

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Oregon Department of Forestry/Private Forests Division
Agency and Division
Number

Chapter 629
Administrative Rules Chapter

Expanding water protection classification and protection rules to include small and medium salmon, steelhead and bull trout streams.

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Adopting:

ORAR 629-642-0000 to 629-642-0800;

Amending:

ORAR 629-635-0200, 629-635-0220, 629-635-0310; 629-600-0100, 629-605-0170, 629-605-0173, 629-605-0500, 629-611-0000, 629-615-0300, 629-620-0300, 629-620-0400, 629-620-0800, 629-623-0300, 629-625-0100, 629-625-0430, 629-625-0700, 629-630-0600, 629-630-0700, 629-630-0800, 629-680-0020;

Repealing:

ORAR 629-640-0000 to 629-640-0500

Statutory Authority: ORS 527.710, 527.630(3), 527.714, 526.016(4),

Other Authority: N/A

Stats. Implemented: ORS 527.630(5), 527.674, 527.714, 527.715, 527.765, 527.710, 527.919(9),

Need for the Rule(s):

In 2012, the Board of Forestry (Board) directed the Oregon Department of Forestry (ODF) to begin the rule analysis process that could lead to revision of the riparian protection standards to increase the maintenance and promotion of shade on small and medium fish streams. This decision was based on ODF monitoring results that showed rules falling short of the protecting cold water (PCW) criterion, a water quality temperature standard adopted by the Environmental Quality Commission (OAR 340-041-0028(11)). In November 2015, the Board voted to adopt new stream protection rules for small and medium salmon, steelhead, or bull trout streams in the Coastal, South Coast, Interior, and Western Cascade geographic regions. The Board also determined that the adopted package met the requirements of ORS 527.765.

Documents Relied Upon, and where they are available:

Economic Impact Analysis conducted by Oregon Department of Forestry, available upon request.

Fiscal and Economic Impact:

The proposed new rule creates an estimated loss of approximately 7.0 to 9.8 million board feet (0.3 to 0.4 percent decrease) in the 20-year annual average private softwood harvest. The estimated reduction in jobs and employee compensation ranges between 62 to 87 jobs and \$3.81 to \$5.33 million in compensation. For the statewide economic impact, the rule is expected to cause a decrease in net social surplus from approximately \$45.97 billion to \$45.87 billion for a total decrease of \$99.3 million (a decrease of 0.22%).

Statement of Cost of Compliance:

- 1. **Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):**
There will be a slight increase in administrative cost for Oregon Department of Forestry to implement the new rules. Local government and the public should not see an increase in cost of compliance.

- 2. **Cost of compliance effect on small business (ORS 183.336):**
 - a. **Estimate the number of small businesses and types of business and industries with small businesses subject to the rule:**
There are approximately 1,500 small businesses associated with forestry, logging, wood product supply and forestry support activities that may be subject to these rule changes; however, identifying small businesses that may be directly tied to the extension of the riparian management area for these rule changes is difficult. There are approximately 60,000 family forestland owners, who own between 10 and 5000 acres. While the new rules follows the approach of previous rules, there will be an increase in rule complexity, potentially creating a small increase in the costs of compliance.

 - b. **Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:**
Reporting, recordkeeping and other administrative activities (including professional services) required for compliance with these revised rules are expected to be unchanged. This rulemaking effort will not change any administrative activities associated, other than clearly identifying where the new rules apply.

 - c. **Equipment, supplies, labor and increased administration required for compliance:**
There may be a small increase for administration related to compliance. However, compliance should improve for all rules associated with water protection.

How were small businesses involved in the development of this rule?

Small businesses associated with forestry and sport fishing are represented on the rulemaking advisory committee assigned to this rulemaking effort.

Administrative Rule Advisory Committee consulted?

Yes. A special rulemaking advisory committee was appointed by the Oregon Department of Forestry Board of Forestry in December 2015.

If not, why?: NA

Rules Coordinator

9/12/16

Signature

Printed name

Date

Administrative Rules Unit, Archives Division, Secretary of State, 800 Summer Street NE, Salem, Oregon 97310.