

STAFF REPORT

Agenda Item No.:	7
Work Plan:	State Forests Work Plan
Topic:	State Forests Management
Presentation Title:	State Forests Draft HCP and FMP Overview
Date of Presentation:	November 3, 2021
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CONTEXT

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

In November 2017, the Board approved a 3-phase approach to explore the possibility of a Western Oregon HCP:

- Phase 1: HCP Initiation/Scoping (*Timeline: Nov.2017 - Nov.2018*)
- Phase 2: Strategy Development (*Timeline: Nov. 2018 - March 2020*)
- Phase 3: National Environmental Policy Act (NEPA) analysis and consultation (*Timeline: March. 2020 - Feb. 2023*)

The Division presented the deliverables of Phase 1 for Board consideration in November 2018, which included a business case analysis designed to evaluate potential financial implications resulting from an HCP as compared to the current FMP. The results provided a *relative* evaluation of potential outcomes if the Division continues to manage without an HCP as compared to with an HCP. Based on this work, the Board directed the Division to move into Phase 2: Strategy Development and Stakeholder Engagement.

Since November 2018, the Division collaborated with our state and federal sister agencies as well as our county partners, Tribes, interested stakeholders and members of the public to develop the draft HCP. The Division also completed a draft take-avoidance FMP for Board consideration in April 2020. Development of a draft take-avoidance FMP has been paused indefinitely.

In October 2020, the Division presented the draft HCP to the Board for the decision on whether to move the HCP to Phase 3: NEPA Analysis. At this time, the Board unanimously voted to direct staff to move to Phase 3: NEPA Analysis and

consultation. Specifically, the Board directed staff to complete the [draft Western Oregon State Forests HCP](#) and complete the NEPA process.

The Division was awarded three \$1 million (\$750,000 federal, \$250,000 match) USFWS Technical Assistance grants to support the work completed on the HCP to date. The most recent grant, awarded September 2021, will be used to support the NEPA process. It is anticipated that the NEPA process and the draft FMP will be complete in winter 2022. In spring 2023, the Division will bring the fully vetted HCP and draft FMP to the Board for consideration and decision (see *Working Project Timelines*; Attachment 1). While the Board and Division continue to work on these overarching forest management policies, the Division will continue operating under the current Forest Management Plan.

BACKGROUND AND ANALYSIS

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 Forest Management Plan (FMP). Habitat is evaluated operation-by-operation and we conduct costly surveys for listed species. If a listed species is detected, operations plans are either modified or may have to be dropped. Without an HCP, management activities are subject to new listings or changed federal conservation standards – placing additional uncertainties for future management activities.

An HCP is a programmatic ESA compliance tool involving an agreement between the Department of Forestry, the United States Fish and Wildlife Service (USFWS) and NOAA Fisheries that provides a holistic approach to complying with the Federal Endangered Species Act. The HCP establishes long-term commitments (70-year) 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.

The draft HCP covers 639,489 acres of state forestlands west of the Cascades. The majority 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.

WESTERN OREGON HCP UPDATE

Since our last update to the Board in June 2021, the Division has completed an internal operational review of the draft HCP. This review resulted in language clarifications as well as some modifications to the draft HCP. The Scoping Team and Steering Committee have reviewed and agreed upon the operational edits. The substantive changes can be found in Chapter 3: Covered Activities and Chapter 4: Conservation Strategy, which are described below. The complete list of edits is provided in the *Summary of Key Draft HCP Changes from March 2021* (Attachment 2).

Chapter 3 – Covered Activities

1. Removed herbicide application as a covered activity.
 - a. ODF is continually improving its management practices to minimize impacts to fish and wildlife, water quality, and public safety—including the use and application of herbicides.
 - b. ODF anticipates future improvements in both application strategies and safer, more effective chemicals becoming available for activities such as young stand management and controlling invasive species.
 - c. ODF will rely on other planning processes, including the Forest Management Plan, Implementation Plans and Annual Operations Plans, to facilitate adjustments to herbicide use, as safer and more effective chemicals and technological advancements become available.
 - d. As ODF continues working on forest management policies there will be continued opportunities for input from our Forest Trust Land Advisory Committee (FTLAC) partners, Tribes, and the public.
 - e. ODF will continue to evaluate herbicide use and remains open to amending the HCP to include herbicide application at a future date.
2. Updated information on roads, including a provision to clarify that vacating existing roads will only occur when it is ecological beneficial to do so.
3. Describe landings and water drafting as road-related activities, rather than stand-alone activities.
4. Updated information on quarries, borrow sites, and stockpiles to reflect activities more accurately in the field.
5. Updated description of water drafting.
6. Continued coordination with ODF staff and federal agencies on standards for implementing recreation infrastructure.

Chapter 4 – Conservation Strategy

1. Conservation Action 8 – Management Outside Habitat Conservation Areas (HCAs)
 - a. Standardize the definition of dispersal habitat for Northern Spotted Owls across the document.
 - b. Updated leave tree, snag, and downed wood standards to provide clarity during implementation.
2. Conservation Action 10 – Operational Restrictions
 - a. Clarified requirements for aquatic restoration activities in designated occupied marbled murrelet habitat.
 - b. Clarified and narrowed scope of requirements for trash management.
 - c. Clarified requirements for seasonal restrictions, inside and outside of HCAs, for northern spotted owl, marbled murrelet, and red tree vole.
 - d. Added standards and metrics for water drafting to minimize effects on stream flow and temperature.
 - e. Revised standards for trash management to focus them on designated occupied marbled murrelet habitat.

NEPA UPDATE

ODF continues to support NOAA Fisheries and the USFWS (the Services) to complete the NEPA process. As the applicant, ODF has hired a third-party consultant (ICF) to lead the technical project work, complete required analyses, and engage the public. Part 1: Public Scoping is complete. The Services are in the process of completing Part 2: development of the draft Environmental Impact Statement (EIS) and stakeholder engagement. It is anticipated that the draft EIS will be available in February 2022 (*Working Project Timelines*; Attachment 1). Once the draft EIS is complete, the NEPA team will continue to Part 3: Final EIS. A summary of these tasks is provided below. ODF remains engaged as the applicant to assist as necessary and will provide regular updates to the Board throughout the process.

NEPA Part 1: Scoping - Complete

Public Scoping is a process for determining the scope of issues for analysis in an EIS. The Scoping process includes identifying the purpose and need, alternatives to the proposed action (which is the Western Oregon State Forests Draft HCP), and the environmental resource topics needed to be analyzed in the EIS.

NOAA issued a notice of intent (NOI) to prepare an EIS on March 6th, 2021, which launched the Public Scoping Process. This period typically lasts 30 days, but ODF requested and was granted a two-week extension to ensure that the public had an opportunity to review the HCP and provide informed feedback. Public input informs potential alternative actions, relevant data and information to consider, and issues to analyze in the EIS. Ultimately, the lead agency (NOAA Fisheries) determines the scope of the EIS including which alternatives will be analyzed and which are dismissed; which resource issues will be analyzed and which environmental resource topics are dismissed; and any connected actions that will be considered. The scoping process culminates with clearly defined alternatives and a detailed scope of issues to be analyzed in the EIS. At this point any additional analyses or data can be developed to support the EIS analyses. The information obtained during scoping will be used to inform the scope of work for the draft EIS.

NEPA Part 2: Draft EIS - Current

The draft EIS will describe the Proposed Action (draft HCP), no-action alternative (baseline for comparison) and any action alternatives developed from the Public Scoping process. For each of the environmental resources analyzed, the draft EIS will describe the existing conditions for the resource and potential impacts of the proposed action and alternatives on that resource. The Administrative Draft EIS will be reviewed by the Services (and potentially in part by others as determined by NOAA Fisheries).

The Notice of Availability of the draft EIS and draft HCP will be published in the *Federal Register*, which will launch the public review and comment period (45-60 days). It is anticipated that this review period will begin in February 2022. At this time, ODF will submit Incidental Take Permit Applications to NOAA Fisheries and the USFWS for consideration. One or more public meetings will be held during this period and comments will be accepted on the draft EIS and the draft HCP.

The Services and ODF will review and provide responses to all public comment. ODF and the Services will also discuss any potential modifications to the Proposed Action, based on comments received. ODF will present a summary of public comments to the Board in April 2022, including any potential recommendations to modify the Proposed Action. Changes to the Proposed Action will require Board approval.

NEPA Part 3: Final EIS- *May- December 2022*

The EIS will be updated to reflect any potential changes to the Proposed Action, as directed by the Board of Forestry, and in consultation with the Services. The final EIS will include a description of the public review and comment period and a summary of updates between draft and final EIS. The final EIS will go through the same internal reviews as the draft EIS. The Notice of Availability of the final EIS and final HCP will be published in the *Federal Register*. This launches a 30-day waiting period during which comments may be submitted on the final EIS. These comments will be reviewed by the Services, but no response is required. The agency decision document (Record of Decision) will be published after this 30-day period and prior to the permit decision. At the close of the project, ICF will provide all the project files to NOAA to inform the Administrative Record.

DRAFT WESTERN OREGON STATE FORESTS MANAGEMENT PLAN UPDATE

The draft FMP is being developed concurrent with the NEPA process. Since the June 2021 Board of Forestry meeting informational update, the project team has focused on the draft FMP Guiding Principles, goals, solidifying the overall planning framework, and preparing for modeling to support the development of an outcomes analysis. More information on each of these components is provided below.

Guiding Principles

A set of guiding principles were adopted by the Board in 2018 as part of an earlier process to revise the FMP ([draft revised FMP](#)). The draft revised FMP in its entirety, was not approved by the Board, but was entered into the [record in April 2019](#).

Guiding principles outline important values that guide the development of the FMP. As part of this current process to develop a draft FMP, the Division conducted a comprehensive review of the guiding principles and recognized the need to update the language in principles 2, 3, 4 and 9, as well as the supporting narratives for several of the principles. These updates are shown in *Guiding Principle Revisions* (Attachment 3).

FMP Planning Framework

The Division's planning framework establishes relationships between the draft FMP and other agency-level planning and interagency planning efforts. The diagram below captures and describes the planning framework for the draft FMP and related State Forests planning levels.

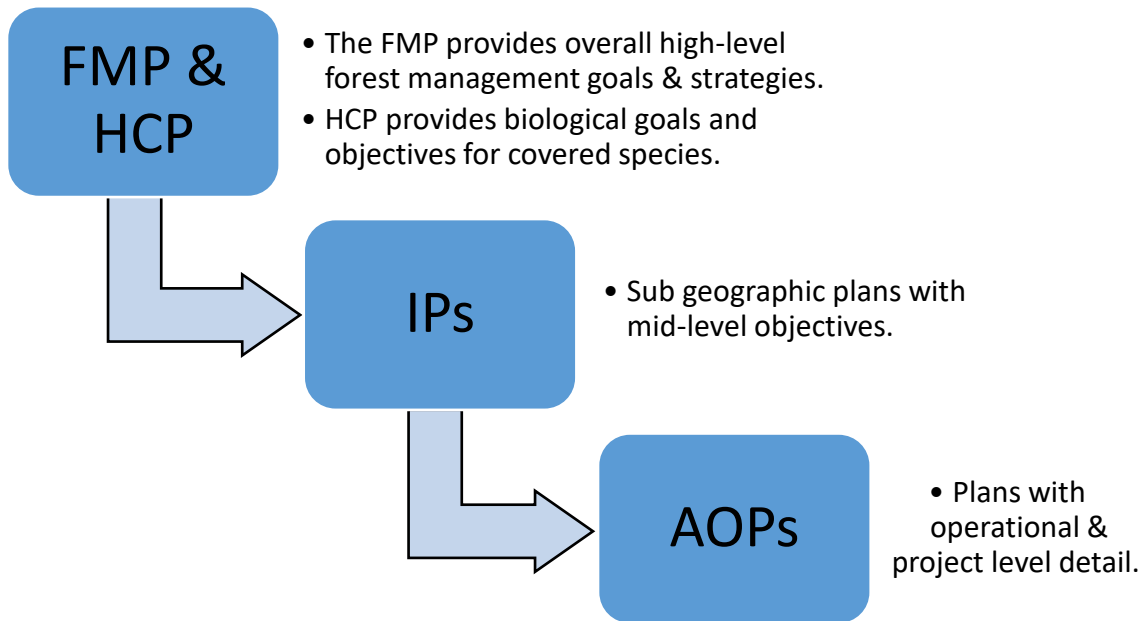


Figure 1. Hierarchy of the three types of plans used for the management of State Forests.

FMPs provide the overarching management direction for State Forests and are formally adopted into Oregon Administrative Rule (OAR) by the Board of Forestry to codify that management direction meets Greatest Permanent Value. FMPs contain resource assessments, resource goals, strategies for achieving those goals, and guidelines for asset management, implementation and adaptive management.

Implementation Plans cover a longer timeframe (10 year) and larger spatial scale (district or multiple district) than Annual Operations Plans. Implementation Plans characterize physical and biological landscape conditions, annual harvest objectives, reforestation targets, human uses, and considerations for threatened and endangered species. Implementation Plans describe mid-term expectations for forest conditions associated management activities and expected outcomes. Implementation and Operation Plans characterize protection and management for forest resources, identify district monitoring projects, and describe public engagement. Annual Operation Plans describe specific activities that will be carried out at smaller spatial (e.g., stand or watershed) and temporal scales (1-3 years) to achieve expected outcomes.

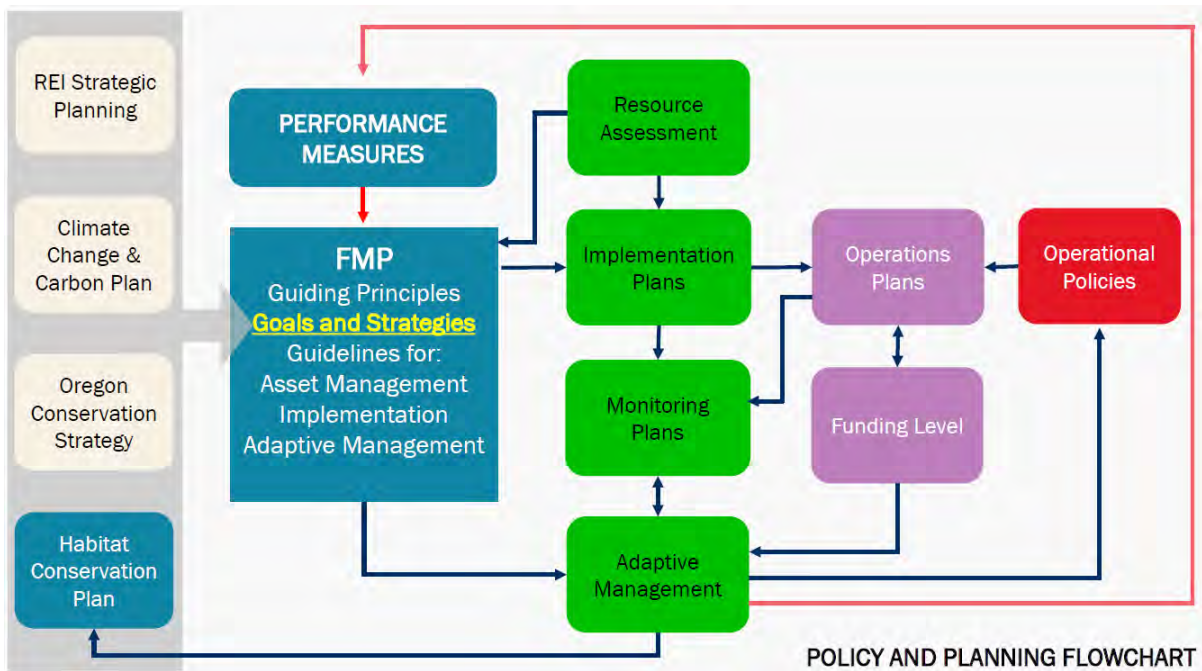


Figure 22. State Forests management policy and planning flowchart.

Figure 2 shows more detail on the interrelationships and feedback loops among the FMP, IP and AOP planning levels, as well as how external plans and processes influence the FMP. Several external plans contribute, to varying degrees, to the breadth of resources addressed, the goals that are set, and the strategies in the draft FMP. Examples of these external influences are displayed in the diagram including the Recreation, Education and Interpretation Program strategic planning, the Climate Change and Carbon Plan, the Oregon Conservation Strategy and the draft HCP.

ODF’s Recreation, Education and Interpretation Strategic Planning will form the basis for the program’s goals and strategies within the FMP. ODF’s Climate Change and Carbon Plan, currently in development, will guide climate-smart forest management to provide forests that contribute to carbon storage and are resilient to the effects of climate change. The Oregon Conservation Strategy (OCS) is Oregon Department of Fish and Wildlife’s overarching strategy for conserving native fish and wildlife. It provides information and tools that allow land managers such as ODF to further develop conservation strategies. The FMP strategies that respond to the OCS will be broader than the draft HCP conservation actions in both the assemblages of species addressed and the specificity of the strategies.

The conservation actions articulated in the draft HCP will be the management standards for the covered species in the draft FMP and incorporated into the draft FMP by reference. The conservation actions and standards will be the fundamental underpinning for conservation of covered species and their habitat. The draft HCP will also contribute to conservation of other native fish and wildlife that are associated with similar terrestrial and aquatic habitat as the covered species.

Implementation Plans, Monitoring Plans and the Adaptive Management Plan (green boxes in Figure 2) will all flow from the FMP goals and strategies, and Annual Operations Plans (purple box in Figure 2) will in turn be used to fulfill Implementation Plan objectives.

While the FMP sets certain management standards, primarily associated with resource protection, there are many instances where different management options exist to achieve FMP goals and IP objectives. Operational policies (red box in Figure 2) guide decisions within this range of options by defining specific procedures and best management practices that allow for management flexibility while ensuring sound management and resource protection.

Most importantly, performance measures will be developed in collaboration with the Board that contain specific metrics and targets that will demonstrate progress toward FMP goals. While the performance measures will not be the only metrics monitored under the FMP, they provide the essential “dashboard” for the Board of Forestry and others to track progress and to maintain accountability for management commitments.

FMP Goal Development

Taken together these 22 goals are intentionally broad, establish the overarching aim for securing greatest permanent value, and provide direction for managing the forest. The draft goals were shared internally with staff prior to releasing them for external review and input. The goals were reviewed by leadership and staff from the Division and District Offices, and by our partner agencies including the Department of Environmental Quality (DEQ), Oregon Department of Fish and Wildlife (ODFW) and the Department of State Lands (DSL).

After the internal review the draft goals were shared with the Board of Forestry and the Forest Trust Lands Advisory Committee to kick off the external review process. The team developed an informal public survey to gauge the general level of support for each goal as drafted and to collect written comment. The team received 54 survey responses and over 530 comments on the draft goals. The draft goals, summarized feedback and revision suggestions based on the initial analysis of the comments are provided in *Draft FMP Goals, Feedback Themes and Revisions* (Attachment 4). Not all the necessary goal revisions have been made at the time of this report. The Division will continue to analyze the feedback received and make revisions in the coming weeks. In addition to the feedback summary the team prepared a spreadsheet and combined formal input (*FMP Draft Goal Comments*; Attachment 5 and *Draft FMP Goal Full Formal Written Comments*; Attachment 6) that contain the written comments received during the external review period. The draft goal comments are provided in a protected spreadsheet that can be filtered to areas of interest.

The team conducted several meetings to introduce and discuss the draft goals. These engagements included: a meeting open to the public in August, a joint stakeholder meeting in August, and a special FTLAC meeting in September. Staff also met with the FTLAC in October for a second discussion on draft goals prior to the November Board meeting.

The Forest Trust Lands Advisory Committee (FTLAC) is a statutorily established advisory committee to the Board (ORS 526.156). The Committee meets with Division staff on a

regular basis to receive information with which they form testimony for the Board. Over the past several years, a key focus has been the development of a new FMP.

The most recent focus has been on the draft FMP goals. Revisions were made to the draft goals provided in Attachment 4 based on feedback received at the September 17, 2021 FTLAC meeting. The draft goals related to timber production and forest carbon were revised, and a new goal which focuses on community well-being was added. FTLAC also presented portions of a life-cycle analysis from the Consortium for Research on Renewable Industrial Materials (CORRIM) to Division staff that demonstrated carbon benefits based on direct carbon storage in trees and harvested wood products, as well as the offset based on using wood products (e.g., mass timber) in lieu of more carbon intensive products (e.g., concrete and steel). The Division finds these engagements with the Committee to be extremely valuable and we look forward to continued engagement on the goals and future FMP content.

At their October 8, 2021 meeting, FTLAC continued to discuss the draft FMP goals. Members expressed deep concern over the draft goals, a sentiment that they aren't being heard, and that the current policy work of the Board and the Division threatens to steadily reduce both revenue for critical services and timber volume that supports forest sector jobs that these forests contribute to rural communities and counties. The Committee Chair prepared and presented a detailed review and input on the draft goals and shared the presentation with the Division (Attachment 7). Overarching feedback regarding the draft goals include but is not limited to:

- Make sure to always frame up the goals and our work in terms of securing greatest permanent value (GPV).
- There are too many goals. Drop goals if they don't have a linkage with resources identified in the GPV rule.
- Language in the draft goals should precisely reflect the language used in the GPV rule.

FMP Modeling

The Division will conduct additional modeling to produce more refined outcomes for the draft FMP within the context of the draft HCP. Modeling previously conducted for the draft HCP will continue to be used to support the NEPA process and HCP policy decision. It is important to note that NEPA analyses will not consider the complete set of FMP strategies or the same resolution around management outside of draft HCAs and RCAs. Draft FMP modeling will provide greater clarity for outcomes including, but not limited to: the flow of timber and revenue over time; the development of forest structure across the landscape and coarse filter habitat for native species not covered by the draft HCP; carbon sequestration and storage on state forest lands and in harvested wood products. Staff will develop a robust set of outcomes based on Board feedback on the draft FMP goals, especially considering metrics that the Board believes will serve as performance measures for goal achievement. Many goals (e.g., cultural goals, recreation and education goals) will not lend themselves to modeling outcomes; however, Board feedback on applicable metrics will still be of value in the development of performance measures for those goals.

Upcoming Work

The Division is now focused on FMP strategy development. The team will follow the same workflow and engagement process used for the goals, which is designed to ensure our county partners, stakeholders and the public have an early and active role in the development on the draft FMP. Staff will continue to develop and review strategies and expect to engage with stakeholders in October and with the county partners in December before bringing final draft strategies to the Board in March. Having a robust process for engagement does expand the amount of time needed to develop the plans but the team feels strongly that the benefits of this collaborative drafting approach are far-reaching.

Public and Stakeholder Engagement

In April and May 2021, Kearns & West conducted interviews with a cross-section of stakeholders to understand best practices and lessons learned from the past engagement process, as well as key concerns and suggestions heading into the FMP and IP development process. These stakeholder interviews provided an opportunity to better understand stakeholders' key interests, concerns, and perspectives as they relate to the FMP and IPs as well as understand how stakeholders prefer to be engaged throughout the process. Input from these interviews was used to develop the public and stakeholder engagement goals, and to shape the overall public and stakeholder engagement process.

The public and stakeholder engagement goals are to:

1. Fully inform county partners, Tribes, stakeholders, and the general public throughout the FMP and IP development process;
2. Provide county partners, Tribes, stakeholders, and the public with opportunities to engage and offer input at multiple levels throughout the process;
3. Better understand what Oregonians care about when it comes to forest management;
4. Ensure sister state agencies are engaged as an integral part of the process and are supportive of the HCP and FMP outcomes;
5. Provide clear expectations for how county partner, stakeholder, and public input will be used and integrated into the FMP and IP documents; and
6. Align engagement and outreach opportunities with related processes such as the HCP NEPA Process, Recreation, Education, and Interpretation (REI) Program Strategic Planning, Climate Change and Carbon Plan, and other ODF processes.

Meetings Open to the Public

To date, the Division has conducted two meetings open to the public and one Joint Stakeholder Meeting. The first meeting in May 2021 included an overview of the State Forest planning levels and how they integrate with the draft HCP, an introduction to the project, the working timelines, the vision for the public engagement process and a question-and-answer period to discuss topics of most interest to participants.

In August, the team held a meeting open to the public to introduce the draft FMP goals and to provide information on how to provide written comment. The team also covered the high-level project timeline and upcoming engagement opportunities. This was followed by the Joint Stakeholder meeting dedicated to discussing the draft goals. The team opened the meeting by providing context on the State Forest Planning Rule, the Greatest Permanent

Value Rule and then proceeded to discuss the draft goals the stakeholder group felt were most important to cover in the meeting. These meetings were very productive and provided the team with meaningful and actionable feedback to consider in the draft goal revision process.

All meetings were held via webinar due to COVID-19 concerns and safety precautions. The videos and meeting summaries for the meetings open to the public in May and August are available on the [FMP Website](#). The comments and feedback from the Joint Stakeholder meeting are included in the *FMP Goal Comments* (Attachment 5).

ODF notification methods to inform stakeholders and the public about the meetings included:

- Email distributions to interested parties;
- Posts on ODF social media including Facebook and Twitter;
- Meeting notice via FlashAlert;
- Posts on the ODF news site; and
- Posts on the Western Oregon FMP and IP Project Page.

RECOMMENDATION

Information only.

NEXT STEPS

Over the next several months, the Division will:

- Continue working with NOAA Fisheries and the USFWS to complete the NEPA process;
- Continue engaging with our state and federal sister agencies, as well as, the county partners, Tribes, interested stakeholders and members of the public on the HCP and draft FMP and IP development projects.

ATTACHMENTS

1. FMP and Related Planning Efforts Working Project Schedules
2. Summary of Key Draft HCP Changes from March 2021
3. FMP Guiding Principle Revisions
4. Draft FMP Goals, Feedback Themes and Revisions
5. FMP Draft Goal Comments
6. Draft FMP Goal Full Formal Written Comments
7. FTLAC Presentation October 2021

FMP and Related Planning Efforts Working Project Schedules

(last revised 10-4-2021)

Climate Change & Carbon Plan				BOF Pre-decision Workshop	Finalize	BOF Decision																		
Habitat Conservation Plan									Finalize HCP															BOF Decision to Adopt HCP
NEPA Analysis	Complete Draft EIS						Public Comment	Draft EIS Summary to BOF	Complete Final EIS								Record of Decision							
FMP Content	Drafting										Draft Due													
FMP Modeling	Model Preparation					Calbration			Scenarios	Draft Outcomes Report														
FMP Rulemaking																Request to Enter Rulemaking	30 Day Public Comment	Incorporate Input						
FMP Public Engagement			8/10 Goal Intro & 8/18 Draft FMP Goal		10/12, 10/20, 10/22 Draft FMP Strategies	TBD		TBD		TBD		TBD		TBD		TBD		TBD						
FTLAC Engagement			8/27 - CCCP & FMP	9/17 - Draft Goals	10/8 - Draft Goals		12/3 - Draft Strategies		TBD		TBD		TBD		TBD		TBD		TBD					
BOF Plan	FMP Update		BOF Member Check-ins	Draft Staff Report		Guiding Principles, Draft FMP Goals & Engagement		Draft Staff Report		FMP Strategies, Engagement Update		Draft Staff Report	FMP Modeling Outcomes Analysis, Draft FMP, Engagement Update		Draft Staff Report	Final Draft FMP, IP Framework, IP Modeling, Engagement Update			Draft Staff Report		BOF Decision to Adopt FMP			
	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB			
	2021								2022								2023							