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Items listed in order heard

NOTE: The Board's discussion and deliberation continued on November 7, 2008. The adopted direction is contained in that set of minutes.

Attachments below are available on the web @ <http://oregon.gov/ODF/Board>

1. Staff Presentation – Performance Measure Report, Agenda Item 1
2. Public Meeting Summary Handout, Agenda Item 1
3. Staff Presentation – Assessment of Model Runs on Native Fish and Wildlife, Agenda Item 1
4. Forest Trust Lands Advisory Committee Comments, Agenda Item 2
5. Public Comments – Meryl Redisch, Portland Audubon, Agenda Item 3
6. Public Comment – Dave Ivanoff, Hampton, Agenda Item 3
7. Public Comment – Chris Jarmer, OFIC, Agenda Item 3
8. Public Comment – Guido Rahr and Bob Van Dyk, Wild Salmon Center, Agenda Item 3
9. Public Comment – Bob Rees, Northwest Guides Association, Agenda Item 3
10. Public Comment – Rex Storm, Associated Oregon Loggers, Agenda Item 3
11. Public Comment - Carolyn Eady, Agenda Item 3
12. Public Comment – Russell Bassett, Native Fish Society
13. Public Comment – Joyce Sherman, Salmonberry STEP Project, Agenda Item 3
14. Public Comment [written only] Tom Bender, Sustainable Architecture & Economics, Agenda Item 3
15. Staff Presentation – Department Recommendation & Continuous Improvement Plan, Agenda Item 4
16. Facilitators' Outline, Agenda Item 4

OREGON STATE BOARD OF FORESTRY

November 6, 2008 Minutes

In accordance with the provisions of ORS 526.016, a meeting of the Oregon Board of Forestry was held on November 6, 2008 at the State Forester's Headquarters, 2600 State Street, Salem, Oregon.

In the absence of an appointed Chair, Board member Cal Mukumoto agreed to facilitate the meeting, and called the public meeting to order at 8:05 a.m.

Board Members Present:

Larry Giustina	Peter Hayes	Barbara Craig
Jennifer Phillippi	Cal Mukumoto	Bill Hutchison

Others present:

Ron Anglin, Oregon Department of Fish and Wildlife
Russell Bassett, NFS
Nick Brown, Defenders of Wildlife
Brett Brownscombe, Oregon Trout
Julie Cafferata
Mike Carrier, Governor Kulongoski's Office
John Charles, Cascade Policy Institute
Carolyn Eady
Donald Fontenot, Sierra Club
Wayne Giesy, Hull-Oakes
Kevin Godbout, Weyerhaeuser
Elaine Hallmark, Oregon Consensus
Chuck Hurliman, Tillamook County Commissioner
Dave Ivanoff, Hampton Tree Farms, Inc.
Chris Jarmer, Oregon Forest Industries Council
Tim Josi, Tillamook County Commissioner
Stephen Kafoury, The Wildlife Society
Rod Kraemer, Oregon Department of Fish and Wildlife
Dave Kunert, Hampton Tree Farms, Inc.
Mark Labhart, Tillamook County Commissioner
Ivan Maluski, Sierra Club
Kelly Moore, Oregon Department of Fish and Wildlife
David Moskowitz, Confluence Consulting
Turner Odell, Oregon Consensus
Mike Propes, Polk County Commissioner
Guido Rahr, Wild Salmon Center
Meryl Redisch, Audubon Society of Portland
Patricia Roberts, Clatsop County Commissioner
Ralph Saperstein, Conkling, Fiskum & McCormick
Dick Schouten, Washington County Commissioner
John Sessions, Oregon State University
John Sherman, Salmonberry STEP
Gary Springer, Starker Forests
Rex Storm, Associated Oregon Loggers
John Sundquist, Forestland Dwellers and Oregon Toxics Alliance

Mark Tranholm, WSC
Tom Wolf, Trout Unlimited
Bob Van Dyk, Wild Salmon Center
Michelle Zilli
Marvin Brown, State Forester
Dan Postrel, Agency Affairs
Jeri Chase
Jeff Foreman
Rod Nichols
Mary Schmelz
Nancy Hirsch, Chief, State Forests Div.
Mike Cafferata, Deputy Chief, State Forests
Berta Bodi
Jeff Brandt
Ed DeBlander
Liz Dent
Tod Haren
Marcia Humes
Rosemary Mannix
Rob Nall
Roger Welty
Ron Zilli

Paul Bell, Chief, Protection Div.
Travis Medema, Deputy Chief, Prot.
Jim Paul, Chief, Resources Division
Mike Bordelon, NWOA Director
Steve Laam, W.Oregon Dist. Forester
Gregg Cline, N.Cascade Dist. Forester
Mike Kroon
Mike Totey
Scott West
Tom Savage, Astoria District Forester
Andy White, Till/FG District Forester
Colleen Kiser
Jeff Peck
Kate Skinner
Angie Johnson, Northeast OR District

OPENING REMARKS

State Forester Marvin Brown opened the meeting by noting the Forest Management Plan was approved in 2001 by a previous Board of Forestry, and referenced the working hypotheses contained in the Forest Management Plan. The Implementation Plan was approved in 2003. The Districts concluded the strategies could only produce 60% of a typical wood industry approach. Harvest activities have since been under scrutiny by many stakeholders, interested parties, and the Legislature.

Other than the 10-year review, a framework to provide for change and ability for the Board to be responsive to concerns did not exist. To address the concerns, the Department proposed on-going review process be developed. To focus that review, the Board adopted a set of performance measures with tentative targets to be achieved. Based upon analysis, the targets would be assessed and improved to provide an effective way to evaluate the performance of greatest permanent value over the long term. If successful, it would lead to a framework that would provide for change.

He highlighted three points to consider during the presentations:

- Greatest permanent value means balance across social, environmental and economic values.
- Significantly increasing revenue to the counties and the Department's operating program cannot occur without a major revision to the Forest Management Plan.
- A high level of transparency has been built into the proposed recommendations. Meeting both the draft Habitat Conservation Plan and take avoidance strategies creates challenges when trying to generate sufficient revenue.

1. STATE FORESTS MANAGEMENT – ISSUE 2, OBJECTIVE 1 – ADAPTING THE FOREST MANAGEMENT PLANS

State Forest Performance Measure Report and Clatsop and Tillamook State Forests' Strategies for Achievement of the Board of Forestry Performance Measures

Mike Cafferata, Deputy Chief, State Forests Division, Barbara Lee, Policy and Planning Unit, and Ron Zilli, Assistant Astoria District Forester and Project Team Leader joined by Jeff Brandt, Adaptive Management Unit Manager and Nancy Hirsch, Chief, State Forests Division, provided an overview of the second performance measure report, describing model scenario results and achievement of the performance measure targets. Described were the strategy developments, model assumptions, and the results for stand structure, revenue increase, and harvest volume. Staff focused on the results of the models that strove to meet 17-20% complex structure (achieved) and to increase revenue by 30-35% (9% achieved) in 20 years, and the future options available (Presentation - Attachment 1).

Also provided were summaries of the public meetings and State Forest Advisory Committee meeting that addressed the performance measure work on the Clatsop and Tillamook State Forests (Attachment 2).

Liz Dent, Aquatic and Riparian Specialist, Marcia Humes, Wildlife Biologist, and Rod Krahmer, Department of Fish and Wildlife biologist provided an assessment of the model runs on native fish and wildlife [performance measure 6]. The presentation (Attachment 3) described the approach for the fish and wildlife evaluation, the results of the evaluation for native fish and wildlife, and the status of the species of concern evaluation. The qualitative review for native fish and wildlife has been completed; the evaluation for species of concern is in progress.

2. FOREST TRUST LANDS ADVISORY COMMITTEE COMMENTS

Following a brief overview of the State's fiduciary obligations to the Trust Land Counties, Tim Josi, Chair, Forest Trust Lands Advisory Committee [FTLAC] and Tillamook County Commissioner, Mike Propes, FTLAC member and Polk County Commissioner and Patricia Roberts, FTLAC member and Clatsop County Commissioner commented on the current Forest Management Plan. They noted that harvest levels did not meet expectations, and described concerns related to the Tillamook State Forest inventory. The FTLAC recommended the Board discontinue seeking a Habitat Conservation Plan, measure the Forest Management Plan against fiduciary obligations, update data samples, and revise the model assumptions after consultation with the Trust Counties (Attachment 4).

Larry Giustina added that most harvest revenue that passes to the Counties go through local taxing districts, the majority of which goes to K-12 education. State Forest timber revenue acts as a direct offset to State General Fund school support, which saves State money.

3. PUBLIC COMMENT

Meryl Redisch, Audubon Society of Portland expressed concerns related to increasing harvest levels while reducing targets for complex forest structure below the level outlined in the Forest Management Plan. She noted that over the last five years, timber production had been at levels unsustainable for long term ecological and social health. Oregonians need the full suite of ecological services provided by the State Forests. She encouraged the Board to be visionary in its approach to restoring assets, and expressed support for the current Forest Management Plan and the current owl cluster strategy (Attachment 5).

Dave Ivanoff, Hampton Tree Farms, Inc. noted that Forestry personnel acknowledged "...that both quantitative performance measures targets [PM 3 Revenue and PM 6 Wildlife] cannot be simultaneously achieved." He added that achievement of the revenue target, within the current strategy, would generate only a 5-10% improvement in revenue. With the State owning about 3% of the forestland base, the ability of the land to significantly contribute to the habitat needs of old-growth dependant species was limited, and the legal requirement to do so, did not exist. Higher timber output levels, and the subsequent improvement in revenue flow was critical to maintaining a viable forest products sector. He urged the Board to direct the Department to modify the Forest Management Plan to achieve the improved revenue flow targets to 30-35% (Attachment 6).

Chris Jarmer, Oregon Forest Industries Council stated that structure-based management should have been viewed as an experiment. As it failed to live up to the high expectations, it was time to examine the constraints to meeting fiduciary responsibilities. Current harvest levels were low, and dropping, due to the constraints in the Forest Management Plan, not because State forests were not capable of growing and sustaining harvest levels. He objected to using harvest levels as a surrogate for revenue as reporting only harvest levels masked the fact that structure-based management was expensive (Attachment 7).

Dick Schouten, Washington County Commissioner expressed support for the current Forest Management Plan; a strong emphasis on timber harvest was not supported.

Guido Rahr and Bob Van Dyk, Wild Salmon Center stated the State forests provided critical habitat for regionally important runs of wild salmon. The staff recommendation dramatically weakened the conservation commitment in the Forest Management Plan. They urged the Board to move closer to the sustainable harvest level contained in the current Plan, and to adopt a permanent salmon anchor approach (Attachment 8 – including the final report "*Oregon North Coast Salmon Conservation Assessment*"). Also provided were comments from the Northwest Guides Association objecting to increased harvest on State owned lands (Attachment 9).

Rex Storm, Associated Oregon Loggers, Inc. urged the Board to amend the current Forest Management Plan to achieve a 30-35% increase in revenue, and to reject the Department's recommendation, which was based on retaining the failed strategies of the Plan. Mr. Storm suggested a number of amendments to the current Plan (Attachment 10).

Rick Brown, Defenders of Wildlife commented that the 2001 Board of Forestry established a Forest Management Plan with a balance of expectations. He suggested the Board did not have an informed basis to increase timber harvest on the State's forests. He did not support amending the Forest Management Plan to respond to one performance measure [revenue] that had ramifications for the other measures. Mr. Brown also provided a copy of a 2008 report titled "*The Implications of Climate Change for Conservation, Restoration and Management of National Forest Lands*" available from the University of Oregon in Eugene, Oregon [DES0908G1031600].

Carolyn Eady, Seaside, Oregon resident, illustrated the impacts that two model runs [habitat and revenue] would have on the quantity and quality of habitat, focusing on the disparity of impact among the Districts. She concluded all Districts would experience a serious loss of habitat, especially in the Astoria District; the impact on wildlife could be severe. She urged the Board to defer final action until the species of concern report was available, and not to let short term pressures trump wise, long term decisions or eliminate flexibility in the future (Attachment 11).

Russell Bassett, Native Fish Society urged the Board to provide additional protection for native fish by increasing required riparian buffers (Attachment 12).

Tom Wolf, Trout Unlimited echoed the comments of the Wild Salmon Center, noting the importance of wild fish habitat in the Tillamook and Clatsop State Forests. Future plans must take into account the habitat needs of wild fish and the needs of people dependent upon recreational and commercial fishing.

Wayne Giesy, Hull-Oakes advocated for the needs of people that depend on forest-related jobs.

Joyce Sherman, Salmonberry STEP Project expressed concerns related to timber harvest: steep slopes and unstable soil create debris avalanches which would end fish runs; and, the economic impacts of timber harvest will cripple the North Coast economy by ruined roads, railroads, increased flooding and loss of buildings (Attachment 13 including "*Forest Management and Fish Habitat Loss – North Fork Salmonberry*, May 2008).

Donald Fontenot, and Ivan Maluski, The Sierra Club, Oregon Chapter, encouraged a better interpretation and implementation of the current Forest Management Plan. The Department's proposal was a "timber grab" scrapping the Board's commitment to build scarce, older forest habitat. There was no mention of permanent reserves, the species of concern report has not been completed, the long-range recreation plan has just begun, no progress on an ecosystems services report, carbon sequestration, certification and expansion of salmon habitat has not been addressed. The proposal also cut the Board's commitment to 50% complex structure. The Board should not respond to threatened legislation, but should take the longer view and represent the views of all Oregonians. Choosing a higher harvest level jeopardizes the ability of the Department to be seen as a real partner in conservation oriented management on Federal lands.

David Moskowitz, Confluence Conferencing urged the Board to delay the expiration of salmon anchor habitats in 2013. He noted the Tillamook State Forest was

replanted with the wrong trees; those not resistant to Swiss Needle Cast. The Board must have a species of concern strategy and a plan that describes all of the resources available from the Tillamook Forest before it makes a decision. The counties' revenue problems cannot be solved "on the backs of just the trees."

John Sundquist, Forestland Dwellers and Oregon Toxics Alliance stated that Oregon's public forests could generate income by sequestering carbon and provide habitat now that there is a Board of Trade for Carbon in Chicago, Illinois. Carbon trading and sequestration must be reflected in the revenue sharing equations. He objected to increasing the harvests in the Tillamook and Clatsop State Forests. He urged the Board to call for increased thinning rather than increased clearcuts, and to create watershed reserves where pesticides were prohibited.

Brett Brownscombe, Oregon Trout urged habitat restoration on State forestlands. Taking steps to increase harvest levels would be a step away from the balance created in the current Forest Management Plan.

Kelly Moore, Oregon Department of Fish and Wildlife addressed the risks to fish when the threshold amount of young forests in a basin was reached; adding the technical work to assess the risks was not complete. The functions of the salmon anchor habitat strategies must be supported.

Tom Bender, Sustainable Architecture and Economics provided written testimony recommending adoption of the Department's recommendations be delayed until issues raised in public testimony were adequately addressed (Attachment 14).

4. BOARD DISCUSSION AND DELIBERATION

Nancy Hirsch, Chief, State Forests Division, Mike Cafferata, Deputy Chief, State Forests Division and Mike Bordelon, Northwest Oregon Area Director presented the Department's recommendations which were contained in the Agenda. The staff presentation is contained in Attachment 15. The recommendations were based on the results from the Work Group, assumed the Board maintained the existing performance measure targets, and recognized that administrative rule amendments would be needed to the Forest Management Plan.

For Performance Measure 3, the revenue target, the recommendation was to incrementally implement a 3% per year increase, while on a trajectory toward the 30-35% revenue target. The recent modeling efforts indicated a 5-10% increase from timber revenues is possible using the same strategies. - For Performance Measure 6, the habitat target, the recommendation was to designate 20% of the Clatsop and Tillamook State Forests toward complex structure development within 20 years. The structure would be located where complex forests would provide the greatest benefit to species of concern and implementation of the strategy would lead to the long term sustainability of 30% complex structure across the forests. It was recognized that achieving the performance measure would require the Board's decision on the dispositioning of the draft Habitat Conservation Plan, and the new species of concern policy. Given the competing relationships between the amount of complex forest structure and the timber revenue

levels, the Department recommended that the Board direct the exploration of strategies for species of concern within the limits of achieving the existing performance measure targets, consistent with the Board's direction for Performance Measures 3 and 6.

The process for implementation of the recommendations, and the continuous improvement plan to support the Board's ongoing policy decision making, were reviewed.

Following staff's presentation, Elaine Hallmark and Turner Odell, Oregon Consensus, Portland State University, facilitated the Board's discussion and provided an outline for the Board's deliberation (Attachment 16).

Discussion comments are shown below:

- Additional economic return model runs would be beneficial.
- Species of concern strategies are the standards that constrain economic return.
- The amount and type of necessary habitat contribution has not been determined by the Board; overprotection would affect economic return.
- A zonal approach which includes riparian areas, spotted owl and murrelet areas, and understory could be helpful for establishing complex structure areas, while improving economic return - more due diligence to habitat accounting.
- More information on the species of concern strategy needed before amending the Forest Management Plan – level of protection is unknown.
- 30% complex structure may not be enough in the long term.
- A two-pronged approach that includes an economic strategy and species of concern approach could be beneficial.
- Develop a two-year Forest Management Plan Adaptation Work Plan.
- The State's forests are underperforming – structure based management is not meeting financial expectations.
- Improved data is critical; models have uncertainty.
- Open to an increase in harvest, but must be confident in the volume chosen.
- Values are evolving – must create an economy that rewards the ecologies needed to create solid economics.
- Move toward amending the Forest Management Plan, by beginning the two-year timeline interim plan, developing the Species of Concern Plan and policies, performing an economic analysis. The current Forest Management Plan would remain in place in the interim with refinements to District Implementation Plans and; drop pursuit of a Habitat Conservation Plan.
- Revenue should be increased; the Forest Management Plan can be improved.
- Performance measure targets should be grounded in higher degree of policy and science; expectations must be managed.
- Create a decision-making 'web'.
- There is a fiduciary responsibility to the Counties to produce revenue; State forests must remain working forests.
- Structure-based management must be questioned.
- Failing timber communities do not attract new businesses; infrastructure deteriorates.
- Timelines should be task driven, not calendar driven.
- Competing interests must be balanced.

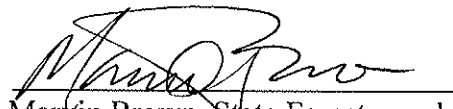
- Biological problems must be understood and dealt with.
- Develop a Species of Concern Plan, and adjust the Forest Management Plan.
- Moving in the direction of the proposed performance measure targets requires the initiation of Forest Management Plan revision, including setting aside the HCP and recognizing a 30% long term structure goal.
- The working hypothesis of the Forest Management Plan was high levels of timber output, which was not feasible.
- The ecological needs policy conversation is necessary.

Nancy Hirsch commented the alternative pathway for Species of Concern could be accomplished while exploring, through the continuous improvement pathway, what else could be done in terms of the economic and social needs. The driver was the Species of Concern policy decision, which would contain values that would ultimately drive the Board's decision. Improvements could be identified in the Performance Measure process.

Addressing the Board's question, Nancy Hirsch described the alternative pathway, specific to the Species of Concern policy decision. Staff would continue to complete the evaluation of the comparative assessment between the base run and the performance measure run, and return to the Board, and if directed, provide a technical review of the evaluation process. The Board would then establish the overall policy direction – the land allocation for species, while understanding the revenue and social benefits. Staff would refine the strategies, which would be moved forward in the administrative rule process as a Forest Management Plan amendment.

Due to the late hour, Cal Mukumoto adjourned the public business meeting at 6:00 p.m. Discussion of the recommendation for State Forests Management was continued on November 7, 2008.

Respectfully submitted,


Marvin Brown, State Forester and
Secretary to the Board

GB