



Woodland Owners Who Love Their Land

May 11, 2015

Land Conservation & Development Commission
635 Capitol Street NE
Salem, OR 97301

RE: Public hearing scheduled for May 21st on proposed permanent rules amending OAR chapter 660, div. 6, to establish a definition of "primary processing of forest products" for forest zones.

My name is Jim James. I am the Executive Director for the Oregon Small Woodlands Association (OSWA) and am a member of the Rulemaking Advisory Committee (RAC) who has been reviewing options for a definition for "primary processing of forest products" for forest zones found in OAR chapter 660, div. 6. Let me start by complimenting DLCDC staff for this effort and all the participants.

There was general agreement within the RAC on some basic language in a definition, but I believe there is some language missing that more accurately defines primary processing. This language must be included for an accurate definition. My goal is to have a pure definition of Primary Processing of Forest Products (PPFP) without any policy additions that have nothing to do with an accurate definition so policy makers will know if an operation is or is not PPFP. I believe this was the original intent when such activity was authorized on land zoned as forestland. I believe the definition should be based on what the basic raw material is at the start of the treatments and would include all the treatments that take place by the same business entity that started the process.

Definition generally approved by RAC with the exception of OSWA and a few others:

Primary processing of forest products means the initial treatment or treatments of logs or other forest plant or fungi materials to prepare it for shipment for further processing or to market. Treatment may include: debarking, peeling, drying, cleaning, sorting, chipping, grinding, sawing, shaping, notching, biofuels conversion or other similar methods of initial treatment.

By including a list of treatment options in the above definition, it makes some PPFP treatments which would be included in a pure definition of PPFP, possible arbitrary exclusions. Adding "**by the same business entity**" to this definition makes it clear when secondary processing begins. It would begin when the product changes ownership. This is an accurate definition of PPFP.

OSWA Proposed Definition:

Primary processing of forest products means the initial treatment or treatments of logs or other forest plant or fungi materials **by the same business entity** to prepare it for shipment for further processing or to market. Treatment may include: debarking, peeling, drying, cleaning, sorting, chipping, grinding, sawing, shaping, notching, biofuels conversion or other similar methods of initial treatment.

This definition will give decision makers the proper starting place when developing a conditional use permit for PPFP on forestland.



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RE: Public hearing on proposed permanent rules amending OAR chapter 660, div. 6, to establish a definition of "primary processing of forest products" for forest zones.

My name is Jim James. I am the Executive Director for the Oregon Small Woodlands Association (OSWA) and am a member of the Rulemaking Advisory Committee (RAC) who has been reviewing options for a definition for "primary processing of forest products" for forest zones found in OAR chapter 660, div. 6. I represent Oregon's family forest owners who own and manage 42% of the private forests in Oregon and account for over 70,000 Oregonian families who are continually challenged to find the revenue needed from their forests to allow them to pay the costs of keeping forests healthy and productive as well as prepared to fend off a fire. With timber a long term crop, 50 plus years between harvests, many family forest owners look to special forest products to make ends meet. Primary processing of these products are common on their forestland. There are several forest cooperatives where family forest owners collaborate to increase the scale of their operations to provide a consistent supply of products to accommodate customer demand and increase the value of their products. It is imperative, that any definition of "Primary Processing of Forest Products" not take away family forest owners ability to generate needed revenue needed to keep their forests as forests.

I am disappointed with the staff recommendation to the commission for a definition of PFP. At the last RAC meeting on April 20th, I left that meeting thinking there was general support to not include language of building size if there is a building, a limit on area of operation, or language on buffers. All these issues could and should be addressed when preparing a Conditional Use Permit but have absolutely nothing to do with the definition of PFP. I believe decision makers will be best served if the definition is accurate so it can be used to determine whether something is primary processing or secondary processing. The Conditional Use Permit is where the circumstances related to the operation can be weighed by the decision makers and building size, area used, and buffers can be addressed.

There was general agreement within the RAC on some basic language in a definition. It can be found on page 3, IV A. I believe there was some language missing that more accurately defines primary processing. My goal is to have a pure definition of Primary Processing of Forest Products (PFP) so policy makers will know if an operation is or is not PFP. I believe this was the original intent when such activity was authorized on land zoned as forestland. I believe the definition must be based on what the basic raw material is at the start of the treatments and would include all the treatments that take place by the same business entity that started the process.



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By including a list of treatment options in the above definition, it makes some PPFPP treatments which would be included in a pure definition of PPFPP, possible arbitrary exclusions. Adding "**by the same business entity**" to this definition makes it clear when secondary processing begins. It would begin when the product changes ownership. This is an accurate definition of PPFPP.

OSWA Proposed Definition:

Primary processing of forest products means the initial treatment or treatments of logs or other forest plant or fungi materials **by the same business entity** to prepare it for shipment for further processing or to market. Treatment may include: debarking, peeling, drying, cleaning, sorting, chipping, grinding, sawing, shaping, notching, biofuels conversion or other similar methods of initial treatment.

This definition will give decision makers the proper starting place when developing a Conditional Use Permit for PPFPP on forestland. I am convinced, if there are policy statements added to the definition, there will be unintended consequences to family forest owners who are already challenged to find the revenue needed to keep their property as forestland and who are providing all the public benefits everyone expects from forests. This definition will be state wide. It must be accurate without arbitrary policy provisions to be fair to all family forest owners in Oregon. The Conditional Use Permit is where policy makers can include policy, based on all the details surrounding each unique operation where PPFPP happens on forestland.

Please support an accurate definition of Primary Processing of Forest Products without policy statements, best left to decision makers who have all the details surrounding an operation.

Item 10
Exhibit B

Land Conservation and Development Commission - Testimony of Mark Fritch

EXHIBIT: B
AGENDA ITEM: 10
LAND CONSERVATION & DEVELOPMENT
COMMISSION
DATE: 5.21.15
SUBMITTED BY: Mark Fritch

May 22, 2015 - Item 10, Rulemaking Regarding A Definition For Primary Processing of Forest Products (PPFP)

Chair McPhearson and commission members, thank you for allowing me to share my thoughts with you today. My name is Mark Fritch. I have lived and operated my business, Mark Fritch Log Homes, east of Sandy, Oregon for the last 25 years. I came before you at your March meeting and shared with you my concerns as to why we need an accurate working definition of the Primary Processing of Forest Products (PPFP). We are working on this topic today as a direct result of my Conditional Use Permit (CUP) application in Clackamas County.

I have learned a great deal about land use law, codes and policies in the last four years. Where some might say that it is watching sausage making at its best, I've found that it is very complex and that the crafting of accurate and workable laws, regulations and codes requires patience, determination and attention to detail. To this end, I want to acknowledge the skill that you all are required to bring to the process. I also acknowledge the legislators I've worked with, the staff members of the Department of Land Conservation and Development, the PPFP Rules Advisory Committee and especially the staff of the Clackamas County Planning and Development. There are many skilled people in this process and I'm sure that they are never acknowledged as often as they should be.

I have been deeply involved with my CUP process for four years. To come here to speak to the need for a good definition of PPFP could be seen as me looking out for my own interests. I realize that a good definition of PPFP will help clear up part of my land use issues and it may look like I am self-serving in being here. However, I've always believed that we have a bigger obligation than to simply look out for our own needs. My motivation today, as always, is not for me, but for all timberland owners in Oregon.

Like my dad, I can sometimes be an impractical idealist. I learned from his example that contributing to something bigger than yourself, integrity and standing up for what you believe in are worth the effort. I was the first person in the over 41 years of the Oregon Forest Practices Act to ever be questioned as to whether or not my work was the PPFP. Without a definition of PPFP and no case law to guide a decision, my land use hearings officer made up his own definition of PPFP and it was not guided in any way by seeking out industry experts. I believe it was a bad call for me, but I also saw that the ruling was even more important for all those forest

landowners who would come after me seeking CUP's. Timberland owners often need the freedom to do other activities on their land to help them create a financially viable forestry operation. I happened to be the first person to be impacted by the lack of a definition, but I took a stand for the fact that I would also be the last person as well.

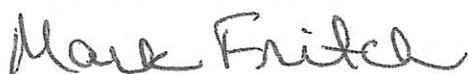
I have attended all RAC meetings except the first one and I have good sense of where the definition now stands. I support the definition as presented by Jim James, executive director of the Oregon Small Woodlands Association. The extra session of the RAC that the commission requested was very productive meeting. While the definition proposed by OSWA was attempting to add restraints to the definition to tighten it up, RAC members Cribbins and McCallister expressed concern. If there are more limits needed within the definition, they should be based on principles and not by adding specific regulations into the definition.

It is my understanding that the RAC was tasked only with defining PFPF. I do not think that its task included creating regulations relative to PFPF. I think that trying to add regulation into the definition will confuse the entire issue. As RAC members Cribbins and McCallister indicated, adding too much to the definition may have unexpected consequences and may do more harm than good. As a county planning director Mike McCallister felt that limiting activities can best be done at the CUP level as it has been done for about 45 years.

I believe that if statewide regulation is needed in this matter, it can be dealt with as needed with an additional RAC process. Any regulations to be made regarding the siting of a processing facility should be done with significant and professional input. Quick and poorly crafted regulations could hurt more than help everyone involved.

We have reached what is needed; a good definition of PFPF. No new operations are being sought. The current definition provides county planning departments the guidance needed while maintaining maximum flexibility to do what works. We're almost there now. Let's finish with something that we can all be proud of.

Thank you for your time and attention on this matter.



Mark Fritch

March 21, 2015

Robin Jacobs
59890 E. Marmot Road
Sandy, OR 97055

Agenda #10: Primary processing of forest products

To the LDC Commission:

If a definition be developed, I wish to express the following concerns related to size, scale, and hazards of heavy-industrial outdoor permanent facilities utilizing logs. Based on the Staff Report, concerns include:

1. **A lack of specified setback requirements to adequately minimize impacts to surrounding lands and surrounding land uses.**
2. **Potentially allowing importing of logs onto forestlands, essentially opening doors to convert forestlands, regardless of size and resource production levels, into sawmills and other value-added, secondary processing facilities.**
3. **Potentially opening doors to industrial companies motivated to access, develop, and industrially operate on resource forestlands – lands that not only cost less than industrial lands, but are taxed at a fraction of the cost.**
4. **Potentially allowing Forestland land divisions, established to accommodate a dwelling – and not be used as justification for a zone change, to unofficially “rezone” to industrial land use.**
5. **Potentially allowing importing of logs and stockpiling of logs, lumber, wood products, sawdust, wood debris, etc. without quantity and land-space restriction.**
6. **Potentially allowing operating of outdoor spark-igniting equipment and stockpiling of logs, wood products, and processing wood debris – all high-hazard fire fuels – on a year-round, permanent basis in forested High-Hazard Wildfire Zones. This places and poses extreme hazardous fire risk to forestlands, and adjacent residential homes and neighborhoods in high-hazard wildfire Forest zones, such as the Mt. Hood Corridor, designated a High-Hazard Wildfire Zone. Size, scale, and outdoor fire-hazard operations, particularly during the dry summer season, are major factors, seemingly not addressed, and of paramount concern in High-Hazard Wildfire Zones.**

Consideration of impacts related to size and scale are *crucial*, as are hazards associated with such proposed permanent forestland uses. Thank you for consideration of these concerns.

Sincerely,



Robin Jacobs

March 21, 2015

Robin Jacobs
59890 E. Marmot Road
Sandy, OR 97055

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