

Policy Developments Influencing Oregon's Forest-Based Economy

May 11, 2011



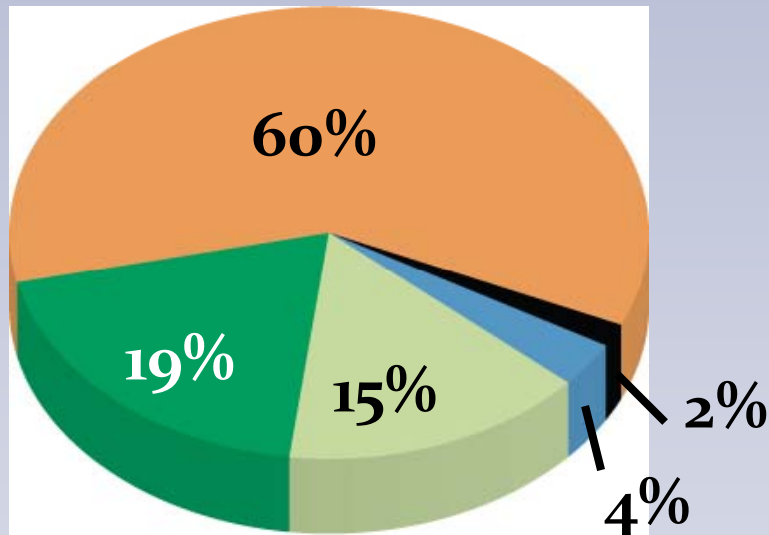
**A Healthy Forest and A Healthy
Economy Need Not Be Mutually
Exclusive.**

**In fact, they are dependant upon each
other.**

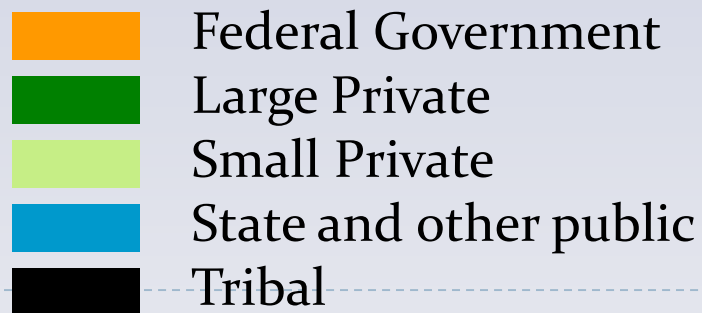
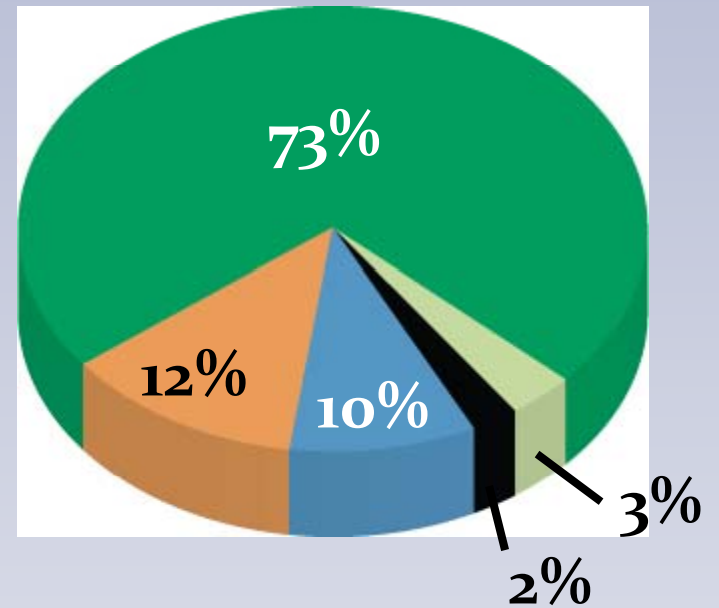


Where Do We Get Our Wood?

Forestland by Ownership



Current harvest by owner



Volume of Forest Service Timber Sold in Oregon FY 2010

Forest	Budget (1,000 \$)	Target (mmbf)	Volume Sold (mmbf)	Target %	Ranking
Malheur	2,222	27.8	39.2	141%	1
Okanogan-Wenatchee	3,527	48.3	56.4	117%	2
Mt. Hood	2,209	35.1	40.8	116%	3
Colville	3,068	41.9	48.2	115%	4
Mt. Baker-Snoqualmie	961	14.4	15.8	110%	5
Fremont/Winema	4,219	56.7	57.6	102%	6
Wallowa-Whitman	1,808	23.5	23.9	102%	7
Siuslaw	3,269	42.1	42.6	101%	8
Willamette	5,902	72.1	72.9	101%	9
Deschutes	4,359	55.1	53.7	97%	10
Olympic	1,530	18.6	17.5	94%	11
Umatilla	2,578	32.0	27.3	85%	12
Ochoco	1,355	12.8	9.5	75%	13
Rogue River-Siskiyou	3,994	40.0	25.7	64%	14
Umpqua	3,918	48.3	29.3	61%	15
Gifford Pinchot	1,852	30.4	16.5	54%	16
<u>Region 6</u> <i>Oregon Only</i>	<u>\$46,771</u>	<u>599.1</u>	<u>576.9</u> <i>422.5</i>	<u>96%</u>	



BLM Sold/Harvest Volumes

1990-2011

year	sold volume	harvest volume
1990	1,108	
1991	418	
1992	49	
1993	49	
1994	13	
1995	120	110
1996	190	225
1997	212	170
1998	257	148
1999	61	189
2000	69	121
2001	56	46
2002	155	61
2003	139	84
2004	140	110
2005	174	141
2006	196	154
2007	195	161
2008	230	147
2009	204	171
2010	230	
2011	190	



Oregon 25 Year Harvest History (mmbf)

Year	Industry	NIP	Native American	State	BLM	USFS	County & Municipal	Total Volume
1985	3009	323	121	268	891	3480	34	8127
1986	3066	428	104	225	1042	3850	28	8743
1987	2791	490	117	199	1115	3451	52	8215
1988	2673	586	121	270	1439	3487	39	8615
1989	3027	694	124	198	1026	3307	44	8420
1990	2628	601	98	137	704	2014	37	6219
1991	2817	494	87	91	486	2068	36	6080
1992	2751	830	111	135	483	1403	29	5742
1993	2700	909	75	116	361	1102	31	5294
1994	2471	773	80	130	92	596	25	4167
1995	2736	696	79	109	139	515	30	4304
1996	2463	555	71	114	289	401	29	3922
1997	2653	480	79	176	136	523	35	4081
1998	2470	370	71	141	122	333	25	3532
1999	2555	459	68	246	150	233	49	3759
2000	2712	455	62	255	83	245	42	3854
2001	2624	281	63	268	38	135	30	3440
2002	2985	333	71	269	55	166	42	3922
2003	2949	364	63	293	78	203	52	4002
2004	3032	574	79	291	96	337	42	4451
2005	2970	525	61	341	121	275	61	4355
2006	3174	422	56	296	131	216	34	4328
2007	2830	240	61	276	141	223	29	3799
2008	2583	156	58	278	117	206	43	3441
2009	1986	93	65	235	147	192	31	2748
2010				297				(preliminary, of which 293 is State Forests)

Softwood Lumber Production

	2003	2004	2005	2006	2007	2008	2009
Oregon	6,532	7,156	7,433	7,033	6,176	4,724	3,241
Washington	4,898	5,455	5,729	5,130	4,763	3,885	N/A
California	2,654	2,763	2,674	2,421	2,312	1,931	1,442
Georgia	2,427	2,595	2,668	2,590	2,309	1,920	N/A
Alabama	2,169	2,432	2,472	2,433	2,242	1,594	N/A
Arkansas	2,396	2,419	2,578	2,420	2,215	1,615	N/A
Mississippi	2,169	2,252	2,400	2,224	1,998	1,598	N/A
Idaho	1,949	1,964	1,959	2,027	1,780	1,344	1,105
North Carolina	1,865	1,960	2,026	1,846	1,752	1,407	N/A
Texas	1,460	1,568	1,622	1,788	1,652	1,261	N/A

Millions of board feet lumber measure

Policy Developments Impacting Oregon's Forests

- **Spotted Owl Recovery Plan and Critical Habitat**
 - Impacting both public and private timberlands
- **Forest Service Planning Rule**
 - Impacts to ALL Oregon National Forests
- **WOPR Implementation---Court Ruling**
 - WOPR reinstated on 2.1 million acres of BLM lands
- **State Forests**
 - Upside potential on Elliott
 - Upside/Downside potential on Tillamook/Clatsop
- **Log Export Issue To China and Japan**



Spotted Owl Recovery Plan (Final Plan Due Out July 1)

- **Impacts to both Private and Public Timberlands**
 - *Recovery Action 10—Manage habitat-capable lands within occupied spotted owl sites across all ownerships to retain existing spotted owl pairs and resident singles.*
 - *Recovery Action 32--Maintain all of the older and more structurally complex multilayered conifer forests on Federal and non-Federal lands across the range of the spotted owl*
- **Regions 5 & 6 USFS—RA 10 & 32—30% reduction in harvests**
- **BLM—RA 10 & 32—50 % reduction across Oregon, heavier in Medford and Roseburg Districts**
- **Private Lands—Now must consider private lands for Recovery**
- **Modeling---Big unknown and uncertainty—kept under wraps!**



USFS Forest Planning Rule

- **“Use Best Available Science”**—Sounds like a good idea, but no one can agree what is best and should be left to on the ground knowledge of particular forests.
- **Species Viability**—The new planning rule is calling for maintaining species diversity including non-vertebrates. This will do nothing but cause lawsuits and thwart management as we have seen under NWFP.
- **Socio-Economic**—Not enough focus is put on the **Multiple Use** concepts including needs of the National Forests to provide products to maintain rural communities and jobs.
- **Objection Process**---Good idea and limits the opportunity to object to a proposed project to people who have participated in the planning process by submitting comments.

▶ **PLEASE SEND IN COMMENTS!**

WOPR Implementation

- **BLM Western Oregon Plans Revision**—signed into law, December 2008. Culmination of lawsuits from 2003.
 - **WOPR increased harvest on O&C County Lands from 200 MMBF to new 502 MMBF target.**
 - **July 16, 2009 Secretary Salazar pulled the WOPR claiming it was illegal by not going through consultation.**
 - **March 31, 2011—DC Court ruled it was illegal to pull the WOPR—Now Reinstated.**
 - **BLM now managing under WOPR (supposedly), but managing under both NWFP and WOPR. Continuing to do surveys under S&M.**
 - **Harvest levels uncertain, but with Appropriations, and no S&M could increase from 200 MMBF.**
 - **Pilot Projects taking place in Medford and Roseburg**
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Oregon State Forests

- **Total Sell Program now about 250 MMBF**
 - **Upside Potential On Elliott State Forest: 30 MMBF up to 40 MMBF moderate take avoidance on owl.**
 - **Tillamook and Clatsop now harvesting 165 –185 MMBF with potential to harvest under current plan to 196.**
 - **NW Oregon is capable of sustainable harvest of 275-300 MMBF.**
 - **Species of Concern Program could further reduce harvests on Tillamook and Clatsop.**
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Combined Log Exports From Oregon and Washington*

2008

2009

2010

491 MMBF

442 MMBF

804 MMBF

* Information taken from Jones Stevedoring Report



Impacts of Heightened Log Export Markets

- 1. Increased Revenues to Private Timber Land Owners.**
- 2. Increased Work for Oregon Loggers.**
- 3. More jobs for Some Ports in Oregon, Astoria, Coos Bay.**
- 4. Less wood available for domestic processors**
- 5. Some sawmills taking down time or reducing shifts due to logs being exported**
- 6. Long-term impacts could reduce even further Oregon's number of wood producing facilities.**



Summary of Information

- **Owl Recovery Plan could reduce harvests on both public and Private timber lands. (possibly by as much as 500 MMBF).**
 - **Forest Planning Rules—Could impact harvests on USFS Lands---How much? Depends on final rule**
 - **Implementing WOPR—Could ramp up harvest on O&C County lands from 200 MMBF to 300 MMBF +**
 - **State Forests—Status quo short term—Possibility for increase.**
 - **Log Export Issue---Less wood for Domestic Processors—Declining milling infrastructure**
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