

# Board of Forestry

## Testimony of Dave Ivanoff, representing Hampton Lumber -- July 24, 2018

I am Dave Ivanoff, representing Hampton Lumber, which employs over 700 employees at its Oregon operations in Willamina, Tillamook, Warrenton, Banks and in Portland.

We want to once again express our deep concern that unless changes are made in this new FMP planning process, the result is going to be the same outcome as that of the failed effort of 2001. In comments submitted in our January 3, 2018 testimony and again at your April 25, 2018 meeting, we cautioned against BOF approval of vague or ambiguous policy choices. We believe action of that nature will inevitably result in less-than-uniform understanding by not only you as the policy makers, but also, the counties and the public at large. This will perpetuate the issue of unrealized expectations and the unending controversy in how these valuable timberlands ought to be managed. While we appreciate the ODF senior staff outreach to the stakeholder groups between your BOF meetings, subsequent revisions to the Guiding Principles from that outreach effort still fall short of what is needed for a thorough evaluation of what you are being asked to approve.

By way of example, we will attempt to illustrate our concern with the vagueness and ambiguity in all of the Guiding Principles through a focused look at Principle 3 and a portion of its supporting text as shown below.

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

In supporting language below Principle 3, the first sentence says, **“The plan will provide sufficient revenue to support the stewardship of these forest lands and achieve the blend of economic, social and environmental benefits.”**

While this principle is referred to as the Financial Viability Principle, we are left without a clear understanding as to what Financial Viability means. For example, please consider the following:

- (1) Does Financial Viability mean having the consistent cash flow needed to perform regular inventory maintenance and young stand management, such as pre-commercial thinning? Does Financial Viability include the necessary cash flow to restore diseased or underproductive stands to full productivity to insure intergenerational equity between today’s citizens and future generations of Oregonians?
- (2) Does Financial Viability include regular achievement of a metric for a BOF approved minimum ROAV calculation?
- (3) Does Financial Viability include achievement of BOF approved metrics for contributing to the economic and social fabric for dependent communities within the trust counties?

Clearly, historic cash flow has not only been insufficient to maintain healthy FDF balances, but also the required revenue to regularly accomplish the work or outcomes envisioned by the above points has not been available. It seems obvious if future revenue is not increased, then Financial Viability will most certainly not be achieved. We believe that before any decisions are made around Guiding Principle 3, a thorough BOF discussion would be in order to share what you as individual Board members believe relative to the above questions.

Prior to approval of Guiding Principle 3, we also believe the BOF, the counties and the public would benefit from a discussion of your individual perspectives relative to some additional questions we also have after review of the first sentence in the supporting text shown in red above.

- (1) What does "... support the stewardship..." mean? In our stakeholder input, we suggested the word "proper" should be inserted ahead of "stewardship" in order to set clear expectations and prioritize management direction. For unknown reasons, ODF staff chose to not use the word "proper" in the rewrite of the supporting text for Principle 3. Without more specificity or BOF approved parameters for the phrase of "... support the stewardship...", how will you or future Boards of Forestry be able to monitor ODF performance and accountability in the management of this \$5 billion asset?
- (2) What is meant in the red text by "... achieve the blend of economic, social and environmental benefits."? It seems that a word may be missing in front of "blend" as written. If you agree that an adjective like "appropriate," is missing, and if that word or something like it is added, who decides what it means? Is it acceptable to perpetuate Oregon's economic and social rural/urban divide as a consequence of a new FMP that might yield timber harvest levels that are less than sustainably optimized timber output levels under a different approach?
- (3) How does one know when GPV has been achieved? Should there not be clear metrics developed through BOF policy direction to address not only the above financial viability questions, but also the concerns around the economic and social outcomes of dependent communities and important metrics measuring conservation outcomes? Unless there are BOF mandated parameters around all of these questions, how will you as Board members and the public have a common understanding of what you are being asked to approve in these Guiding Principles?

These types of issues are examples of the vagueness and ambiguity that plague most, if not all of the Guiding Principles. Unless the ODF provides adequate specificity around these types of foundational issues in all of the Guiding Principles with follow-up BOF discussion and guidance through fully understood policy decisions, how can replication of the same failed 2001 process be avoided?

In summary, we not only respectfully request you instruct ODF to provide the necessary specificity to insure a common understanding of all policy questions before BOF decisions are made, we also request that ODF be instructed to provide the specific numbers that support the up and down arrows in the ODF's proposed Impacts Analysis document. Use of arrows alone does not adequately quantify the degree of impact different policy choices will have on the final outcomes for important economic, social and environmental concerns. Also, in the FMP Content Table, another column needs to be added to quantify the predicted changes in harvest levels, revenue flow and conservation outcomes relative to previously established policies or new policy changes that are above and beyond those of the Forest Practices Act, or at a minimum beyond those of the current FMP. In this manner, completely transparent opportunity costs or benefits can be clearly understood as important policy is finalized in BOF decisions.

The final comment we feel compelled to make concerns the trust counties' perspective in this FMP planning effort. The most significant reference for acknowledgement of the counties' rights appears in reference to a supporting point for Principle No. 1. The text states, "The counties have a recognizable interest..." Not only is the reference to the counties' rights incredibly weak as written, that reference is "sandwiched" in the supporting text following a statement that the plan will use a landscape context and just ahead of a statement that adaptive management will also be used. To suggest the counties' perspective is no more significant than references to a landscape approach or adaptive management seems an unacceptable oversight of what the FMP should be trying to address. We believe the counties' interests should be a major underpin of this ODF planning effort and request that oversight be corrected by the BOF in a rewrite of Principle 1.

Thank you for the opportunity to comment.