dynamics will be considered in creating and implementing a plan that provides the most appropriate blend of spatial and temporal outcomes.

The plan will not individually optimize environmental, social, or economic outcomes, at each geographic scale, or for every time period, but will strive for the most geographically and temporally appropriate blend of environmental, social, and economic outcomes.

Principle 7 – The plan will provide varying levels of economic, environmental, and social outcomes over time as fiscal conditions change. While this approach will result in short-term trade-offs among specific goals, over the long-term Greatest Permanent Value will be achieved.

Different GPV outcomes may be emphasized at different time periods, depending on fiscal conditions. For example, when fiscal conditions are favorable, higher investments may be made in restoration efforts to promote forest stand development for both commercial (stand investment) and habitat goals. Fluctuating timber market conditions may favor more or less timber harvest, ~~[related to both economic outcomes and financial viability]~~ [but over the long-term the plan will provide a predictable and sustainable flow of timber. Protection of native fish and wildlife habitats will be maintained consistent with the strategies established in the plan]. ~~[Development and maintenance of recreation infrastructure]~~ [Services associated with non-revenue generating activities] may fluctuate based on competing priorities and ~~[such as external pressure for recreation versus]~~ budgetary constraints.

While the level of service provided for any given GPV outcome will vary, [actions necessary to assure proper forest stewardship will be a high priority.] Specific decisions will be made in a deliberative and thoughtful process that [achieves GPV over the long-term and] considers future consequences ~~[and adjustments to service levels to account for any near-term fluctuations].~~

Principle 8: The plan will ~~address~~ comply with other state and federal laws and rules.

In addition to the management mandates specific to Board of Forestry and Common School Lands, the Forest Management Plan will address compliance with other state and federal laws and rules including, but not limited to: the state and federal Endangered Species Acts; the Oregon Forest Practices Act; and cultural resource protection administered by the State Historic Preservation Office (SHPO) and coordinated with Indian tribes and the State Police. Protection [and contribution to the recovery] of listed species can utilize a range of approaches such as take avoidance with a combination of conservation, protection, and restoration strategies. The plan could be coupled with programmatic ESA compliance agreements such as Habitat Conservation Plans, Candidate Conservation Agreements with Assurances, and Safe Harbor Agreements.

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The Department recognizes the importance and value of reaching out to Oregon’s federally-recognized Tribes on issues related to managing Oregon’s state forests. We will pursue opportunities to meet with Tribal Chairs, Councils and directors to listen and learn from the Tribes, seek opportunities for input and collaboration, and build relationships.

Principle 10 – The plan will ~~examine opportunities to~~ achieve goals through cooperative efforts with other agencies and units of local government, user groups, or organizations.

Management objectives can often be achieved more effectively and efficiently through collaboration with others. Consultation and communication with other agencies and entities, including [~~Counties~~ counties], will be important to identify areas where ODF’s efforts intersect with other state initiatives. These include but are not limited to: The Oregon Plan for Salmon and Watersheds (OWEB); the Oregon Conservation Strategy (ODFW); the Oregon State Parks and Recreation’s (OPRD) Statewide Comprehensive Outdoor Recreation Plan (SCORP); Federal and State sister agencies, and the State Historic Preservation Office’s cultural and archaeological programs (OPRD).

Principle 11 – The plan will be ~~developed and~~ implemented ~~so as~~ to adapt to climate change and mitigate its impacts on the ~~long-term~~ management of state forest lands ~~by the Division~~. ~~[The Plan will also contribute to climate change mitigation and sequester carbon.]~~

Future changes in temperature, precipitation, and ~~the~~ hydrologic ~~[processes cycle]~~ may alter the distribution of ~~[suitable]~~ climate ~~[conditions]~~, as well as the frequency of disturbances, including insects, disease, wildfire, and drought. ~~[Within the context of the Division’s overarching adaptive management framework, the plan will implement forest management strategies directed at ecological processes and functional characteristics, to determine the potential to promote resilient forest conditions.]~~ ~~[Dynamic forest management utilizing an adaptive management framework, focusing on management for ecological processes and functional characteristics, will promote resilience to disturbance. A commitment to adaptive management will be important to ensure adaptation to climate change. As disturbances occur, management opportunities for applying adaptive strategies should be advanced. ~~[Areas most sensitive and most resilient to climate change should be prioritized, along with strategies that are most likely to work.]~~~~ A focus on strategies that adapt to changing conditions will ensure the Division is able to meet ~~[state forests~~ State Forests’] management objectives over the long-term.

State forest lands ~~[and wood products derived from active management]~~ ~~[also]~~ contribute to the overall sequestration of carbon- a factor in mitigating global climate change.

Original July 2018 Board of Forestry
Revised Draft Guiding Principles
Including April 2018 Board of Forestry Feedback and Stakeholder Input

This is the original version of the Revised Draft Guiding Principles included as attachment 1 in the July 2018 Board of Forestry materials prior to stakeholder input. This version only reflects feedback received during the April 2018 Board of Forestry meeting.

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The Forest Management Planning rule (OAR 629-035-0030) identifies required elements for Forest Management Plans. Among these are: “Guiding principles that include legal mandates and Board of Forestry policies. Taken together, the principles shall guide the development of the management plan.” The Division proposes the following set of draft guiding principles for a revised Forest Management Plan (FMP).

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Division 35 includes definitions, findings and principles associated with acquired lands, language defining GPV, and direction for the development of Forest Management Plans. While the rule language is the ultimate source, the primary elements and themes in these rules include:

- *The resources and values articulated in the OARs:*
 - Sustainable and predictable timber harvest and revenues;
 - Properly functioning aquatic habitats;
 - Protection, maintenance, and enhancement of native wildlife habitats;
 - Protection of soil, air, and water;
 - Provision of outdoor recreation activities;
 - Consideration of landscape effect;
 - Protection from fire, disease, insects, and pests;
 - Also mentioned are: protection against floods and erosion, protection of water supplies, grazing, forage, and browse for domestic livestock, forest administrative sites, and mining leases and contracts.
- *The OARs direct that the FMP will include strategies that:*
 - Contribute to biological diversity of forest stand types and structures at the landscape level and over time;
 - Apply silvicultural techniques that provide a variety of forest conditions and resources;
 - Conserve and maintain genetic diversity of forest tree species;
 - Manage forest conditions to result in a high probability of maintaining and restoring properly functioning aquatic habitats;
 - Protect, maintain, and enhance native wildlife habitats;
 - Recognize that forests are dynamic;
 - Provide for healthy forests by using an integrated pest management approach and utilizing appropriate genetic sources of seed;
 - Maintain or enhance forest soil productivity;

- Maintain and enhance forest productivity by producing sustainable levels of timber consistent with protecting, maintaining, and enhancing other forest resources;
- Apply management strategies that enhance timber yield and value while contributing to the diversity of habitats for native fish and wildlife.
- *State Forests are actively managed:* The rules require active management of state forests defined as “applying practices over time and across the landscape to achieve site-specific forest resource goals using an integrated, science-based approach that promotes the compatibility of most forest uses and resources over time and across the landscape.”
- *The plans are to use an integrated management approach, and pursue compatibility of uses over time and space:* Compatible means “capable of existing or operating together in harmony.” Integrated management means “bringing together knowledge of various disciplines (forestry, fisheries, wildlife, and water) to understand and promote land management actions that consider effects and benefits to all.”
- *The plans consider landscape context:* The rules direct that “landscape context” be considered. Landscape is defined as “a broad geographic area that may cover many acres and more than one ownership, and may include a watershed or sub-watershed areas.” Plans must contain “a description and assessment of the resources within the planning area and consideration of surrounding ownership in order to provide a landscape context.”
- *The counties have a recognizable interest:* The rules include a Board finding that the counties within these forest are located have a “protected and recognizable interest in receiving revenues from these forest lands; however, the Board and the State Forester are not required to manage these forest lands to maximize revenues, exclude all non-revenue producing uses on these forest lands, or to produce revenue from every acre of these forests lands.”
- *The plans incorporate an adaptive management approach:* The rules direct that plans be based on best science available, use monitoring and research to generate new information, and an adaptive management approach. Adaptive management means “the process of implementing plans in a scientifically based, systematically structured approach that tests and monitors assumptions and predictions in management plans and uses the resulting information to improve the plans or management practices used to implement them.”

Common School Lands: The Oregon Constitution (Article VIII, Section 5) authorizes the State Land Board to manage Common School Forest Lands “with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management.” The primary obligation of the Land Board, as trustee, is to manage and protect these lands for the maximum short- and long-term benefit of the public schools, consistent with sound stewardship /conservation and business management principles. The Board is not required to maximize present income without regard to other considerations.³

Principle 2 – State forests will be managed, conserved, and restored to provide overall biological diversity of state forest lands, including the variety of habitats for native fish and wildlife, and accompanying ecological processes. The Greatest Permanent Value and Forest Management Planning rules are the Board’s expression of providing conservation.

³ Department of State Lands Asset Management Plan 2006-2016.

The Greatest Permanent Value and Forest Planning rules include many attributes that are directly tied to providing conservation on Board lands. These references include but are not limited to: *providing and restoring properly functioning aquatic systems; protecting, maintaining, and enhancing native wildlife habitats; contributing to biological diversity of forest stand types and structures at the landscape level and over time; and conserving and maintaining genetic diversity of forest tree species.*

Principle 3 – ~~Financial viability is the ability to generate sufficient income to provide values that support GPV. In the current business model 98% of revenue is derived from the sale of timber and all Board of Forestry expenditures and revenues are managed in the Forest Development Fund. The plan will provide revenue to ensure financial viability and sustain the values that support GPV.~~

Financial viability is achieved over the short-term with operational tools that ensure cash flow is available to State Forests. In the current business model 98% of revenue is derived from the sale of timber and all Board of Forestry expenditures and revenues are managed in the Forest Development Fund. Services are prioritized based on funding availability, through tools including fiscal and biennial budgets, fiscal year operating plans, timber marketing, and annual operating plans. Financial viability is achieved over the long-term with business strategies that align anticipated funding availability with services that are prioritized by GPV. Several tools are used, including a business plan (e.g., diversification of revenue streams), business improvements, and financial metrics to assess future investments, revenue projections, implementation plans, the Forest Management Plan, and risk management.

Principle 4 – The plan will provide for a range of social benefits for all Oregonians including direct and indirect financial contributions to local and state governments, ecosystem services, opportunities for public access and recreational use, support for diverse local employment, and a process for participating in the forest management planning and implementation process.

State forest lands support multiple social benefits on a variety of scales and seeks to contribute to community well-being for all Oregonians. They provide ecosystem services including clean air, clean water, shade, and wildlife habitat that enhance the quality of life for all Oregonians and draw visitors. Employment and revenues resulting from active forest management help support family wage jobs, contribute to economies, social services and education at the local, regional, and state levels. The Division provides lasting and diverse outdoor recreational, interpretive, and educational experiences that inspire visitors to enjoy, respect, and connect with Oregon’s state forests.

Principle 5 – The plan will recognize that investments in forest and watershed restoration are necessary to achieve desired outcomes that align with the Greatest Permanent Value policy direction for Board of Forestry and the “greatest benefit for the people” standard for Common School Forest Lands.

Restoration efforts are considered when an area has been heavily altered to a non-desirable condition. This condition may have arisen for a variety of reasons, including: incomplete knowledge in previous management, unintended resource interactions, or even natural disturbance events with footprints that conflict with desirable outcomes given management goals. In these cases, restoration activities will be considered in an effort to move the resource to a more desired state, as articulated through management goals.

Forest restoration: When the state acquired the northwest Oregon state forest lands, some lands had a legacy of repeated, large-scale wildfires, and other lands had already been extensively logged. Oregonians approved bonds to implement a massive restoration project across these state forest lands, planting primarily Douglas-fir. Many of these Douglas-fir stands were seeded and planted with seed that is now known to be "off-site" (i.e., not genetically adapted to local conditions). A large portion of these reforested lands (e.g. 46% of Tillamook district) are affected by Swiss needle cast (SNC), a native fungus that affects the growth and vitality of forest stands. The combination of single species (Douglas-fir) stands and off-site seed is thought to increase the susceptibility of the stands to SNC. A long-term forest health strategy in the SNC zone is to actively manage stands to reduce the amount and proportion of Douglas-fir and increase the amount of native species not susceptible to the disease. In addition, appropriate seed sources will be used to replace the off-site seed. In addition to SNC, there are areas of compromised and aging alder stands, and other stands that would benefit from restoration treatments.

Disturbance events such as ice storms, wind events, floods, and fires can lead to under-productive forest conditions throughout State Forest lands that are susceptible to insect and disease. These stands often require immediate action to restore resilient and productive forest conditions.

The plan will recognize these restoration needs, and develop goals and strategies that seek creative funding mechanisms to implement them. The restoration effort will contribute to creating healthy forest landscapes that will be resilient in the face of climate change, fire, or other disturbance events and stressors. Monitoring and adaptive management will be an important component of the restoration efforts.

Watershed Health: For over 20 years, the state of Oregon has made a concerted effort to conserve and improve rivers and watersheds throughout the state, with the direct involvement of local communities. ODF's management plans and activities have been an important part of those efforts. The plan will continue to support the Oregon Watershed Enhancement Board (OWEB) mission to "help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies" and emphasize a continuing commitment to restoration activities, recognizing the vital contribution that these forests can make to the success of large-scale regional efforts like the Oregon Plan for Salmon and Watersheds.

Principle 6 – The plan will be developed and implemented at a scale and pace that provide the appropriate geographic and temporal blend of economic, social, and environmental outcomes.

The geographic scale of plan strategy and implementation will have an effect on the spatial distribution of plan outcomes. Likewise, the temporal pace of strategy implementation and investments will have an effect on the distribution of environmental, social, and economic outcomes over time. These dynamics will be considered in creating and implementing a plan that provides the most appropriate blend of spatial and temporal outcomes.

The plan will not individually optimize environmental, social, or economic outcomes, at each geographic scale, or for every time period, but will strive for the most geographically and temporally appropriate blend of environmental, social, and economic outcomes.

Principle 7 – The plan will provide varying levels of economic, environmental, and social outcomes over time as fiscal conditions change. While this approach will result in short-term trade-offs among specific goals, over the long-term Greatest Permanent Value will be achieved.

Different GPV outcomes may be emphasized at different time periods, depending on fiscal conditions. For example, when fiscal conditions are favorable, higher investments may be made in restoration efforts to promote forest stand development for both commercial (stand investment) and habitat goals. Fluctuating timber market conditions may favor more or less timber harvest, related to both economic outcomes and financial viability. Development and maintenance of recreation infrastructure may fluctuate based on competing priorities, such as external pressure for recreation versus budgetary constraints.

While the level of service provided for any given GPV outcome will vary, it will be based in deliberate and thoughtful decisions that also consider future consequences and adjustments to service levels to account for any near-term fluctuations.

Principle 8: The plan will ~~address~~ comply with other state and federal laws and rules.

In addition to the management mandates specific to Board of Forestry and Common School Lands, the Forest Management Plan will address compliance with other state and federal laws and rules including, but not limited to: the state and federal Endangered Species Acts; the Oregon Forest Practices Act; and cultural resource protection administered by the State Historic Preservation Office (SHPO) and coordinated with Indian tribes and the State Police. Protection of listed species can utilize a range of approaches such as take avoidance with a combination of conservation, protection, and restoration strategies. The plan could be coupled with programmatic ESA compliance agreements such as Habitat Conservation Plans, Candidate Conservation Agreements with Assurances, and Safe Harbor Agreements.

Principle 9 – Diverse input from Oregonians and a variety of interested parties will be a high priority throughout planning processes.

Understanding, acceptance, and support from stakeholder groups contributes to long-term success in managing State Forests. The Division is committed to open, equitable, and transparent stakeholder engagement processes. Additionally, counties within which we manage Board of Forestry lands have a statutorily established relationship with the Board through the Forest Trust Lands Advisory Committee (FTLAC). The Division provides accurate and timely information to ensure FTLAC has the information they need to advise the Board of Forestry and the State Forester.

The Department recognizes the importance and value of reaching out to Oregon's federally-recognized Tribes on issues related to managing Oregon's state forests. We will pursue opportunities to meet with Tribal Chairs, Councils and directors to listen and learn from the Tribes, seek opportunities for input and collaboration, and build relationships.

Principle 10 – The plan will ~~examine opportunities to~~ achieve goals through cooperative efforts with other agencies and units of local government, user groups, or organizations.

Management objectives can often be achieved more effectively and efficiently through collaboration with others. Consultation and communication with other agencies and entities, including Counties, will

be important to identify areas where ODF's efforts intersect with other state initiatives. These include but are not limited to: The Oregon Plan for Salmon and Watersheds (OWEB); the Oregon Conservation Strategy (ODFW); the Oregon State Parks and Recreation's (OPRD) Statewide Comprehensive Outdoor Recreation Plan (SCORP); Federal and State sister agencies, and the State Historic Preservation Office's cultural and archaeological programs (OPRD).

Principle 11 – The plan will be developed and implemented so as to adapt to climate change and mitigate its impacts on the long-term management of state forest lands by the Division.

Future changes in temperature, precipitation, and the hydrologic cycle may alter the distribution of suitable climates, as well as, the frequency of disturbances, including insects, disease, wildfire, and drought. Dynamic forest management utilizing an adaptive management framework, focusing on management for ecological processes and functional characteristics, will promote resilience to disturbance.

A commitment to adaptive management will be important to ensure adaptation to climate change. As disturbances occur, management opportunities for applying adaptive strategies should be advanced. Areas most sensitive and most resilient to climate change should be prioritized, along with strategies that are most likely to work. A focus on strategies that adapt to changing conditions will ensure the Division is able to meet state forests management objectives over the long-term.

State forest lands also contribute to the overall sequestration of carbon; a factor in mitigating global climate change.