

## Board of Forestry Testimony

W. Ray Jones, Representing Stimson Lumber Company

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As the Oregon Department of Forestry (ODF) and Board of Forestry (BOF) begins work again on the new Forest Management Plan (FMP) for the Northern six Districts, I would offer up some thoughts as you develop the new FMP. Hopefully these thoughts frame up a portion of the responsibilities in regards to these lands, a new FMP and all the associated benefits and costs from policy decisions that are made by ODF and the BOF.

### Asset Value and Economic Benefits

- Collectively the value of these Forests in today's market is worth more than \$5.0 Billion dollars. One of the current key measures that ODF reports to the BOF is return on asset value. What is the return on asset value using a market value of \$5.0 Billion?
- As ODF creates new Harvest Plans as part of the new FMP and as the BOF considers these plans, there needs to be a transparent methodology in comparing costs and benefits when overlaying policy choices. Specifically there needs to be a method of comparison. One way of doing this is to begin with a Harvest Plan that optimizes harvest potential and maximizes economic benefits to the Trust Counties. After that plan is developed, all other plan proposals can be compared to this plan by looking at changes in economic, social, and environmental costs and benefits. How else can the BOF and ODF weigh the value and cost of policy choices?
- Could a Land Sale be a viable option? As a member of Governor Kitzhaber's Stakeholder Group this idea was presented as an alternative. \$5.0 billion dollars is a sizeable figure, and if the proceeds were placed in a Trust for the Counties, could produce steady income for each Trust which would produce more economic value than any other present alternative has provided. I understand this idea is not popular; however we saw the Elliot Forest put up for sale and then the sale was retracted. The Elliot is a great example of how a succession of policy choices over the years that has diminished value by substantially more than 50%. Without a substantial change of direction in policy, ODF and the BOF is creating another Elliot (NORTH).

### Other Considerations

- In each of the 6 Districts there is Milling Infrastructure that provides family wage jobs for those rural communities. These jobs and resultant economic base are very material for these rural communities. Plan choices that reduce harvest volumes directly reduce these employment opportunities and risk the milling infrastructure. A good example to share is the Northwest Hardwood Mill in Garibaldi; a mill dedicated to the conversion of Alder and Maple into lumber products. This mill is very strategic to Tillamook County and strategic to ODF's FMP as it converts underproductive lands dominated currently by Alder and Maple.

I hope the points made today cause ODF and the BOF to examine the path forward. Further I would hope that as plan alternatives are developed in the new FMP; there is a transparent and credible way to compare and evaluate the economic, social and environmental costs and benefits of policy choices.