

BOARD OF FORESTRY SUBCOMMITTEE ON STATE FORESTS FINANCIAL VIABILITY

Testimony of W. Ray Jones

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(Comments on Draft Land Allocation Model Outputs)

Comments and Concerns with preliminary Model Outputs:

- The Draft Model output of 250,000 MBF/year does not meet the Financial Viability Requirement. The modeled output shows an incremental harvest volume of 30,000 MMBF/year compared to the current plan. This volume generates a total incremental revenue of \$10.0 million/year. About \$3.3 million of this revenue goes to ODF and \$6.7 million to the counties.
- A modeled harvest level of 300 MMBF/year is needed; this provides the needed \$10.0 million/year to fully fund ODF, the plan implementation and provides the counties with needed incremental annual revenue.
- Model Revisions can easily produce this harvest volume from the production area. Adjustments in flow or inventory constraints, review of future yields and adjustments in rotation ages will accomplish the outputs needed on a sustained basis.
- The Technical Experts for Industry, The Counties and Environmental Concerns need to be fully utilized in the next modeling run completed by ODF. The Technical Experts need full access to all data sets used to complete model outputs. They need to be full partners with ODF as the next model run is developed. This level of engagement will provide for a credible, timely and transparent review of the future model outputs.

Final Comments/Concerns/Asks:

- In summary, I would ask the Subcommittee to direct ODF to complete a modeling run that solves for Financial Viability to fully fund the new plan implementation. We have heard multiple times that it will require an incremental \$10.0 million in revenue to ODF to accomplish that.
- Thank you again for the opportunity to comment on the development of the new FMP. As you know this is a very important issue to ODF, The Trust Counties and the Rural Communities that depend upon these forests.