

Agenda Item No.:	7
Work Plan:	State Forests Work Plan
Topic:	Western Oregon State Forests Draft Habitat Conservation Plan
Presentation Title:	None
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SUMMARY

The State Forester will make his recommendation to the Board of Forestry on how best to proceed with the Western Oregon Habitat Conservation Plan (HCP) project.

CONTEXT

In October 2020, the Board of Forestry (Board) directed the State Forests Division (Division) to finalize development of the Western Oregon State Forests Habitat Conservation Plan (HCP) and begin the National Environmental Policy Act (NEPA) process. The Board also directed the Division to develop the Western Oregon State Forests Management Plan (FMP) that would use the draft HCP as its mechanism for compliance with the federal Endangered Species Act (ESA). The FMP is needed to articulate the complete integrated forest management approach for state forest lands.

The Division provided results of new modeling estimates of long-term timber harvest, revenue, habitat, and carbon storage under the draft FMP (that relies upon the draft HCP for ESA compliance) with the Board of Forestry in December 2023. Since then, the State Forester held listening sessions to provide the public with an opportunity to share thoughts or concerns specific to this new information with the State Forester, in anticipation of the State Forester making a recommendation to the Board on how to best to proceed with work on the HCP project.

BACKGROUND

All landowners must comply with the ESA. Currently the Division complies with the ESA through a process called “take avoidance.” State forest lands are managed in alignment with the current FMP. Habitat is evaluated operation-by-operation, and surveys are conducted for listed species. If a listed species is detected, specific management activities are either modified or may have to be foregone entirely. Without an HCP, management activities are subject to new listings or new information including updated conservation standards. There is no federal endorsement affirming the adequacy of any specific non-federal “take avoidance” strategy, making future management activities uncertain. The Division has operational policies in place that are intended to avoid the take of listed species; however, these policies are subject to legal challenge that allege they are insufficient to avoid take.

An HCP is an ESA compliance tool involving an agreement between the Department of Forestry, the U.S. Fish and Wildlife Service (USFWS) and the National Oceanic and Atmospheric Administration (NOAA) Fisheries that provides a holistic approach to

complying with the ESA. The HCP establishes long-term commitments to conservation and provides long-term assurances that forest management will continue, under a set of agreed upon conservation measures throughout the life of the HCP (70 years). The conservation strategy set forth in an HCP is designed to offset take of the covered species and otherwise meet requirements of the ESA to result in permits issued by the US Fish and Wildlife Service and NOAA Fisheries, which allow for take of covered species that is incidental to covered management activities (incidental take permits). Compliance with the terms and conditions of incidental take permits eliminates risk of liability under the ESA providing certainty for future management activities during the HCP term.

The draft HCP covers 639,489 acres of state forestlands west of the Cascades. Most of these lands (96% or 613,734 acres) are owned by the Board, and the remaining 4% (25,755 acres) are Common School Forest Lands (CSFL) owned by the State Land Board. The draft HCP does not include the CSFL in the Elliott State Forest.

At the direction of the Board of Forestry, ODF has been developing a draft HCP since 2018. In October 2020, the Board directed staff to begin the National Environmental Policy Act (NEPA) process to finalize the HCP, based on a comparative analysis that evaluated the expected outcomes and tradeoffs of implementing an HCP versus continuing under a survey and manage approach to avoid “taking” of species listed under the ESA.

The Board has discussed the draft HCP multiple times over the past several years and received a large volume of testimony from the Forest Trust Lands Advisory Committee and other county partners, stakeholders, and the public.

The Board has also been advised by ODF, to the best of staff’s knowledge and ability, on the risks to the HCP process overall that may result from changes to the HCP, which could require beginning the NEPA process again or that may result in additional/modified terms and conditions, or both. The State Forester and Board members have also had the opportunity to meet with US Fish and Wildlife Service staff to discuss the draft HCP and associated processes.

Listening Sessions

The State Forester held a series of listening sessions for the purpose of hearing final thoughts from the public prior to making the following recommendation to the Board of Forestry on a path forward for completing the draft Western Oregon State Forests Habitat Conservation Plan (HCP) and Western Oregon State Forest Management Plan (FMP) for 640,000 acres of state-managed forestlands in western Oregon.

Two in-person sessions (held in Eugene and Astoria) and one virtual session were initially scheduled. A concern was raised prior to the Eugene session that the recent winter storm would impede participation, so an additional virtual session was scheduled to ensure that anyone impacted by the storm and unable to attend the in-person event could still be heard by the State Forester. Recognizing some interested parties would want to provide only written comments or more extensive comments than the two minutes verbal comment limit would allow, written comments were also accepted.

Commenters were asked to direct their comments specifically to the following three questions:

1. How does the new information affect your perception of the appropriate blend of social, economic, and environmental benefits provided through the draft HCP and draft FMP?
2. What specific recommendations do you have to improve social, economic, and environmental outcomes from the management of Oregon's state forest lands?
3. What is the most important consideration related to the new information about the draft FMP and draft HCP that you want the State Forester to know?

The State Forester heard testimony from 118 people at these listening sessions and received 157 written comments. These comments are summarized in Attachment 1.

RECOMMENDATION

The Board of Forestry direct the Department of Forestry to:

1. Take actions necessary to finalize the Western Oregon State Forests Habitat Conservation Plan as drafted and work with US Fish and Wildlife Service and NOAA Fisheries to complete the HCP and obtain the associated incidental take permits. Completion of the HCP will include the minor changes made since the release of the public draft in March 2021, and other minor changes needed to obtain the incidental take permits. It will not include significant changes to the conservation actions as currently drafted.
2. Model management outcomes that the Board can use to discuss trade-offs and inform the setting of Performance Measure targets to be used to direct initial implementation of the FMP that relies upon the HCP for ESA compliance.

NEXT STEPS

With the Board's acceptance of the State Forester's recommendation, the Department will:

1. Take actions to complete the draft HCP with NOAA Fisheries and US Fish and Wildlife Service.
2. Return to the Board following ITP issuance with modeling of potential implementation options to inform a Board discussion of trade-offs and decisions on Performance Measures.
3. Return to the Board to initiate rulemaking on the draft Forest Management Plan.

ATTACHMENTS

1. Summary of Listening Post Comments

HCP/FMP Listening Sessions with the State Forester

Summary of Comments

Background

The State Forester held a series of listening sessions for the purpose of hearing final thoughts from the public prior to making a recommendation to the Board of Forestry on a path forward for completing the draft Western Oregon State Forests [Habitat Conservation Plan](#) (HCP) and Western Oregon State [Forest Management Plan](#) (FMP) for 640,000 acres of state-managed forestlands in western Oregon.

The Department of Forestry shared the results of new modeling estimates of long-term timber harvest, revenue, habitat and carbon storage under the draft plans with the Board of Forestry in December 2023. The listening sessions are intended to provide the public with an opportunity to share thoughts or concerns specific to this new information with the State Forester, as he prepares to recommend how to move forward with finalization of both the HCP and FMP.

Two in-person sessions (held in Eugene and Astoria) and one virtual session were initially scheduled. A concern was raised prior to the Eugene session that the recent winter storm would impede participation, so an additional virtual session was scheduled to ensure that anyone impacted by the storm and unable to attend the in-person event could still be heard by the State Forester. Recognizing some interested parties would want to provide only written comments or more extensive comments than the two minutes verbal comment limit would allow, written comments were also accepted.

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Process

The State Forester received 157 written comments. The majority of these (105) reflected three email campaigns and 52 were unique. One of the email campaigns urged finalization of a strong HCP and an ecologically-sound FMP and advocated for moving the draft HCP forward without changes. The second campaign urged the Board to not move the HCP forward. The third advocates for further work to better balance the HCP in terms of conservation and economic outcomes with emphasis on improving the economic outcomes. Some of the written comments were submitted by individuals who also provided oral comments.

The listening sessions were well-attended with 37 people providing comments in Eugene, 50 people providing comments in Astoria, and 31 people providing comments on the virtual platform. Everyone in attendance who wished to provide oral comment was able to, and all sessions had spots that were unfilled. Commenters included elected officials, representatives of interest groups, and individuals. Many speakers chose to supplement their oral comments with written comments.

Summary of Comments

Written and verbal comments are summarized below and are organized into overarching themes. Comments in *italics* indicate specific management standard changes recommended by commenters. Claims made in these comments have not been checked by Department staff for accuracy and should be considered the opinion of the commenter. If the commenter cited a source, it is reflected in the comments.

Community Vitality/Services/Employment

- Chronic unemployment and underemployment lead to increased levels of substance abuse and homelessness. In communities large and small, schools cut teachers and staff, local government cut important programs and delayed needed maintenance projects.
- Timber jobs are already lost due to mechanization in the industry.
- If timber companies really cared about jobs, they would park their fancy machines and hire back those loggers that machines replaced.
- HCP will cost jobs.
- Not the Board's job to save local economies, fund schools, fire and police departments, or solve local government budget issues
- We've created a system where communities are dependent on money from cutting trees, and now expected to subsidize communities
- State should not tie community services to harvest of trees
- Develop alternative funding sources for rural governments
- HCP appears to be a stand-in for political arguments over rural county funding
- Over 500,000 people obtain water from western Oregon state forests – the value of this water should be more fully recognized by ODF
- Trying to maintain employment and timber revenue by over-harvesting our State Forests for decades is not sustainable.
- If forest health and non-timber forest resources are allowed to decline further in favor of revenue protection the consequences will be more difficult to remedy in the future.
- Majority of timber revenue going to the counties, goes to schools, not county services.
- Carbon markets can provide opportunities for additional revenue sources to help make up the gap of revenue not realized from habitat conservation areas.
- Money from timber reduces burden on taxpayers.
- Lack of domestic supply of timber will cause importation of wood from other countries.
- Taxpayers shouldn't have to pay to manage forests.
- 2020 Propublica/OPB research found severance tax has cost rural communities over \$3 billion over past 30 years.
- More than half of communities lost more revenue from tax cuts than reduced harvests.
- Loss of salmon habitat has caused losses to regional tourism economies.
- Substantial monies come into the state from recreation and visitors to our forests. An increase in taxes in that segment could help to take the place of the timber harvest tax for rural community infrastructure.
- The HCP will defund critical community services.
- Having loggers and milling infrastructure is critical to local communities and small woodland owners.

- Doomsday discussion on school funding is troublesome. All schools receive baseline funding and the impacts to schools from the HCP are overstated. Knappa School District 4 receives 1% of its funding (\$75,000) from timber sales and the HCP will reduce that to \$50,000.
- Trading-off between environmental protections and community economics is a false balancing act. Oregon must diversify funding for county services to sever the financial dependence on logging state forests.
- Taxes should be increased on timber harvested from private and public lands to fund county services.
- Forestry jobs have wages roughly 7% higher than statewide average of all jobs (\$64,000).
- Economic research shows the health of rural economies increases with conservation. Jobs, income, and property values increase.

Climate Change/Carbon Sequestration

- Board must adopt an FMP that will address future challenges
- HCP sequesters more carbon by promoting growth of mature and old growth forests
- *Rotations should be extended to 80-100 years to allow for more Carbon sequestration*
- Highest and best use of a productive forest is contributing to carbon sequestration
- With knowledge of climate change, ODF should be more conservative with harvest decisions
- Dead trees don't sequester carbon
- Thinning and replanting will do more for climate change than no management for 90 years
- HCP may overestimate the amount of habitat in the future due to not accounting for climate change
- State Forests are underfunded to be able to continue management in the face of climate change uncertainty.
- In the context of the social cost of CO₂, the cost savings from reducing logging exceeds the value of the foregone timber by more than 20:1.
- Timber industry is Oregon's largest source of climate pollution.
- Climate change increases human mortality through heat domes, heat waves, hurricanes, among other events. Climate pollution from state lands kills 1,200 people annually.
- Ice cores have been taken in Antarctica, and these show that three times there has been no ice there. This shows that there are naturally-occurring warm and cold periods based on regular sun cycles. We're about to enter a mini-ice age and need to be cautious about limiting people's ability to warm themselves.
- CO₂ is not a pollutant; it is plant food.

Timber Harvest Prescriptions/Silviculture/Reforestation

- *Do not salvage harvest – unless forest is hit with 2 fires in short amount of time, the forest will regenerate more quickly and with biodiversity*
- *Do not harvest mature or old growth forests*
- *Leave many more than 2 trees per acre*
- No clearcuts
- *50-year moratorium on clearcuts*
- *Cease use of pesticides*
- *Stream buffers on small streams need to be increased by 50 ft to ensure cooling and prevent logging near landslide prone areas.*
- Timber sales don't include costs of reforestation and counties do not share in costs to reforest.

- Evaluating planting densities, site prep needs, and minimizing treatments within stands that amount to less than 5-acres.
- Active management is the solution for healthy forests.

Habitat/Wildlife

- At the beginning of sixth great mass extinction and habitat destruction is primary reason
- State Forests are the only place in western OR to carryout large-scale habitat restoration
- Best available science should be the basis for the management of SF lands
 - Changes due to political and corporate pressures should not be made
- Most valuable resource coming from the forest is cold, clean water.
- Biodiversity relies on sustaining old-growth and middle-growth forests. The HCP will provide these forests.
- Species diversity assists in soil reclamation, clean streams, cleaner air, and weather pattern stabilization.
- Tree harvest will cause insect-eating birds to be replaced by seed-eating birds, leading to increases in insect outbreaks.
- Habitat focus of HCP seems disproportionately-oriented toward a few species.
- HCP has a commitment to achieve 134,000 acres of habitat for Northern Spotted Owl at the end of the permit term. The report shows this has been achieved already, and is exceeded by 64% at the end of the permit term.

Certainty/Resilience/Balance/Sustainability

- HCP provides certainty for conservation and harvest outcomes
- Industrial forestry is not ecologically, economically, or socially sustainable
- HCP lacks balance – too much habitat, not enough harvest
- HCP outcomes will mirror USFS Northwest Forest Plan – overstocked timber that will burn
- While HCP could be improved, change is needed to secure greater stability for forests, wildlife, air, water and people
- twin goals of stabilizing volume outputs at a level needed by industry and adequate protection for covered species to stave off frivolous litigation are not met
- GPV is not met by reducing harvest
- HCP should be first step to eliminate logging on State Forests
- undertake a more complete economic analysis of the dollar values of State Forest assets derived from water supplies, recreation, tourism, carbon capture, fishery production, and ecosystem restoration.
- OR has millions of acres of privately held forest land from which timber can and will be cut. State Forests should be set-aside for all the non-timber harvest values.
- Without the HCP State Forests will be mired in lawsuits possibly halting all timber harvests and leading to a situation similar to the Elliott State Forest.
- The current State Forests funding approach does not meet the GPV rule, often shortchanging both the social and environmental benefits necessary to sustain healthy ecosystems for us into the future.
- HCP relies too heavily on the strategy of habitat preservation and ignores the economic and societal responsibilities.
- Set-asides will not forever protect habitat.
- Where will lumber for the Governor’s housing bill come from if it can’t be harvested from State Forests?

- Without management, the forests will burn.
- Studies show that forest soil is depleted by the third generation of clearcutting.
- Clearcuts lead to increased temperatures and increased wildfire risk.
- There are ways to respectfully log to benefit people and nature. Instead Oregon imports timber.
- We need to protect vast areas of natural forests, this takes redirecting, reprioritizing and building a 100, 500 year plan.
- Water volumes are decreasing due to mismanagement of the timber industry.
- HCP will bankrupt the \$6 billion state forests asset
- The Elliott shows what will happen to State Forests; litigation and harvest levels drop to zero while trying for an HCP.
- Page 8 of the Modeled Outputs report states: “projected volumes per acre are still high for harvests associated for current stands.” These volumes are still a reduction of over 20 percent from the 5-year average.
- ODF’s costs in FY20 were nearly \$41 million, a 63% increase over FY10, even though staff has been reduced by 6%. Costs will likely continue to increase.
- Failure to move forward with the HCP will result in federal lawsuits for failure to comply with the ESA.
- More prescribed fire included in the HCP.
- Stop 10 a.m. rule. Adopt modern fire ecology practices.
- Benefits do not outweigh the costs

Process

- This is the second attempt to pass an HCP and I fear the cost to terminate this one and start over is not feasible with the current budget and funding structure within the State Forests Division.
- OSU Forestry declined to manage with an HCP. The State Forests HCP will likely be the same.
- Use a go-slow approach like adopting the Private Forest Accord rules, something that has been broadly agreed upon.
- Need more transparency.
- A simplified FMP and HCP should be produced for public consumption so that the public can really understand what is at stake here.
- Take whatever time necessary to develop a 70-year plan that uses proper data and refrain from over-estimating and over-committing habitat areas that do not align with existing data or requirements by federal agencies.
- US Forest Service has tools to help with modeling effects of climate change.
- Modeling must be done with peer reviewed data and research.
- Stakeholder input is vital to making the process successful.
- The success of the PFA shows that constructive and positive agreement can be met between stakeholders with divergent interests.
- Need transparency on how the HCP would address the changes in the forest landscape and habitats caused by the 2020 wildfires.
- Need to provide specific, accurate, and reliable information about revenue in Clackamas County.
- Clackamas County forest lands should be removed from the HCP.
- Use proper data and refrain from over-estimating and over-committing habitat areas that do not align with existing data or requirements by federal agencies.

- Board of Forestry should explain exactly how the proposed HCP represents Greatest Permanent Value.
- Focus on analyzing the trade-offs between policy choices being considered.
- Appear to be in violation of ORS 184.429(1) (Powers and Duties of the Sustainability Board).
- Review Bob Zybach's "Giesy Plan Option."