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"Representing the logging industry since 1969"

## **Recommendations About Declining Federal Forests in Oregon**

Comment by Rex Storm, Associated Oregon Loggers, Inc.

before the Oregon Board of Forestry--Federal Subcommittee – April 24, 2018

Chair Christoffersen and Board Federal Subcommittee members, my name is Rex Storm, Certified Forester and Forest Policy Manager for Associated Oregon Loggers (AOL). I make these comments on behalf of the 1,000+ AOL member companies, representing Oregon logging and allied forest management businesses — those family businesses who grow, harvest, protect, and own forestlands statewide. We manage forests across Oregon, on all ownership categories, both private and public.

### **We urge the Board's due diligence at taking bold action that would alter the federal forest policies that today stifle future generations of Oregon forests.**

We are very concerned about the rapidly-declining condition of federal forestlands, and how this dire federal situation transcends all Oregon forests. Continued impacts from this ongoing catastrophe would certainly burden all Oregon forestlands and condemn Oregon's nation-leading forest sector.

The relative federal inactivity combined with ineffective federal policies today threaten the forest sustainability of most all Oregon forests. We share with the Board a common intent that the greater good of Oregon's forest sector—including the 60 % of Oregon forests that are federally-owned.

Our comments suggest recommendations for Board of Forestry action that may be warranted, where the Board could contribute to mending the broken federal forestry. We urge you to study the urgent need for Board consideration about how current federal forest policies unduly repress all Oregon's forests and forest sector. The forest sector is a central component of Oregon's economy, being a top-3 traded good sector, which especially contributes to the vital fabric of rural Oregon communities.

I call your attention to my previous written testimony submitted to the Board on November 1, 2017, titled '*Headwinds Facing Oregon Forest Sector – Board Forest Policy Future;*' and to the Board Federal Subcommittee on January 2, 2018, '*Federal Forest Problems Impacting Oregon Forests.*'

The following five items list our concerns and suggestions about where Board of Forestry action could influence favorable Oregon federal forest policy reforms.

- A. Dangerous USFS growth, harvest & mortality
- B. "Federal-Private Interface" Injures Non-Federal Neighbors
- C. USFS modernization initiatives w/o ODF input:
- D. Eastern Oregon federal forests unhealthy; forest sector distressed
- E. Statewide OR timber harvest weakens / Forest Service merchantable harvest decreases

## Recommendations About Declining Federal Forests in Oregon

### Federal Policy Challenge

#### A. Dangerous USFS growth, harvest & mortality

(see attached chart)

- Declining USFS net growth & harvest; rising mortality
- Long-term marked erosion of fed timber supply
- US national forest growth declines steeply
- US national forest mortality rises steeply
- US national forest mortality exceeds growth
- US national forest harvest is flat
- Oregon national forest harvest is declining(2002-16)
- Increased national forest overcrowding
- Increased national forest fire hazard
- Increased national forest catastrophic damage
- Increased national forest impacts on neighbors
- Increased national forest impact on ODF fire costs
- Forest cover loss/excess mortality/deficient reforestation

### Recommended Board / ODF Action

- Board convene forest sector/state agency roundtable
- Board/OFRI complete assessment of these 3 metrics
- Board/ODF urge reformed fed regional policy
- ODF dedicate staff to comment on fed policy/project
- Board/ODF speak with authority on forest policy matters
- Board/ODF refocus/add capacity to address Fed issues
- Redouble socio-economic content to inform Feds
- Due to Fed forest absence of modern management, the long-term sustainability of those Fed forests; their neighboring non-fed forests/range/farms; and rural forest communities all continue to decline.
- Board-Fed Sub /ODF establish relationship with key Fed forest agency decision makers
- Board/ODF engage in federal forest plans
- ODF measure Board's 'Indicators of Sustainability'
- ODF 2016 Fire Program Review recommendations
- Reform BLM fire agreement
- ODF engage with FS&BLM to reform fire protect
- ODF engage with FS&BLM to revise forest plans

### Federal Policy Challenge

#### B. "Federal-Private Interface" Injures Non-Federal Neighbors

Along the thousands of miles of Oregon federal forest boundary shared with non-federal neighbors, current federal forest policies increasingly adversely impact their neighbors--and transfer risk from the federal lands to the non-federal neighbors. For example, the long-term average of US Forest Service-borne wildfires burn 80% of the annual forest acreage of wildfires--even though the USFS protects only half of Oregon's forest acreage. This disproportionate impact demonstrates how federal forest policies extend beyond their federal boundaries--to those forestlands which the Board has jurisdiction to protect.

#### Rising neighbor loss in "Federal-Private Interface"

- Transfer of wildfire/Rx burn loss risk to neighbors
- More pest/disease/invasive spread to neighbors
- Fire/pest protection costs to neighbors soaring
- Denied access to accommodate neighbor's land uses

- Board/ODF study transfer of risk w/private sector
- ODF 2016 Fire Program Review recommendations
- ODF assess impact on private/state fire protect/costs
- Board/ODF seek reform of fed region policy & plans
- Board/ODF consider state policy toward fed impacts
- Board should include member Fed forest neighbor
- Board/ODF assess impact on private sustainability
- Committee for Family Forestlands 2012 Report: 'Oregon's Eastside Forests 2012: Family Forestland Owner Perspective' recommendations
- ODF 2016 Fire Program Review recommendations
- Reform BLM fire agreement
- ODF engage with FS&BLM to reform fire protect
- ODF engage with FS&BLM to revise forest plans

## Federal Policy Challenge

## Recommended Board / ODF Action

### C. USFS modernization initiatives w/o ODF input:

1. Environmental Analysis Decisionmaking(EADM)
2. Forest Products Modernization (FPM)
3. Forest Plan Revisions
4. Timber sale volume targets increasing
5. Efficiency tools authorized by law/rule
6. Good Neighbor Authority(GNA)
7. Cohesive Fire Strategy

- ODF dedicate staff to comment on fed policy/project
- Board/ODF speak with authority on forest policy matters
- Board/ODF refocus/add capacity to address Fed issues
- ODF Federal Forest Restoration Program
- Policy input at Federal Forest Work Group
- ODF policy input to urge greater efficiency tool use
- Accelerate GNA project economic self-funding
- Refocus ODF input to improve federal forest mgmt
- Committee for Family Forestlands 2012 Report:  
'Oregon's Eastside Forests 2012: Family  
Forestland Owner Perspective' recommendations
- ODF 2016 Fire Program Review recommendations
- Reform BLM fire agreement
- ODF engage with FS&BLM to reform fire protect
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### D. Eastern Oregon Federal Forests Unhealthy; Forest Sector Distressed

The impact of all the aforementioned obstacles is dire in Eastern Oregon, where the forest sector capacity has diminished in scope, scale, and geographic availability. Distant markets and forest management opportunities are inconsistent and unreliable, largely due to the 75%+ dominance of the public forest ownership and its waning commitment to forestry. Lacking future forest policy changes, the continued harmful erosion of the forest sector is predictable there.

There are many geographic areas where private forestland owners simply have no viable market to conduct forest management--due to either a mill refusing their timber sale, or uneconomical distances, or unavailable contract capacity. Non-industrial private forest and ranchlands experience increasing pressure to change land use to non-forest land uses.

There remain just nine primary forest product mills on the Eastside. At first glance this may appear sufficient to manage the forestlands. However, the distance between, specialization of each mill, and stifled capacity/investment renders the current milling capacity and forestland management tenuous at best... and likely unsustainable in its current form.

Manufactures and forest contractors, in general on the Eastside, have been unable to maintain sufficient investment in their infrastructure and labor to remain fully competitive in the Northwest and North American forest products sector. There remain just nine primary forest product mills on the Eastside. At first glance this may appear sufficient to manage the forestlands. However, the distance between mills, specialization of each mill, and each mill's stifled capacity/investment renders the current milling capacity and forestland management tenuous at best... and likely unsustainable. The same calculus of marginal sustainability is applicable to the forest contract sector.

There are Eastside geographic areas (working circles) where the smaller so-called non-industrial private forestland owners simply have no viable market to conduct forest management—due to either a mill, operating a curtailed capacity refusing their timber sale, or uneconomical distances, or unavailable contract capacity, or uneconomical cost-value situations fostered by chronic industry disinvestment in the working circle impacting cost metrics. Non-industrial private forest and ranchlands experience increasing pressure to change land use to non-forest land uses on the Eastside, because currently growing and harvesting trees is becoming an uneconomical venture for owning and paying taxes on their forestland. This threat of forestlands exiting forest status should concern all Oregonians and the US Forest Service decision-makers alike.

## Federal Policy Challenge

## Recommended Board / ODF Action

### D. Eastern Oregon Forests & Sector Distressed

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|---|--|
| <ul style="list-style-type: none"> <li>--Uncertain USFS timber volume available</li> <li>--Declining USFS timber value</li> <li>--Rising operating costs of USFS timber sales</li> <li>--Few contract tools for small/simple/urgent projects</li> <li>--Eastern Oregon lost cable logging system capacity</li> <li>--Sparse remaining industry infrastructure diminished/distant</li> </ul> | <ul style="list-style-type: none"> <li>--ODF dedicate staff to comment on fed policy/project</li> <li>--Board/ODF speak with authority on forest policy matters</li> <li>--Board/ODF refocus/add capacity to address Fed issues</li> <li>--ODF Federal Forest Restoration Program</li> <li>--Accelerate GNA project economic self-funding</li> <li>--Refocus ODF input to improve federal forestry</li> <li>--Committee for Family Forestlands 2012 Report: 'Oregon's Eastside Forests 2012: Family Forestland Owner Perspective' recommendations</li> <li>--ODF 2016 Fire Program Review recommendations</li> <li>--ODF engage with FS&amp;BLM to reform fire protect</li> <li>--ODF engage with FS&amp;BLM to revise forest plans</li> </ul> |
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### E. Statewide Oregon Timber Harvest Weakens / Forest Service "Merchantable" Harvest Decreases

Limited by several obstacles in recent years, Oregon's statewide 2016 sawlog timber harvest volume remained stuck below 4 billion bdf for the year, at 3.888 billion board feet, according to the Oregon Dept. of Forestry's annual timber harvest report. The 2015-16 harvest volume remained stalled—500 million bdf below the "par" statewide annual harvest of 4.4 billion bdf/year. While all ownership categories increased their harvest, federal forest harvest volume decreased in 2015 and 2016 (Forest Service & BLM).

Oregon's forest sector is continuing to see an increase in demand for their products. And, experts say that the steady increase is due to a normalized US economy and expanding global uses for wood—such as packaging and mass timber construction of commercial buildings. Yet, during increased demand, Oregon statewide harvest is flat and federal harvest is declining. No Oregon timber mills have announced expansion during this same period; and many are operating at significantly curtailed capacity. Indicating that this lack of production is a Western regional situation where public forests dominate the landscape, the forest sector in the Southeast US (where there is just a minor federal forest component) is dramatically expanding—with planned and brand-new timber mill capacity at least nine timber mills in the last six months.

#### **Forest Service Harvest; Eastside Oregon (from 6 national forests) (Average Million bf per Year)**

<u>5-Year Period</u>	<u>"Net" Sawlog Actual harvest mmbf/yr</u>	<i>Source: ODF Annual Harvest Reports</i>
2012-2016	110**	
2007-2011	105	
<u>2002-2006</u>	<u>133**</u>	
15-year average	116	

**\*\* Notes:**

- 23 million bf/year actual sawlog decline from period 2002-2006 to 2012-2016 (17% decline)
- Why the decline?? Less merchantable sawlog due to: a) increasing amounts of non-merchantable volume; b) increasing amounts of inoperable or infeasible volume sold; c) increasing amounts of defective volume becoming non-merchantable; and d) significant leakage of USFS-cancelled volume.

#### **Forest Service Harvest; Statewide Oregon (from 11 national forests) (Million bf per Year)**

<u>Year</u>	<u>"Net" Sawlog Actual harvest mmbf/yr</u>	<i>Source: ODF Annual Harvest Reports</i>
2016	352 #	
2012	369 #	

**# Notes:**

- 17 million bf/year actual sawlog decline from 2012 to 2016 (5% decline)

## Federal Policy Challenge

## Recommended Board / ODF Action

### E. Forest Service "Merchantable" Harvest Decreases

--see above

## Annual Net Growth, Mortality, and Harvest on National Forest Timberlands - 1952-2016

