Proposed Alternative Forest Management Plan framework

FMP 2.0 (Working title)

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Barrett Brown (Representing the Recreation Community) Ed Kamholz (Citizen Representative)

• Forest Management Objectives (Sustainable long-term timber supply, integrated use, zoned land use, age-class, structure-based).

The 2010 Northwest Oregon Forest Management Plan, as written, represents a proper balance of local and statewide public interests consistent with the Greatest Permanent Value Rule. A sustainable, even flow of timber volume, via an adaptive, structure-based management approach can best meet the frequently competing objectives placed on the shoulders of the department by that GPV rule. It follows that alternative strategies developed by the Stakeholder Committee should therefore be considered as adjuncts to rather than departures from the existing plan. Our recommendations follow, accordingly.

Enhanced Conservation Outcomes

The Conservation Area Land Classification recently adopted by the BOF takes a large step toward overcoming low public concerns and confidence in the current plan's ability to produce and maintain positive conservation outcomes for non-economic forest values, including, but not limited to habitat, scenic and recreation resources. To ensure the success of that concept and to improve public confidence in those objectives, and regarding harvest activities in these areas, we recommend the following conservation improvement strategies be adopted:

Harvest in Conservation Lands be not primarily influenced by the need to generate revenue, in no small part because the force of economic drivers will fluctuate with statewide economic cycles. This can lead to disturbance frequencies discordant with the objectives of the conservation area. While engineered disturbances/harvest activities are expected to occur in some of these areas, such planning will be based upon habitat or forest health needs, or upon other special values for which those areas are deemed uniquely suited.

Allow DFC-Complex objectives to be met under a larger planning umbrella by combining the North West Oregon Area districts with respect to landscape planning. Currently, due to the fragmentation caused by district boundaries, some acres receive "token" land classification designations with less than optimal outputs. This unified landscape will provide for optimal decision-making, which will both improve real world habitat conditions and optimize timber harvest potential. An added benefit of this management approach will be to create new/additional opportunities to better meet special habitat and forest health needs. (This is a corollary conservation outcome improvement resulting from the Alternative Management Strategy described below under Enhanced Financial Viability).

Enhanced Financial Viability

Oregonians demand a Forest Management Plan that delivers sustainable Financial Viability for ODF which, as polling repeatedly confirms, is an agency that citizens view with pride and confidence. Likewise, each of the Forest Trust Land Counties are inextricably linked to the requirement for a financially stable and high-functioning State Forests steward.

In light of this broadly recognized requirement and the complexities arising from managing discrete forest units for essentially identical structural outcomes, we recommend modifying the existing FMP to recognize that outside of the NWOA there exists internally fragmented and functionally separate properties that cannot be managed efficiently as part of a state-wide "landscape management" system associated with an overarching assortment of DFC structure targets. These structure goals and strategies are most efficiently applied to contiguous or near-contiguous acres. Districts comprised of more dispersed properties should be managed to more logical choices driven by local conditions, subject, of course, to other FMP constraints such as stream buffers and the like which would remain in effect ownership-wide.

In the NWOA, harvest volumes *can* increase under the current management plan, but because those harvest planning options are constrained by hard and fast district boundaries optimal acreage targeting strategies are not contemplated; accordingly the SBM mechanism encumbers too many of the wrong acres with the burden of achieving significant DFC-Complex targets. To maximize the potential of landscape and SBM tools, consider applying FMP prescriptions to the Big Three districts of the NWOA as though they constitute a *single* system. We do not seek to equalize the natural inequities found across these district boundaries, but rather to liberate the modeling tools at the agencies disposal in order to more logically shape complex structure, and maximize silvicultural efficiencies.

(NOTE: Quantifiable effects of this strategy are under study by ODF and preliminary results for the Big Three Districts are anticipated by the February 10, 2014 Stakeholder meeting.)

Concurrently, liberate the Little Three districts from current DFC-Complex targets and manage these properties for increased harvest levels. This step should be implemented as quickly as possible as it offers the most immediate means of increasing economic outputs from NWOA State Forests. At our request, initial analysis by ODF indicates that by removing structure-based requirements in these districts, while retaining in-unit conservation/habitat measures (e.g. green tree retention, downed wood and snags and take-avoidance strategy) may yield an additional \$ one million increase annually to ODF (yield estimates assume current stumpage value and an incremental harvest volume increase of 10MMBF/year.) This is expected to result in an effective rotation age of 60-80 years on these acres.

Other Considerations:

In somewhat of a self-sustaining way, the existing State Forests funding mechanism, which is designed to tie operating expenditures to timber revenue, remains a generally constructive approach. However, in light of ever-broadening and increasing GPV Rule demands, clearly expressed by Oregonians, the fixed-distribution formula between ODF and Forest Trust Land Counties fails to accurately reflect the growth of **Statewide** demands on the current program, the majority of which are shouldered by ODF through its operating budget. Examples include:

This system is no longer in harmony with current understanding about sensitive habitat, nor with increased *Statewide* public demand with regard to certainty around Conservation Areas.

This funding scheme subjects recreation investments to fluctuations not connected to the pace of <u>Statewide</u> public needs and associated economic development opportunities.

Research and Monitoring investments are unstable. Reasonable efforts to validate or refute management decisions, as well as critical planning efforts are subjected to the threat of interruption via a repetitive lottery of Program Option Package (POP) requests.

Professional investments by ODF staff, in both spirit and time, should be protected, recognized *and* rewarded. As shareholder citizens, Oregonians are poorly served when human potential is squandered in a working departmental atmosphere of justified indignation over a career's worth of work which may have been in vain. Much of the work accomplished by ODF personnel is of world-class quality and deserves both recognition and the room to bear fruit. Since progress in State Forest Management practice takes years to manifest, this science requires uninterrupted monitoring and validation.

We Therefore Further Propose:

- 1. Explore a new and adaptive distribution formula governing revenue-sharing from State Forests between individual Trust Land Counties and ODF. It follows that implementation of the strategy to manage the Big Three Districts as an integrated forest and for an overall optimized harvest level will, by definition, shift harvests from one district into one or more other districts (and Counties) representing a departure from the current practice of harvest revenues being realized in the Counties where harvests occur. This represents a potential revenue windfall for Counties enjoying a harvest level increase with a corresponding decrease in revenues for the Counties where harvest levels are decreased. Thus some fair and equitable mechanism to pool and/or equalize revenues between all Forest Trust Land Counties must be implemented for this strategy to be acceptable and successful. (See Bordelon/DeBlander proposal dated 1/18/2014).
- 2. Develop new recreation funding partnerships from within various recreation communities which are poised to participate.

3 The increasing <u>Statewide</u> public demand for deliverables, and the increasing <u>Statewide</u> public benefit these lands provide, make self-evident the need for new, specific, statutory General Fund apportionment, (via MOU, for example) to fund areas such as <u>research and monitoring</u>, <u>recreation</u>, and <u>education and interpretation</u>. These demands and the cost to meet them have evolved beyond what was anticipated when the current funding mechanism was envisaged and they make up a substantial part of the Department's financial shortfall. The publicly provided license to manage these lands cannot be sustained without this increased level of investment. Importantly, because world-class science (*Oregon's* benchmark.) requires <u>sustained</u> monitoring, validation and refutation, inherently unreliable and inconsistent Program/Policy Option Packages have proven inadequate to the mission.

- 4. Establish an ad hoc, perhaps a Developmental Assignment, to implement the most promising findings of the Alternative Funding project.
- 5. The Forest Development Fund (FDF) itself has proven vulnerable, both during times of "surplus" as well as during times of depletion. The Forest Trust Land Counties and ODF have a mutual and inseparable interest that primary ODF management practices and services will be maintained regardless the condition of the economy at any one given time. Although not a stated objective of this Stakeholder Group, the BOF is strongly urged to develop strategies to minimize the temptation by the Legislature or others to "raid" the FDF during periods of surplus, as it key to the financial viability of the Department.

We expect this proposal to succeed, economically, through several modest, incremental steps. With improved economic outputs via our Little-Three liberation strategy, and via the larger landscape planning area strategy within the NWOA, combined with modest recreation funding sources, greater partnership with the State General fund and our reform proposals aimed at the County/Department relationship we feel we can approach economic viability with the least disruption to competing values. Regarding conservation outcomes, our proposed treatment of the NWOA will pair with the new conservation area designation to provide for more cohesive and logical complex structure strategy.

This is a pivotal juncture in how Oregon State Forests are funded and managed. Though we are beset with examples of how self-interest, promoted at the expense of public interest, results in public policies that fail to rise to a common denominator, Oregon's past is replete with examples of successful collaboration and vision in the face of challenge. With our predecessor's positive legacy in mind, and by working together, we believe the stakeholder group members here assembled can suggest ways to simultaneously restore financial viability to the Oregon Department of Forestry and improve conservation outcomes at the same time. Going forward, it is also our responsibility to promote public confidence that every available means at our disposal to meet the objectives of this Stakeholder Process have been explored, and that the process itself has been fair and equitable, and that all voices have been represented and heard and that we have provided the Board of Forestry's Alternative Management Plan Sub-Committee with the best possible alternative strategies.

Humbly submitted for consideration