Agenda Item No.: 2

Work Plan: State Forests Work Plan
Topic: State Forests Management

Presentation Title: Western Oregon State Forests Draft Forest Management Plan

Scenarios

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CONTEXT

Forest Management Plans (FMP) provide the overarching direction for state forestlands managed by ODF. These plans are developed pursuant to Oregon Administrative Rule (OAR) 629-035-0030 and are approved by the Board of Forestry to codify the Board's finding that management direction in the FMP meets Greatest Permanent Value (OAR 629-035-0020).

The draft Western Oregon State Forests Management Plan was presented to the Board at the September 2023 meeting. This FMP is proposed to replace the current FMPs for the state forestlands under the Department of Forestry's management in western Oregon. The draft FMP is developed to provide policy direction consistent with the draft Western Oregon State Forests Habitat Conservation Plan (HCP).

When an FMP is adopted as rule, new Implementation Plans are created that set medium-range management objectives designed to meet long-term FMP goals. Since the draft FMP is a high-level document intended to allow for a broad range of implementation pathways, the Board will consider a broad range of potential scenarios to guide staff towards the Board's desired outcomes for the draft FMP goals. In September, the Board, the Forest Trust Lands Advisory Committee (FTLAC), and Division staff discussed potential scenarios for Division staff to model to demonstrate trade-offs among resource goals. In this meeting, Division staff will share the set of proposed scenarios, and the Board will approve the scenarios for the modeling work in the coming months.

FMP SCENARIOS

The Division's forest activity model emulates how the forest could be managed over time with forest stands grown forward from the current inventory. It projects harvest volumes, revenues, and forest stand metrics across the landscape by optimizing management decisions according to model inputs, such as silvicultural practices, goals, and constraints. The resulting forest stand metrics can in turn project a range of Performance Measures, such as carbon storage or habitat suitability for species covered under the HCP.

The discussion between the Board, FTLAC, and Division staff focused on key values and management approaches that would affect the outcomes of the draft FMP. All of these scenarios assume a final HCP with Incidental Take Permits that reflect the current draft HCP conservation measures, including the landscape design of Habitat Conservation Areas (HCAs) with silvicultural treatments enacted to meet habitat development goals over the first 30 years of the HCP. Management strategies for the areas outside of HCAs and Riparian Conservation Areas were a focus of the discussion, where approaches to timber production and other resource objectives may vary.

In the September discussion, key points of agreement included support for HCP implementation with active forest restoration treatments, forest health, climate change adaptation, habitat for wildlife, recreation, and revenue for counties and ODF. Key differences in management strategies were explored, including specific high-level volume targets, final harvest rotation ages, maximizing Net Present Value (NPV), and allowing for variations in the flow of timber volume over time.

Scenarios are not specific implementation alternatives that would be adopted as-is. Actual implementation of FMPs is carried out through more specific plans under the authority of the State Forester (OAR 629-035-0030(5)(b)). The intention of modeling FMP scenarios is to show examples of trade-offs between resources and outcomes under different implementation approaches. Evaluation criteria, including draft Performance Measures, modeled in conjunction with the management scenarios will help inform future conversations.

The FMP scenarios for Board approval are included in the table below with a descriptor of the approach to timber management outside of HCAs. Scenario 1 was presented by FTLAC and includes volume targets for the first 30 years on Board of Forestry (BOF) lands specifically, after which the harvest would reset to a non-declining flow. Scenario 2 has older trees harvested for tandem goals of carbon storage, diversity of stand seral stages, and harvest volume. Scenario 3 seeks to maximize harvest volume, with final harvest near the culmination of the stand growth rate. Scenario 4 is intended to show a management approach based on maximizing Net Present Value, which would frontload harvest volume in time.

| | Run a | Run b | Run c |
|--------------------------------|--------------------|--------------------|-----------------|
| Scenario 1 – Volume Targets | 185 MMBF on BOF | 195 MMBF on BOF | 205 MMBF on |
| for 30 years, then non- | land | land | BOF land |
| declining flow after 30 years | | | |
| Scenario 2 - Long Rotations | Up to 150 years in | Up to 120 years in | |
| with more even distribution of | managed acres | managed acres | |
| age classes (outside HCAs) | | | |
| Scenario 3 - Maximize | Unlimited periodic | 10% periodic | |
| <u>volume</u> | variation | variation limit | |
| Scenario 4 - Maximize NPV | Unlimited periodic | 10% periodic | 30% periodic |
| Net Present Value maximized | variation | variation limit | variation limit |
| at 4% discount rate | | | |

EVALUATION CRITERIA

In this meeting, we will clarify which evaluation criteria the Board will have with the scenario outcomes to inform their future discussions about management approaches and trade-offs. The June 2024 meeting had a discussion between the Board and FTLAC about draft Performance Measures that will accompany the draft FMP. Not all draft Performance Measures are quantifiable in the modeling exercise. Those that are relevant to the FMP scenarios will be used as metrics presented with modeling results. The Division is also using a consultant to provide a Socioeconomic Report on the scenario outcomes that will provide detail beyond the draft Performance Measures, including estimates of direct and indirect employment and income for both timber and non-timber forest uses. In addition, during the discussion in September, Board members provided additional metrics that they would like to be informed about when discussing trade-offs.

RECOMMENDATION

The Department recommends the Board direct the State Forests Division to model the range of forest management scenarios presented and return to the Board with the results for the Board's evaluation of the trade-offs associated with those scenarios.

NEXT STEPS

Over the next several months, the Division will:

- 1. Move forward with modeling the range of scenarios approved by the Board.
- 2. Develop reports including evaluation criteria including Performance Measures, a Socioeconomic Report, and other requested outcomes.
- 3. Work with the Board and FTLAC through facilitated work sessions to review and discuss trade-offs associated with outcomes from the modeled scenarios.
- 4. Obtain guidance from the Board for Performance Measure targets or thresholds to inform the development of initial Implementation Plans (currently expected to begin with fiscal year 2028) for the draft FMP.

ATTACHMENTS

None.