

Council of Forest Trust Land Counties

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Testimony by FTLAC to the BOF 11/07/2018

Habitat Conservation Plan:

For several years, FTLAC has been warning ODF and BOF that under the current forest management plan, a substantial portion of the State Forest Trust Lands will be aging into a condition that makes them vulnerable to appropriation under the ESA statute. FTLAC congratulates ODF for recognizing and addressing the problem.

This analysis, however, addresses a very narrow question: Given current management, is it better to pursue an HCP or practice take avoidance? The larger question is: "Given the current structure of the inventory on State Forest Trust Lands, what could the BOF do to preserve and protect the economic value of the State Forest Trust Lands?" An HCP is certainly one alternative. But it is not the only alternative. By limiting the discussion to an HCP, ODF is not presenting the BOF with the full range of alternatives the BOF should consider as fiduciaries to the beneficiaries of the trust.

Private forest land is abundant in the northwest counties. To our knowledge, none of these landowners have an HCP, and none seem to be especially encumbered by ESA listed species. Clearly there is another strategy for minimizing ESA encumbrances not discussed in this report.

In 2005, ODF undertook a similar analysis about the HCP contemplated at that time. That analysis indicated that take avoidance resulted in higher harvest and revenue than an HCP, and ODF subsequently stopped pursuing an HCP.

ODF should explain why this preliminary analysis comes to the opposite conclusion.

The ECO Northwest report does not provide sufficient detail about the calculations behind the analysis. The Counties were not consulted about data, methods or assumptions, and the report does not provide the analytical details. At this point, we are unable to tell whether the results and conclusions are reliable.

Key to this analysis are the assumptions about what kind of management encumbrances USFWS and NMFS would require from ODF. These are not described beyond some rather modest acreage withdrawals. This is key to the analysis, of course, and merits much more discussion.

While the report notes that the consulting team has experience “preparing and implementing over 75 HCPs around the country,” it does not mention how many of those include the 17 species considered in this report.

We understand The Board of Forestry will be asked to instruct the Department of Forestry to move beyond phase one (HCP Initiation/Scoping) and commence with Phase 2 (Strategy Development), where hopefully many of the questions and concerns we have will be address.

Until we learn more we cannot give a position on the adoption of an HCP. We would not support an HCP that violates the State’s contractual obligations with the Trust Counties.

State Forest Management Plan:

One of ODF’s current performance measures is the Return on Net Asset Value (RONAV). It measures the annual net dollar return as a percentage of the market value of the State Forest Trust Lands. A previous BOF found that the RONAV was not acceptable and directed ODF to find ways to increase the RONAV.

The ODF did not include the RONAV as one of the “measurable outcomes.” We ask the BOF to direct ODF to add that to the list. We believe that understanding the RONAV is important for the BOF to understand the financial performance of the State Forest Trust Land asset.

We believe a computation of the RONAV will not be difficult. ODF is already proposing the calculation of the Net Present Value of the forest as managed under the forest plan. The model used for that calculation can easily be modified to approximate a Net Asset Value. FTLAC stands ready to assist if ODF needs help with that task.

We are not currently able to support or not support a new State Forest Management Plan. However, we do support the concept of an Adaptive Management Plan. This will provide the Department the flexibility to adjust the Implementation and Operations Plans based on evolving conditions and available Science.

Tim Josi

FTLAC Chair