



March 10, 2017

TO: Senator Richard Devlin, Co-Chair, Joint Committee on Ways and Means
Representative Nancy Nathanson, Co-Chair, Joint Committee on Ways and Means

FROM: American Forest Resource Council; Associated Oregon Loggers; Oregon Forest & Industries Council; Oregon Small Woodlands Association; Healthy Forests, Healthy Communities

RE: Oregon Department of Forestry, Federal Forest Restoration Program

As representatives of Oregon's forest products industry, we are writing to share our perspective and concerns with the Oregon Department of Forestry's Federal Forest Restoration Program (FFRP).

We are supportive of the program's goal to increase the pace and scale of active forest management on federal forests in Oregon. However, we believe the program requires structural improvements to ensure it is accountable, transparent, and financially viable in the long-term.

For your consideration, the following are our suggestions on how the program can achieve these important goals:

1) Ensure FFRP investments do not undermine the Oregon Department of Forestry (ODF) mission or priorities

Most importantly, investments in the FFRP should not undermine or detract from ODF's core missions. We note with caution and concern the potential loss of nine stewardship foresters and 30 seasonal positions, and foregone important technology and firefighting investments, within the Oregon Department of Forestry this biennium. Furthermore, the proposed stewardship forester cuts would statutorily force additional reductions in the shared private funding of critical forestry programs. ODF stewardship foresters and seasonal positions are critical to state firefighting efforts and private land management.

In addition to the need for a firefighting system funded to an adequate level of protection, Oregon has pressing forest health issues that span state, federal, and private lands. Sudden Oak Death is present on the landscape and requires the state to partner with federal cooperators in an "all lands" approach to controlling its potential impacts to Oregon's economy. Funding for research and landscape treatment are key to the state's ability to ensure that both our forestland and our economy remain healthy and sustainable.

It has not been explained why ODF and the Governor propose to make cuts to personnel, firefighting, and technological capacity critical to the agency's mission and the health of our forests, while simultaneously advocating for an *increase in funding for non-essential* ODF work such as the Federal Forest Restoration Program. This is not to suggest that the FFRP work is unimportant or unnecessary. Rather, it raises legitimate questions of prioritization and how limited state money (including Lottery dollars) should be invested within the critical areas of ODF's core mission.

2) Prioritize investments in Good Neighbor Authority projects

FFRP dollars should first be prioritized and invested to bolster and grow Good Neighbor Authority (GNA) projects between the U.S. Forest Service and State of Oregon. GNA is an extraordinary tool that was established by Congress in 2014 providing the legal authority to leverage state resources and efficiencies to increase capacity to accomplish work on National Forest System lands. GNA authority helps strengthen the Federal/State partnership, allowing states to recoup their investments in the program through federal funding or leveraging project revenues.

We strongly support investing FFRP funds to implement GNA projects across the state with the specific goal of developing a financially self-sustaining program within three years and to provide additional, sustainable wood fiber to Oregon markets. The State of Oregon should look to the successes of the Idaho GNA model, which capitalized on one-time private and state investments to grow state management capacity, increase outputs from Forest Service lands, and generate excess revenues for the state government without negatively impacting the mission or work of the Idaho Department of Lands.

3) Invest in the State Federal Implementation Partnership to create “additionality”

If ODF is compelled to invest beyond GNA projects, we strongly believe limited state dollars should be invested in Federal projects that create “additionality” – or measurable outcomes above and beyond Federally-funded targets and metrics. In the past two years, ODF has used its seasonal workforce to complete presale activities (e.g. unit delineation, tree marking, timber sale layout, etc.) on Federal lands such as the Willamette National Forest that meaningfully contribute to Federal timber volume outputs above and beyond Congressionally-funded targets, create additional private sector jobs, and generate revenues to rural Oregon counties.

Of the two components of the FFRP, we believe the State Federal Implementation Partnership component provides the state and ODF with the biggest “bang for the buck” by leveraging additional Federal dollars and providing measurable outcomes.

4) Establish clear metrics before making the program permanent

While we strongly support smart, strategic investments in Federal projects that complement and grow the work of the U.S. Forest Service we have serious concerns about state investments that replace and divert Congressional funding intended for specific processes and projects on Federal lands. Put simply, state investments should not be used to fill Federal funding “gaps” or replace Federal funding responsibilities. State investments should grow Forest Service outcomes and outputs. The metrics should track the direct effects of state investments, not just the amount of Forest Service work that has some state involvement.

Before the program is made permanent in a future biennium, we strongly urge the State Legislature to provide clear guidance to ODF that all FFRP investments are tracked at the project level to ensure state Lottery dollars contribute to well-defined metrics, such as:

- a) *Does or will this state investment cause the Forest Service to offer additional sawtimber volume above and beyond the Congressionally-funded target for the Region or assigned target to a Forest?*
- b) *Does or will this state investment cause the Forest Service to treat more acres above and beyond its current funded scope of work?*

- c) Does or will this state investment foster improved Forest Service efficiency, where Forest Service managers utilize the most effective tools and authorities to implement projects through to successful completion?*
- d) Does or will this state investment leverage or incentivize the creation of additional private sector jobs above and beyond the original design of the project?*
- e) Does or will this state investment result in a project that creates additional revenue to rural county governments or the State of Oregon?*

Finally, we should note our support of and participation in various Federal forest collaboratives across the state. We appreciate the role of collaboratives in rebuilding public trust, working through policy and social disagreements, and informing agency decision-making. Regardless of the state's investment in Federal forest collaboration through the FFRP – and whether or not the state can or will finance collaborative support indefinitely – we remain committed to the success of productive collaborative processes.

Thank you for this opportunity to comment on the Federal Forest Restoration Program.

Sincerely,
Travis Joseph, President, American Forest Resource Council

Jim Geisinger, Executive Vice President, Associated Oregon Loggers

Kristina McNitt, President, Oregon Forest & Industries Council

Jim James, Executive Director, Oregon Small Woodlands Association

Nick Smith, Executive Director, Healthy Forests, Healthy Communities

CC:
Office of the Senate President
Office of the House Speaker
House Republican Office
Senate Republican Office
Members of the Joint Ways and Means Subcommittee on Natural Resources
Members of the Senate Committee on Environment and Natural Resources
Members of the House Committee on Agriculture and Natural Resources
Legislative Fiscal Office