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The WOODLANDER UPDATE

July 2008

News and Information for-and-about Small Woodland Owners

Volume 28 Issue 5

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DATES

Howdy Neighbor! Tours
July 26 Astoria

Next OSWA Meetings
July 13 Executive Committee, Salem

August 1 Board of Directors, Salem

August 15 GAC Committee, Salem

E NEWS

WWW.OSWA.ORG

for local chapter, state, and national news and events, grants, marketing tips, educational opportunities, & helpful management techniques.

You can now download The Update on the web at <http://www.oswa.org/Update.html>

Leadership

Election Results

John Poppino, serving as Election Teller reports the following election results:

President, - Ken Faulk
First Vice President -Sonya Chapman
Second Vice President - Nancy Hathaway

Each person was elected by over 500 votes a piece for two years terms

The OSWA Executive Committee appreciates the suggestions from members on ways to improve the election process and will consider these suggestions prior to next year's elections.

Advocacy

Landowners send strong message to Board of Forestry over fire funding costs.

From OFIC News

Facing \$6 million in red ink and the onset of another fire season, the Emergency Fire Cost Committee, at its meeting in Salem on June 3, voted to borrow funds from the State Treasurer to erase the bulk of that deficit. In order to repay the loan, this unavoidable decision will trigger a one-year surcharge on the taxes and fees that support the Oregon Forest Land Protection Fund. The surcharge will represent the latest in a series of steep increases in wild-fire suppression costs to hit private landowners in Oregon in recent months.

The borrow-and-surcharge mechanism has been part of state law for many years, but this is only the second time the EFCC has been forced to use it. The trigger this year was a series of costly fire years that drained OFLPPF reserves – plus the fact that annual revenues to the fund at current tax rates are inadequate to cover annual costs that hit or come close to the fund's expenditure limitation. The fund is exposed to up to \$15 million a year in expenditures, while taxes and fees at current rates provide only \$10 million in revenue. (Continued page 3)

The OSWA Vision

To see privately owned family woodlands are a thriving part of Oregon's landscape in 2050.

Our Mission Statement

To provide opportunity to Family Woodland Owner by:

- Educating and informing the owners of forested tracts and the public regarding forestry and family forestland management issues.
- Providing a medium for the exchange of ideas about family forestland by land owners, public agencies, consultants and timber industry personnel.
- Serving as a forum to make recommendations for investigating and solving problems, and for improving forest management, harvesting, and marketing.
- Disseminating information on the establishment, growth, harvesting and marketing of forest crops produced on family forestlands, and to foster the wise use and protection of forests and encourage better forestry practices.
- Representing the owners of family forestlands to the general public and before legislative bodies and regulatory agencies.
- Complying with ORS Chapter 65 and as authorized by ORS 65.061.



President's Message...

by Ken Faulk

Thank you for giving me your support as I start my presidency of OSWA. I truly believe in the mission of OSWA and over the years I have seen this organization do an exemplary job of accomplishing its mission. This is due in large part to the incredible volunteer effort by members who are willing to serve on committees, help with programs and events and generally "pitch in" to achieve our common goals.



I am committed to continuing our collective efforts to build a sustainable and effective association. During my term, I pledge to help us keep focused on our common objectives and to increase our funding to achieve greater success.

OSWA will celebrate its 50th anniversary during my term. As President, I will be mindful of the vision of members who served before me and will work on behalf of those who will lead in the future. The world in which we operate has changed dramatically since I joined OSWA some 25 years ago and it is hard for me to imagine what it may be like on OSWA's 100th.

I remember attending an OSWA Board meeting about 20 years ago. At that meeting, we were discussing why proposed legislation and/or rule changes which directly affected small woodland owners were being enacted with no input from OSWA. We had no one representing our interests to legislative committees or state agencies. Through diligence and hard work on the part of OSWA and its representatives, that has all changed over the years. Today, we have representatives on various state level policy committees and OSWA's perspectives are routinely sought. OSWA is making a real difference for its members.

We, as a state association, must focus on those issues in which we can agree upon, as determined by our members through surveys and through our committees staffed by OSWA member volunteers. Keeping fire fighting costs affordable and fair, building markets for ecosystem services such as carbon and ensuring that valuable programs offered by agencies to woodland owners are funded by our state legislature are among our top priorities.

Another high priority for me is how to increase the resources, both people and money, available to OSWA to achieve our common goals. I will be appointing a committee whose charge will be to provide suggestions to the executive committee on how to increase funding and support for the administrative, educational, advocacy and development programs we need to be effective in our increasingly complex world. I look forward to sharing with you our progress in the months ahead.

I think the next few months may be a particularly exciting time for OSWA. As I write this, there is a good possibility that OSWA will be creating an opportunity for its members to sell carbon credits. This new market will be vastly different from the markets we are used to and the learning curve will be steep. Landowners will need to thoroughly study the requirements for selling carbon credits in this market before deciding to participate. Your OSWA leadership and staff will be keeping you up to date on this project and on all our other efforts on your behalf.

Advocacy

(From page 1) **Fire Costs**

At the EFCC's request, the Legislature took a step toward addressing this disparity by passing House Bill 3044 in 2007. HB 3044 hiked OFLFP taxes and fees by 25% across-the-board – increasing annual fund revenues from \$8 million to \$10 million.

The largest OFLFP funding sources are an "improved lot" fee (applied to lots with houses or other structures) and the forest products harvest tax. Due to the combined effect of the HB 3044 increase plus the OFLFP surcharge, taxpayers subject to the improved lot fee will see a \$72 charge on their property tax bills this fall – vs. \$38 last fall. The harvest tax increase will come in two stages. Due to HB 3044, the rate for the EFCC already went up 25% in 2008, from \$0.50/mbf to \$0.625/mbf. The surcharge will now bump the rate up to \$0.95/mbf in 2009 – another 50% increase. Like the improved lot fee, the other revenue sources for the fund – acreage fees on timber and grazing land plus a minimum lot assessment – will experience both hits at once on this year's property tax bill.

In related news... A number of OSWA members, including Chris Hefernan and Lyle Defrees, drove from Easter Oregon to testify in person at the June 4th Board of Forestry.

OSWA member John Rounds submitted the following testimony.

Dear Members of The Board of Forestry

FOREST FIRE PROTECTION COSTS IN EASTERN OREGON

Forest fire protection costs (to landowners) are many times higher in Oregon than in any of the neighboring States. Plus we are the only state where landowners pay anything for large fire suppression. Following is a table that shows the relative landowner costs for forest land owners in the Western United States: (Continued page 4)

Resources

www.oswa.org

Your connection to the most recent news and information affecting family forestland owners including technical assistance, legislation and stories on great stewardship.

Visit the OSWA web site at www.oswa.org for information about your local chapter. Be sure to click on "Your Local Chapter" for a map link to your own chapter website!

Advertise in the Update!

The Update is sent to over 2,900 OSWA members and friends eight times per year.

Our members grow over one million acres of family forestland in Oregon!

	1 Issue	4 Issues
1/12 page	\$70	\$210
1/6 page	\$90	\$270
1/4 page	\$110	\$330
1/3 page	\$145	\$445
1/2 page	\$170	\$510
2/3 page	\$200	\$600
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Advocacy

(From page 3) Fire Costs

ANNUAL FIRE PROTECTION COST To LANDOWNERS By STATE

	40 acres	100 acres	500 acres
California	-0-	-0-	-0-
Idaho	\$22	\$ 55	\$275
Montana	\$38	\$ 50	\$130
Eastern Oregon	\$78	\$178	\$890
Washington	\$14	\$ 27	\$127

The figures for Eastern Oregon assume a landowner cost of \$1.78 per acre/year (proposed for 2008-09). Oregon forest landowners also pay the entire cost (up to \$15 million for catastrophic fires, over budget amounts). No other surrounding State require this from landowners.

With the cutback in the Forest Service sales, we have experienced mill closures in all parts of the East Side and unless something changes very soon there will be more mills cease operation.

Those of us in Central Oregon are faced with long log hauls and with the high cost of fuel it now costs as much (or more) to harvest and deliver logs than they are worth. Right now Pine logs in Eastern Oregon are worth, at the mill, about \$300 per thousand board feet. At the same time, with the high cost of fuel, it costs about \$300 per thousand board feet to deliver these logs, leaving nothing for the landowner.

The State legislature could help the Eastern Oregon forest landowners by having the State pay more of the fire fighting cost as is done in neighboring States. If nothing is done there isn't much hope for a viable forest industry survival in Eastern Oregon. We are living on borrowed time and more and more forest land is being converted to other uses all the time.

John Rounds

From OSWA Governmental Action Committee

Thank you John for your letter and all your work on the Emergency Fire Cost Committee over the years.

OSWA's Governmental Affairs Committee met on June 20th. Based upon the concerns we have heard building overtime, and in line with the issues that are of greatest common concern to our members, we have drafted a Fire Policy for members to consider. **(See Fire Policy Page 5)**

Advocacy

OSWA develops fire policy, calls for action by members.

In response to our members growing concerns, the Governmental Action Committee has drafted an OSWA Fire Policy.

OSWA is seeking members feedback before a final recommendation to the Executive Committee in August. Please send your comments by letter or email.

OSWA Draft Fire Policy

OSWA supports aggressive fire prevention and suppression action and shared funding for both private and public forest resources.

OSWA supports a shared cost structure that evenly splits payments between landowners and the State of Oregon for readiness at the district level, severity resources, securing an insurance policy to protect state general fund exposure and equitably meet deductible requirements of that policy.

Policy Background

Oregon is known for its forests and the multitude of values they provide. Fire creates devastating losses that go far beyond the uninsurable cost to private landowners of burned timber. The degradation of water quality, loss of wildlife habitat, and extreme carbon emissions caused by wildfire all destroy environmental benefits provided by healthy forests.

Many fires are caused by the public. Additionally, climate changes are increasingly exposing land to fire conditions, which combined with other uncontrollable events such as multiple lightening strikes, create extreme conditions beyond any ability to control. A significant risk factor for all private landowners is the mismanagement of federal forests. Neighboring landowners view their proximity to federal forests as a liability.

Oregon landowners have willingly maintained a proud tradition of paying significant land and harvest taxes to match the state's fire suppression costs. States like California pay the entire cost of wildfire suppression and do not receive any landowner taxes.

These taxes, especially in Eastern Oregon, have escalated beyond the production value of the land for its resource use. In several counties, district fire assessments are larger than any other portion of a landowner's property tax. This burden is no longer a balanced and fair allocation of cost.

Since 1991, district readiness costs have been shared 50-50 between landowners and the state. Significant in-kind resources, such as heavy equipment, water tankers and fire watch personnel are contributed every year by landowners. The historic contribution credit for these costs was removed during the 2007 Legislative Session. Equity must be restored to recognize the significant cost of in-kind resources provided by landowners.

Suppression costs for large fires and state insurance have been covered through a complicated mix of landowner taxes, and some state funds. These costs have not been allocated in an equitable manner. Since 1993, the cumulative total of landowner costs beyond their own district level totals \$128,781,553. The state costs for the same period have totaled \$20,909,985. This represents an 86-14% "cost share" that is broken, unbalanced and unsustainable.

Eductae

WHY ARE SOME FOREST FIRES SO INTENSE ?

Fire is a natural element of change in Oregon's forest ecosystems. Historically, fires in the pine and dry mixed-conifer forests of eastern and southwestern Oregon occurred every 5 to 40 years. Fires in the wetter, Douglas-fir regions of western Oregon burned every 100 to 450 years. But a century of fire suppression without a matching level of fuels reduction has resulted in missed fire intervals, increasing the amount of fuel and fire risk, particularly in dryer forests.

AT RISK: MORE THAN 8 IN 10 TREES

Nearly 40 percent of Oregon's forestland is classified as Class 3, or at high risk of uncharacteristically intense fire because of dense, unnaturally overcrowded and dying trees. Another 45 percent is in Class 2, or at moderate risk. These "at-risk" forests burn more intensely and may destroy wildlife habitat, threaten homes and watersheds, and emit large amounts of carbon dioxide and other pollutants.

MANAGING FOR FIRE RESILIENCY

Today, forest managers are using our understanding of the historic role of fire to manage our forests sustainably for the future. Forest managers use three common tools to limit the severity of wildfire and to manage forests for improved fire resiliency:

- Thinning
- Prescribed burning after thinning
- Mechanical treatments



Oregon's Legislature created the Oregon Forest Resources Institute to improve public understanding of Oregon's forest resources and to encourage sound forest practices



CONDITION CLASS 2

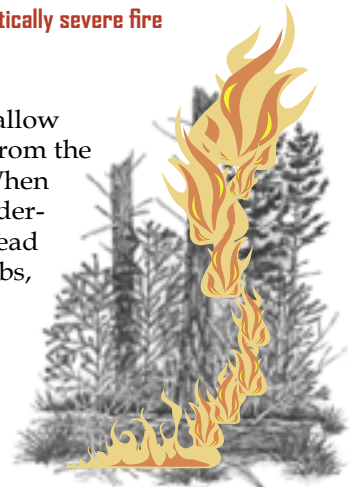
At moderate risk of uncharacteristically severe fire

CONDITION CLASS 3

At high risk of uncharacteristically severe fire

FUEL LADDERS

Overcrowded forests allow fires to jump quickly from the ground to tree tops. When ground fires ignite understory trees, flames spread to tree canopies. Shrubs, small trees, snags and downed logs, low branches and harvest debris can all act as a fuel ladder during a forest fire.



OVERCROWDED FORESTS CONTAIN UNNATURALLY HIGH LEVELS OF FUEL, LEADING TO HOTTER AND LARGER FIRES.



Learn more at www.oregonforests.org

Advocacy

Update from Salem...

by Kristina McNitt

The OSWA Government Action Committee met on June 20 and spent the majority of the day discussing a number of key issues. We reviewed and discussed efforts to secure state Emergency Board and federal funding for Sudden Oak Death eradication efforts (See Page 8); a draft OSWA Fire Policy; and a joint department / landowner effort to develop a legislative package to re-align fire funding – known as the “Wildfire Reduction Act.”



Further, we learned that the Emergency Fire Cost Committee unanimously voted to borrow \$5 million from the State Treasurer to pay for fire suppression costs beyond the reserves in the Forest Land Protection Fund. This has been done once before and will require a payback within on year. OFLPF taxes and assessments will be increased proportionately in FY 2009 to re-pay the loan. The table below illustrates the effect the loan will have on landowner taxes that fund the OFLPF.

Income Source	FY 2008 Rate	FY 2009 Rate (HB 3044-A)	Borrow Rate: \$5.0 Million (M)	Total, FY 2009 + \$5.0M Loan Rate:
Forest Products Harvest Tax	\$ 0.50	\$ 0.625	\$ 0.315	\$ 0.940
Grazing Assessment	\$ 0.06	\$ 0.075	\$ 0.038	\$ 0.1128
Eastern OR Timber Assessment	\$ 0.06	\$ 0.075	\$ 0.038	\$ 0.1128
Western OR Timber Assessment	\$ 0.04	\$ 0.050	\$ 0.025	\$ 0.0752
Minimum Lot Assessment	\$ 3.00	\$ 3.75	\$ 1.892	\$ 5.64
Improved Lot Surcharge	\$ 38.00	\$ 47.50	\$ 23.966	\$ 71.47

The GAC also used the June meeting to discuss a **record number** (great job!) of concepts submitted by OSWA members for the GAC to consider developing as proactive legislation. Kudos to Gary Springer, John Foster, Bob & Bonnie Shumaker, Frank Pender, Dave Schmidt, Don Duhrkopf, and Kent Grewe. The following concepts were discussed:

- Inheritance Tax 50% threshold reduced
- Modify or repeal statutory mandate that ODF provide urban forestry assistance
- Forest Dwelling Template Test – used to identify services and fees for urban forestry services provided by ODF
- Harvest Tax – OSU portion to competitive grant pool rather than used as base salary
- Harvest Tax – 25,000 bf exemption repealed
- Require Harvest Tax and Privilege Tax forms be combined at DOR
- Change land use restriction on 2nd home in forest zones to match same in EFU zones
- State bond to plant trees in public spaces
- Log loads as allowable use with F-plate

Any more ideas out there? The GAC set its next meeting on August 15th, when discussion and development of our legislative agenda will be continued.

On a final note, I would like to thank Al Thayer for agreeing to serve as the GAC Chair for one more round... welcome back.

Advocacy

OSWA mentioned in forestry climate debate

The Portland Business Journal highlighted OSWA's work within the Western Climate Initiative process and how we and others are trying to find ways to include sustainable forestry within a carbon cap-and-trade system.

The article reported about the coalition of Oregon forestry companies, woodlanders and environmental groups that want to create a new revenue stream from what forests do best: absorb and store carbon emissions.

The Oregon Forest Carbon Work Group, convened in January by Gov. Ted Kulongoski, wants forests included in a multi-state cap-and-trade proposal that will be unveiled this summer. OSWA is an active member of this group.

Advocates of including existing Oregon forests in a cap-and-trade system say it would provide an economic incentive to landowners struggling against development pressures. But some say doing so is a zero-sum game if it doesn't increase green energy resources.

The Western Climate Initiative, a collaboration between three Canadian provinces and seven Western states, including Oregon, by the end of the summer is expected to unveil the regional carbon cap-and-trade program.

For the state's forest sector -- which the Oregon Forest Resources Institute says accounts for an annual industrial output of \$12.6 billion -- inclusion would create a new revenue stream, although it's unclear how much forestry companies and family woodland owners could earn.

As the regional group works out details of its cap-and-trade model, such as what industries would be capped and how credits would be distributed, officials with the Forest Carbon Work Group are lobbying to have existing forests included.

For more contact esiemers@bizjournals.com | 503-219-3418

OSWA and partners raise awareness of Sudden Oak Death with Legislators

OSWA has joined a number of groups to raise the issue of Sudden Oak Death Eradication. In an Emergency Board Funding Request these groups supported the joint Oregon Department of Agriculture (ODA) and Oregon Department of Forestry (ODF) Emergency Board funding request of \$427,500.

These funds are necessary to allow ODF to continue critical eradication and monitoring efforts of Sudden Oak Death (SOD) (*Phytophthora ramorum*) within the quarantine area in Curry County through September 2008. This request is an essential element of a more comprehensive effort by Oregon to contain and eradicate the disease and to allow ODF and ODA to secure larger federal funding to support the more aggressive "Final Phase" treatments needed to successfully eradicate SOD from our State. (See Page 9-10)

For more visit <http://www.oswa.org/SODJointPR.pdf>

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Bob McNitt
bob@forestseedlingnetwork.com
(503) 769-9806

Forest Seedling Network
1740 Shaft Road #306
Stayton, OR 97383



June 17, 2008

The Honorable Peter Courtney, Co-Chair
The Honorable Jeff Merkley, Co-Chair
State Legislative Emergency Board
900 Court Street NE
Salem, OR 97301

RE: Sudden Oak Death Eradication: Emergency Board Funding Request

Dear Senator Courtney and Representative Merkley:

We, the undersigned, urge your support for the joint Oregon Department of Agriculture (ODA) and Oregon Department of Forestry (ODF) Emergency Board funding request for \$427,500. These funds are necessary to allow ODF to continue critical eradication and monitoring efforts of Sudden Oak Death (SOD) (*Phytophthora ramorum*) within the quarantine area in Curry County through September 2008. This request is an essential element of a more comprehensive effort by Oregon to contain and eradicate the disease and to allow ODF and ODA to secure larger federal funding to support the more aggressive "Final Phase" treatments needed to successfully eradicate SOD from our State.

SOD poses a serious threat to the health of Oregon's economy, communities and the south coast ecosystem. The uncontrolled spread of SOD may result in regulatory quarantines or opportunistic restrictions by other states and countries seeking market advantages against Oregon's export-oriented wood products and nursery industries. The value and reputation of our Oregon products are at stake. One report estimated that a USDA quarantine may result in a potential loss to the nursery industry of between \$79 to \$304 million annually while a second worst case scenario estimated that some portion of a combined \$1.6 billion value of annual timber harvest and employment contribution of southwest Oregon is at risk (2006 data of Curry, Coos, Josephine, Douglas Counties). These substantial economic impacts are currently affecting rural Curry County and may soon be felt in adjacent counties unless funding is provided for control and eradication of SOD.

Looking south to California where the disease was first detected, it is abundantly clear that the failure to respond with aggressive treatments has resulted in thousands of Wildland acres infected with fourteen contiguous counties under quarantine in the northern California Bay Area alone. Because of the huge population and markets within the quarantine area products can be freely sold with no adverse effects to producers. However, Oregon heavily depends on shipping its sustainably grown, quality products to other states and into international markets. Therefore, the consequence of quarantine restrictions would be especially severe.

Furthermore, SOD threatens potentially significant long-term damages to the health of Oregon's forests and ecosystems. It kills tanoak and rhododendron and can harm important other native plant species like evergreen huckleberry. In addition, trees and shrubs important to urban and suburban landscapes like Northern Red Oak and Black Oak are vulnerable to mortality. In all,

Advocacy

(From page 9) Sudden Oak Death

over 100 species of other trees, shrubs, herbs, and ferns are vulnerable to SOD. The results of uncontrolled spread are increased fire risk, reduced slope stability, altered wildlife habitat and forage. These real risks cross several social, economic and environmental values and are increasingly important to all Oregonians, federal, tribal and private landowners and several state agencies.

Oregon is at a tipping point right now. SOD has a toehold in Curry County and the trend of increasing infestations indicates that if Oregon abandons the effort, or experiences another extended work suspension, we will suffer an irreversible loss in the fight against SOD. For this reason, scientists, public agencies, stakeholders, and elected officials are united in their desire to eradicate SOD. The success of eradication hinges on this current request.

The good news is that ODF and ODA have formulated a strong strategy for eradicating SOD from Oregon called the Final Phase. The plan will rely on up to \$30 million in federal funding, which we are currently working to secure. We are greatly concerned that if the Emergency Board opts not to fund this request for \$427,500, we will no longer remain competitive for federal funding and the march of the disease will go unchecked. We respectfully urge your approval for this bridge funding request.

Please understand we have spent a considerable amount of time and effort to evaluate the most timely and attainable successful solution. It is our opinion that without this package of bridge funding necessary to secure federal funds to implement the Final Phase response there is no viable "Plan B" approach. Oregonians value and deserve healthy forests, healthy communities, and a healthy economy. We hope you will consider approving this reduced request that allows us additional time to secure longer term federal funding.

Thank you for your consideration.
Sincerely,


Oregon Association of Nurseries
John Aguirre, Executive Director

Oregon Forest Industries Council
Ray Wilkeson, Legislative Director

Oregon Small Woodlands Association
Kristina McNitt, State Issues Coordinator

The Nature Conservancy
Russ Hoefflich, State Director and Vice President

Oregon Farm Bureau Federation
Katie Fast, Director of Governmental Affairs



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Advocacy

Politicians offer plans for Federally Managed Forests... wants your comments

Two proposals offer opportunity for OSWA members to promote a strong forest economy and improved management of federal lands.

U.S. Senator Ron Wyden (D-Ore.) Proposed an expansive overhaul of federal forest practices in the State of Oregon. Wyden's initiative would permanently end the logging of old growth trees and discourage clear-cutting, while placing a new emphasis on greatly expedited, large-scale forest restoration efforts to improve forest health and create many thousands of new jobs. *"For the sake of our environment, economy, and our way of life, we must come together to pursue a concerted, new focus on sustainable forestry management that will create thousands of new jobs and restore the health of our forests,"* Wyden said. Oregonians are invited to review Senator Wyden's proposal and to share their thoughts at: www.wyden.senate.gov/forest-proposal

In related news, The Governor's Task Force on Federal Lands released their report on how the loss of county federal timber payments will impact the State of Oregon. They also list recommendations for addressing the loss of revenue. The press release has a link that takes you to the report so you can see the impacts that communities are faced with and see the recommendations that were presented to the Governor. The link is http://governor.oregon.gov/Gov/docs/federal_forest_payments_062008.pdf

Over the next 60 days, it will be very important to submit comments regarding the recommendations made by the task force, and specifically, the impact those recommendations will have in your respective communities. It will be just as critical to get comments and suggestions that weren't covered or addressed in the report by the task force that focus on ways the state can foster and encourage economic development in local communities. OSWA has long supported the view that federal forest management is a critical piece of any long-term solution. This is an opportunity for the Governor to hear from those of us impacted by the loss of funding and an opportunity to present recommendations and proposals to help your communities.

OSWA members Call for Action

We urge members to read both of these items and relay comments to both Senator Wyden and the Governor's task force. **OSWA Policy is available at <http://www.oswa.org/OSWAPolicies.pdf>**

Send your comments to Senator Wyden to: www.wyden.senate.gov/forestproposal or call his office at (503) 326-7525

Send your comments for the Governor's Task Force on Federal Lands to: fedforest.payments@state.or.us or call the Governor's office (503) 986-6525 to share your views

Provided below is a summary of OSWA policy for your use in developing comments to the proposals. OSWA supports development in Oregon and the USA that creates renewable wealth from our natural resources for both the public and private owners of those resources.

Oregon was founded and built upon its natural resources. In an Oregon of increased reliance on others' charity, growing population and imports, paradoxical or marginal return new "green" policies and shrinking budgets for natural resources agencies, we need strong political leadership and direction for the forest sector to once again become a home grown renewable wealth creator. We all need to step up and help create a set of public policies and programs that adds real economic value to our public and private forests in the state. Oregon's rural communities are beginning to face the inevitable loss of "The Northwest Forest Plan Transition" subsidies. Urban populations of Portland, Salem, Eugene and Bend also feel the effects of this loss, as it is they who have to step up and pay for core state services and costs of imported forest goods or substitutes, and the energy it takes to get them here. The current federal funding for rural counties and fire-fighting debate has highlighted that we have to get over the addiction of subsidies for lack of action, especially on our federally-managed forests. It also shows how we, as a state, have become reliant on the redistribution of wealth from Government and Industries such as tourism, that do not trickle down to family forest owners. (Continued page 12)

STIMSON'S MANAGED FOREST PROGRAM

A landowner assistance program practicing sustainable forestry...

ASK US ABOUT...

- Tree Planting
- The Oregon Forest Practices Act
- How to implement sustainable forestry into your plan
- Thinning Systems
- The Coastal Salmon Restoration Initiative

The Stimson commitment to forest management and the community is a century-long tradition in Northwest Oregon.

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A TRADITION OF QUALITY
We are always interested in purchasing land, timber and delivered logs.

(From page 11)

At a local level, family forestland is at risk to fire, insect, disease infestation and conversion to higher "value" use. Frequently, neighboring federal lands with severe forest health problems and limited commercial use increase these risks. At a global level, Oregon has to play our role via good public land management in supplying our own needs from our own lands. Political leadership, funding and technical advice is needed to address these threats.

OSWA members offer individual responses to the Wyden proposal.

Paul Sansone suggested the need for all forest industry representatives, all anti-LNG groups, all conservation organizations, to take a long hard look at Senator Wyden's proposal and to re-think the assumptions used in earlier analysis to account for the rapid rise in fossil fuel costs. Paul believes we can revive Oregon's Forests, contribute significantly to our energy security, and make massive reductions in greenhouse gas pollution while sequestering massive amounts of carbon in fast growing rejuvenated forests. Senator Wyden's bill can be faulted for its limited scope. He suggest a recent OFRI report identifies over 610,000 acres a year that needs to be thinned. Senator Wyden's proposal is for significantly less. The market based incentive of generating electrical energy from these wastes vastly expands the potential for cost-effective remediation of our federal forests.

Andy Kittle wrote to OSWA and said "What jumps out and frightens me is that this document is strengthening the Northwest Forest Plan and the science behind it. I know the Siuslaw National Forest (SNF) cannot harvest any tree greater than 36" dbh for commercial use because of the "old growth" implications regardless of age. Thus, I find it very interesting that we have two different age ranges for East side old growth- 150 years and West side old growth- 120 years.

This is a bad looking document for small woodland owners, large woodland owners, the USFS Timber managers and the State of Oregon in my opinion. All of this conflicts with natural fire landscape history in the region I know well. We need to have a true West side fire plan with real history and understanding of the implications to all species, State and National economy!

Development

OSWA continues work in emerging Forests and Climate change arena

By Mike Gaudern, Executive Director

At a recent chapter meeting, I heard a speaker challenge OSWA members by asking the question "Do you believe that you/we can make a positive difference?" There is no doubt in my mind that "Yes we can."

There is also no doubt in the minds of OSWA members and leadership, that on top of all the other issues we face, the climate change debate is here to stay, and it will affect the ability of family forests to remain profitable. Your Executive Committee is confident that we have put into place a robust set of policies related to this issue and that we are, at present, one of the leading voices in the development of policy and markets for the forest sector.

OSWA volunteers and staff are focusing our efforts on three main areas.

On the regional policy development side. Staff is attending the Forest Carbon "offsets" Stakeholders meetings as OSWA representative. These meetings are going as well as can be expected and our collective work is being recognized by both the Western Climate Initiative and Oregon Legislators. Currently We are working on issues such as "baseline" alternatives and "permanence" definitions so to offer a range of "rules" or the game to decision makers both at state, regional and national level.

OSWA received a letter of thanks from Governor Schwarzenegger for our proactive role in the Western Climate Initiative. Check out <http://www.oswa.org/News.html>. OSWA member Mark Copeland is also submitting comments to this group as an individual. I have to say that, with its focus on retaining working forests and with landowner stakeholders and supporters in both industry and the conservation community this is the most positive group I have seen in all my time in Oregon. For that reason alone OSWA should stay engaged.

On the political side. Staff have been engaged with the Oregon legislature, attending the recent House Interim Committee on Energy and the Environment on May 29th. We were please to see that partners from the "Forest Carbon Work Group, Linc Cannon of OFIC and John Audley of the Nature Conservancy were invited to testify. Both did a great job in promoting the groups work and the role of forests helping address the issue in Oregon.

OSWA has been engaged with this process for over six months now, and while it has placed a strain on our capacity, the results are starting to bear fruit. Climate change issues will likely dominate the 2009 session. I encourage volunteers to review the OSWA carbon policy at <http://www.oswa.org/OSWAPolicies.pdf> and engage your legislators on this important issue.

Finally the project arena. As most will have read in the June Woodlander Update, the AFF/OSWA carbon aggregation project is in final stages of negotiation. Neil Sampson visited with the proposal committee members on June 13th. AFF has thanked us for a "well thought out" response. We are looking to finalize the project very soon and begin our work as part of our ongoing efforts to provide opportunity to family woodland owners.

Challenges

National Influence. Based upon budget constraints, OSWA faces a tough time influencing national climate change initiatives directly and is reliant upon The American Forest Foundation (AFF) National Woodland Owners Association (NWOA) and others to argue the family woodlanders case in Washington DC. This will be a vital effort, because of statements by both Presidential candidates and the Lieberman/Warner Bill, a national cap and trade policy will likely arrive soon.

Communications and priorities. Staff are committed to come to visit with each chapter to discuss and update members on OSWA's work. Local chapter leadership are encouraged to schedule a meeting with staff to discuss OSWA priorities. Please give me a call at 503 588 1813. That's all for now. Cheers Mike

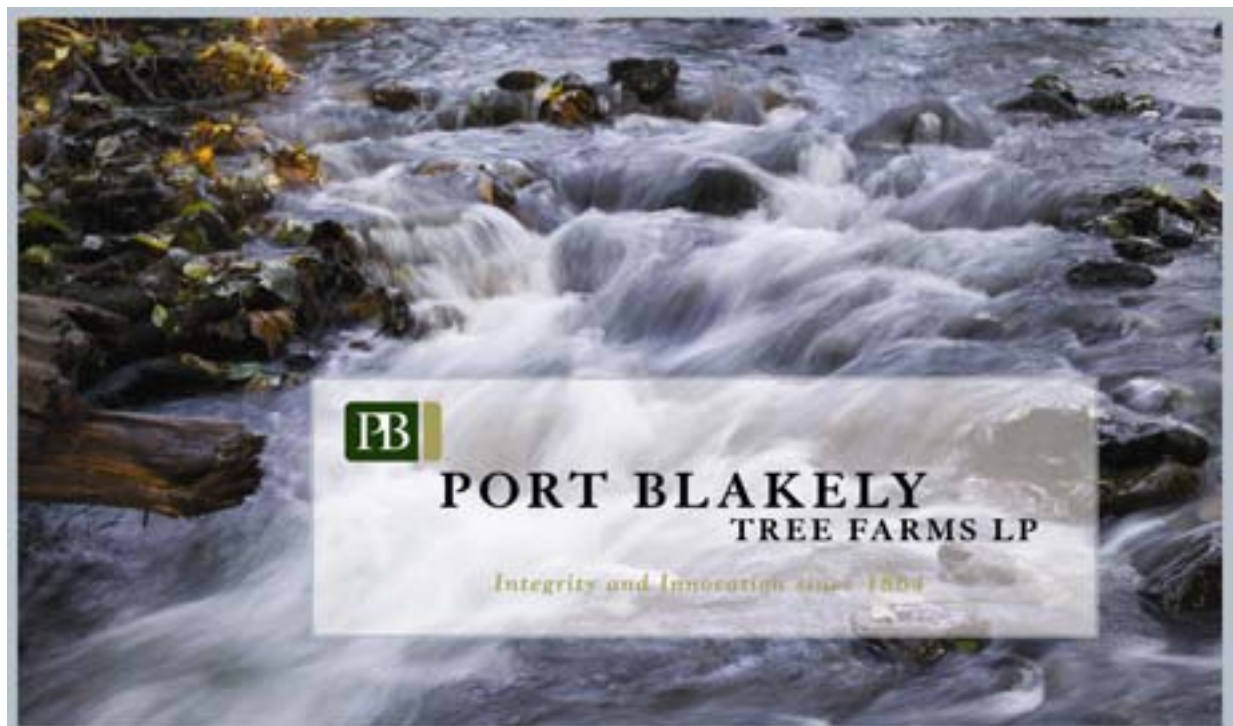
Development

Woodland Coop news

From Louis Leatherman, Staff of Oregon Woodland Cooperative

The Oregon Woodland Cooperative has made some incredible strides in the last six months. During that time the cooperative has become a member of Wilco which will reduce member costs and provide increased flexibility for purchasing. A brand new program was created for members to enter the value-added market of bundled firewood. The OWC is expanding opportunities for members by participating in the custom cutting of FSC and specialty logs.

Finally, the OWC is looking at new opportunities for the near future in non-timber forest products, easements and off-sets, by working with its membership to develop a complete inventory of all potential assets. For more information visit www.orwoodlandco-op.com or call 503-647-7425.



Leadership

Volunteers step up and more are needed.

OSWA relies on member volunteers to help with much of the Association's core work. While money is our fuel; you, the members, are the engine that drives our work forward everyday.

OSWA would like to acknowledge and thank a number of members who have recently volunteered their expertise and time.

The entire planning crews and helpers for the annual meeting; including, the Barnes brothers and family, Steve "Tree Man" Bowers, The Rankins, Pearn, Beers, Waldorfs, Mark "Forest Dan" Havel, The Ellingsons, Nicole Strong of WOWnet, Davidson Industries employees Monica, John and Lee.

A business development committee has put in many hours to response to the offer from the American Forest Foundation Carbon Markets Project.

Thanks to Clint Bentz (OTFS and OSWA Linn), Roy Beyer (OTFS), Mark Copeland (Central), Mike Barnes (OTFS and Yamhill), Mike Barsotti (OTFS and Linn), Ken Faulk (OTFS and Benton), Rick Fletcher (OSU Extension) Jim Paul and Jim Cathcart (ODF) David Ford (Washington) and others.

A Fire Insurance ad hoc group has helped develop new fire liability material with ODF and our insurance agent. Thanks to Ken Faulk (Benton), Paul Bell and staff at ODF, Mark Copeland (Central), Paul Nys (Columbia) and Jan Oyala of JD Fulwiler.

OSWA needs your expertise and time to continue to be effective at achieving our common objectives. To lend a hand with OSWA's state efforts please contact Mike Gaudern at the state office at 503-588-1813 or oswaed@oswa.org. Currently we need help with fund raising, volunteer coordination and office administration. Thanks for your consideration.

The Oregon Forest Resources Institute Board continues search for new executive director

With OFRI Executive Director Leslie Lehmann's planned retirement this summer, OFRI's Board of Directors recently launched an extensive nationwide search to replace her.

Leslie announced her retirement plans to the board in December, and she is lending a hand in the transition to a new executive director. The first review of applications was completed in early May.

Filling Leslie's shoes will be challenging. She was OFRI's first executive director and has shepherded the organization through its first 15 years. The board is looking for a candidate with the appropriate mix of education, experience and leadership in forestry or natural resource management, public affairs, education, public policy or related fields.

Find the complete job posting on the OFRI Web site.

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OSWA in the News

More Oregonians are buying small woodlands, discovering it's hard work

Rural property in Jackson and Josephine counties attracts new owners, but managing a forest is more than many expected

Sunday, June 15, 2008
MATTHEW PREUSCH
The Oregonian Staff

JACKSONVILLE -- When yoga instructor Olaf Kalfas and his wife, Nina, bought a wooded homestead in Jackson County two years ago, he had no idea how to use a chain saw. Kalfas, 41, certainly didn't consider himself a forester.

Now you can find him most days in a four-wheeler, Stihl saw strapped to the back, driving the old skid roads that crisscross his property. Or he might be running the 2,500-pound brush masticator they call the "death muncher" through a pile of manzanita and madrone limbs in his Bobcat.

"When we bought the place, we had no idea what having 280 acres entails," he said recently as Nina Kalfas, 37, served iced tea and sugar-free organic cookies in their home overlooking Jacksonville. "It was a bit overwhelming."

The couple, residents until recently of Mysore, India, are emblematic of a growing number of small woodland owners who buy rural property primarily for the beauty and lifestyle it offers, then realize just how much work owning an Oregon forest can be.

"We had no idea what we were getting into," Olaf said. "And if we had thought about it . . ."

"We probably would have bought a condo," Nina joked.

A recent survey of members of the Oregon Small Woodlands Association found the most common reason for owning forestland was to "enjoy the beauty or scenery."

"It's been a growing trend for the last 10 to 15 years," said Mike Gaudern, the group's executive director.

That trend is particularly noticeable in Jackson and Josephine counties, where diverse mixed conifer and oak woodlands near cultural centers such as Ashland and Jacksonville have become popular retirement areas for urban exiles and others.

Matt Epstein bought 10 acres of woodland in the Applegate Valley west of Jacksonville in 1994 after a career as an executive in the container shipping industry.

He had never owned timbered land before, and he was not particularly interested in the details of land management until lightning sparked a small fire not far from his home less than two weeks after he moved in.

Epstein spent the next five years doing fire suppression work on his property, and he took a master woodland owners course from Oregon State University. He's witnessed others walk the same path.

"I have neighbors that come into the area from urban environments, and I ask them, 'What are your plans for managing the forest?' And they say, 'I don't want to see it change at all. I like it just how it is,' " he said. "I tell them, 'Don't blink, because it's changing all the time.'" (Continued page 17)

OSWA in the News

(From page 16)

After overcoming their initial shock, the Kalfases embraced the challenge. They enrolled in the Oregon Department of Forestry's stewardship program and hired a consultant to help develop a management plan for their land.

They also bought a lot of equipment, such as the death muncher. Now Nina Kalfas wears her poison oak rashes like badges of honor.

For now, they are focused on thinning undergrowth from around their house for fire protection. In the long term, they hope to improve the health of the overstocked and neglected landscape by more thinning and selective planting.

What they don't plan to do is sell their timber for profit, which also puts them in line with many of Oregon's newer woodland owners.

"In a lot of cases these folks are looking for a rural retreat, and they get out there and they are not particularly interested in marketing timber, nor do they need the income from timber," said Max Bennett, an Oregon State University extension forester for Jackson and Josephine counties.

Small-woodland owners have about 5 million acres of Oregon's timber, about 40 percent of private forests, according to the Oregon Forest Resources Institute.

They contribute about 11 percent of Oregon's wood output. But only one-tenth of woodland owners derived more than half their income from the timber, an association survey showed. A third got no income from the land.

And in recent years, the number of tree farms has decreased while the number of landowners increased. Small woodland plots are increasingly threatened by development and division.

"Losing forestland to development is a real risk," said Mike Cloughesy, the institute's director of forestry. "Much of Oregon's small woodlands lie on the outskirts of urban residential areas, and that land is highly desired for other nonforest uses."

The good news is that there are emerging, nontraditional markets -- such as carbon credits or biomass -- that small-woodland owners not interested in selling logs can take advantage of.

And with the timber market in a slump because of the slowdown in new home construction, there's not much of a market for saw logs even if owners of small woodlands wanted to sell them.

"All the people that I work with, I tell them just to not log now," said Marty Main, a private forestry consultant who has worked with the Kalfases and others in southern Oregon for more than two decades.

When he toured the Kalfases' land, he discovered a stand of healthy Ponderosa pines that he planted 25 years ago for the previous owner.

"That was great to see," Main said. "But I also felt kind of old."

Matthew Preusch: 541-382-2006; preusch@bendbroadband.com

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Letter to the Editor

To OSWA Editor: I am sending these thoughts regarding the June 15 Oregonian article, "More Oregonians are buying small woodlands, discovering it's hard work", (see page 16) in the hope that you will find space in the next Update to include both the very good article by Matthew Preusch and my response. I enjoyed Matthew's article and particularly appreciated how the steep learning curve regarding the need to manage ever-changing forests was a feature of it. I think all of us who own forestland found ourselves someplace on that learning curve very soon after our purchase of it...thirty years ago, in my case! I was also encouraged that a writer for the Oregonian (and his editor) thought that a story about Oregon family forestlands would be of interest to his readers. That this is news to Oregonian readers is very good news for us!

The Update accepts letters to the editor and opinions from members and others on topics reflecting our interests. Such letters represent the voice of the writer(s) and not necessarily that of OSWA, the Board of Directors or officers. Letters should be no longer than 300 words and may be edited for grammar and length. All contributions should be signed legibly with address and telephone number. Mail to OSWA, 1775 32nd Place NE, Suite C, Salem, OR 97301.

Up to two pages of each issue may be dedicated to letters and opinion pieces. OSWA reserves the right to reject any contributions deemed objectionable, harmful or derogatory.

But I am increasingly disturbed by a growing trend in small woodland ownership which was also featured in the story: diminishing economic outputs from these lands. "What they don't plan to do is sell their timber for profit, which also puts them in line with many of Oregon's newer woodland owners" (referring to new landowners Olaf and Nina Kalfas).

The federal forestlands went down this path of diminishing returns with the Northwest Forest Plan in the early 90s. Of course federal forest managers have gone out of the timber supply business in the past couple of decades for very different reasons and to achieve different management goals than the "newer woodland owners" featured in Matthew's article. But we all saw what happened to rural economies, milling infrastructure and wood markets that depended on federal forest outputs, as a result of new federal forest management focus. And state-wide, the forest sector's contribution to a thriving Oregon economy was greatly diminished.

This growing philosophical movement amongst some of my fellow small woodland owners away from "selling their timber for profit" and towards emerging, non-extractive "ecosystem markets" has the potential to compound the economic hardships that have resulted from the Northwest Forest Plan. If every Oregon family forestland owner owning from 10-5,000 acres decided to follow in the footsteps of the new landowners featured in the Oregonian article, converting working forestland into forest parks, how many more local mills would close, how many forest sector jobs would be lost, how many more wood products would be imported from elsewhere, instead of being produced here at home?

A related and also growing economic problem we should be concerned about is the consequence of the reduction of private timber outputs on our forestland tax system. We enjoy greatly reduced property tax rates on private forestland compared to many other private land uses in part because it is assumed that landowners are growing a timber crop that will someday be harvested. When timber is harvested and sold, harvest taxes and income taxes are paid on it, which compensates for the lower annual property tax rates. Aren't non-timber producing landowners gaming the system? Are these landowners even aware that they are doing that and getting a property tax benefit that they aren't earning? I expect we will hear from state and local taxing authorities on this issue, sooner or later.

I was taught that sustainability is a three legged stool that must have some balance between the economic, environmental and social legs, or it cannot stand. If a small woodland owner defines sustainability only at the scale of an ownership, not as that ownership being a piece of a much bigger puzzle; if that owner decides that timber outputs aren't important to the economic leg of his or her stool because their money can come from some non-timber source; and if all small woodland owners in Oregon were in that privileged position - would this class of ownership be managing sustainably? From the perspectives of the state and the forest sector as a whole? I think not! (Continued page 19)

Thank You!!!

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Thank you patrons!

To become a patron, please visit http://www.oswa.org/OSWA-FFO_Patron_letter.pdf , or call Mike Gaudern at the State Office.

(From page 18) Letter continued.

Mike Cloughesy (Oregon Forest Resources Institute) was quoted in the Oregonian article as saying, "Losing forestland to development is a real risk." Mike is certainly right about that, but development is just one of a number of risks associated with small woodland ownership. Another one is the growing risk of losing these lands as economic drivers in a still important Oregon forest sector. And the idea of "selling timber for profit", to quote the article, misses the point. Refusing to sell your timber for profit almost sounds noble, until you consider the downstream economic importance of timber harvest on local jobs, products and taxes. Selling timber for profit, to local mills who need that timber to survive, is a critical piece of sustainable forest management. We can't afford to forget that, even as we turn our attention to the development of ecosystem markets and the many non-economic reasons that small woodlanders enjoy their forestlands.

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The UPDATE

The Woodlander Update is the official publication of the Oregon Small Woodlands Association-

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Welcome New OSWA Members!

We encourage you to take full advantage of your local chapter activities and share your experiences with your new friends and neighbors. And, remember to have fun as you protect, manage, use and enhance your family forest resources!

May 16 - June 24

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