

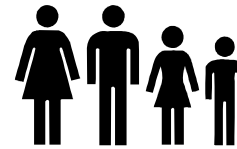
Committee for Family Forestlands

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Senator Vicki L Walker, Co-Chair
Representative Bob Jenson, Co-Chair
Ways and Means Natural Resources Subcommittee
900 Court Street NE,
Salem, Oregon 97301

May 28, 2009

RE: Joint Committee on Ways and Means Co-Chairs' 2009-11 Recommended Budget

Dear Senator Walker and Representative Jenson,

The Committee for Family Forestlands (CFF) writes this letter to express our great concern about the effect the Co-Chairs' 2009-11 Recommended Budget will have on the sustainability of Oregon's forests.

The CFF, a statutorily established standing committee of the Oregon Board of Forestry, advises the State Forester and the Oregon Board of Forestry on issues relevant to family forestland owners. This letter contains input the CFF has provided to the Board of forestry and we are sending it to you for your information. Family forestlands cover approximately 4.7 million acres in Oregon and are held by about 157,000 land owners¹ (See endnote). Committee members closely monitor the effects of policy changes on family forestlands and other actions affecting family forestland owners. We also help define the role family forestland owners' play in sustaining Oregon's forests, restoring salmon, improving watersheds and ensuring the availability of timber.

While the CFF appreciates the challenges faced by the Legislature and the Ways and Means Committee in these turbulent economic times, we are extremely concerned that the proposed budget creates a disincentive to own and manage private forestlands in Oregon and indicates that Oregon state government is no longer willing to uphold its end of the shared responsibility for maintaining sustainable forests.

Family forestlands play a vital role in Oregon's ability to meet its community, environmental and economic goals. These family forests are working forests managed for a variety of public and private values. Protection from wildfire, regulation of forest practices and forestry assistance are key issues for these landowners, and providing these services to forest landowners and the public is a statutory mandate for the Oregon Department of Forestry. In addition, credible administration of the Oregon Forest Practices Act, a state regulatory program, is essential to ensure continued "social license" for practicing forestry, which is critical to the viability of private forestland ownership. Private forest programs are a small part of Oregon's budget, but forests cover a large part, over one half, of Oregon's landscape.

We are specifically concerned that -- at the level of budget reductions for the Private Forests and fund shift for the Fire Protection Programs contained in the Co-Chairs' 2009-11 Recommended Budget -- Oregon state government would fail to uphold its end of shared responsibility for these

programs. The reduction and fund shift represents a 25 percent reduction in general fund contribution to the Department of Forestry, significantly larger than 15 percent reduction planned for other natural resource agencies and programs. We find that unacceptable.

The Co-Chairs Budget framework represents a significant reduction in services to landowners and the broader public via elimination of 49 Full-Time Equivalent (FTEs) in the Private Forests Program. This dramatic reduction roughly equates to a 50 percent reduction in services provided to the landowners most in need of those services. Family forestland owners need technical support to prevent resource damage, to foster stewardship and encourage sustainable forest management. It is clearly in the public interest to provide these services.

Proposed fund shifts in the Fire Protection Program that increases cost to private forest landowners represent a real burden to forest landowners. At a time when markets (stumpage prices) are down dramatically (60-80% in Oregon) and unemployment rates are high (18-20%) in rural areas, this fund shift represents a double burden – increasing costs while revenues are down for family forest landowners. We note that Oregon already has the highest allocated financial burden to private forest landowners for fire protection among all western states. This burden weighs heavily on family forestland owners.

Protection from wildfire, regulation of forest practices and forestry assistance are key issues for the landowners represented by the CFF. We agree with decisions by ODF that forest protection, especially from fire, is the agencies' highest priority and we approve of the choice of a strategic, rather than across the board approach to reductions. However, the CFF is deeply concerned about the severe impacts on the state's ability to protect forest resources, deliver services to landowners, and to administer the Forest Practice Act that will result from the proposed reductions to the Private Forests Program.

The Co-Chairs' Budget Natural Resources Program Area Notes indicate priorities for fish and wildlife, Oregon's parks, and water resources. Oregon's forestlands support all of these priorities; forests disproportionately provide wildlife habitat, serve as the primary source for Oregon's clean water, and provide the setting for Oregon's parks. Forestlands provide additional public benefits of climate mitigation and other ecosystem services. Landowners contribute to the protection of the public values by helping fund administration and enforcement of the Forests Practices Act. They pay with harvest taxes, pay through property taxes, pay their part of the public share through income taxes, and contribute yet again with foregone harvests.

In summary, we strongly recommend that Oregon's 2009-11 budget reflect the State's shared responsibility for sustainable forests and ensure all of the benefits Oregonians expect from them. We specifically urge that you avoid cost shifts to family forest landowners during what are very lean times for those dependent on forest income. We are sure you and Oregon's other legislators recognize the important role forests -- arguably our most historically significant state resource -- play in defining the state of Oregon.

Sincerely,



Craig W. Shinn, Chair
Committee for Family Forestlands

cc John Blackwell, Chair Oregon Board of Forestry
Oregon Board of Forestry Members
Marvin Brown, State Forester
Jim Paul, Private Forests Division Chief

Endnote 1: The Committee for Family Forestlands typically describes itself as representing about 70,000 family forest landowners which reflects owners holding between 10 and 500 acres. In Oregon, the actual numbers for owners of family forest lands are as follows:

87,000 family forest owners of 1-9 acre holdings for a total of 397,000 ac.
57,000 family forest owners of 10-49 acre holdings for a total of 1.09M ac.
4,000 family forest owners of 50-99 acre holdings for a total of 262,000 ac.
5,000 family forest owners of 100-499 acre holdings for a total of 926,000 ac.
1,000 family forest owners of 500-4999 acres for a total of 1,200,000 ac

In addition non-governmental organizations and unincorporated partnerships, associations and clubs hold some 400,000 acres. This yields values of about 157,000 family forest landowners holding ~ 4.7 million acres in forests, an acreage reflecting 15% of Oregon's forested landscape. These family forest lands are generally where Oregonian's live, work and play; typically more proximate to urban areas, more closely aligned with key riparian areas and more likely to be associated with critical biodiversity habitats than other forest ownerships.

Sourcing: Acreage and land owners statistics are taken from the ***USDA Forest Service / Forest Inventory & Analysis / 2006 National Woodland Owner Survey***