

Committee for Family Forestlands

2600 State Street
Salem, OR 97310
503-945-7472
Fax 503-945-7490



June 18, 2009

John Blackwell, Chair, Oregon Board of Forestry
Marvin Brown, Oregon State Forester
Oregon Department of Forestry
2600 State Street
Salem, OR 97310

RE: Delays in the distribution of American Recovery and Reinvestment Act funds.

Dear John and Marvin,

The Committee for Family Forestlands is concerned about delays in distribution of American Recovery and Reinvestment Act (ARRA) funds for forestry projects in Oregon. The CFF is a statutorily established standing committee of the Oregon Board of Forestry established to advise the State Forester and the Oregon Board of Forestry on issues relevant to family forestland owners. Committee members closely monitor the effects of policy changes on family forestlands and other actions affecting Oregon's 157,000 family forestland owners. We have been very attentive to the Recovery Act requests, decisions and expected implementation. At our meeting earlier this week, we were surprised to discover that projects that were shovel ready in February still have not been funded. We want to underscore our sense of urgency related to the following factors: summer field season, fragile financial state of individuals and companies who work in the woods, the contributions ARRA funding can make to preserving expertise in ODF and keeping forestlands in forests. We ask that you do all you can at the state, USFS Regional and National levels to free up this money so that we can get to work.

Field Season: Many of the ARRA projects both on National Forests lands and targeted for private lands through USDA Forest Service, State and Private Forestry (S&PF) program as well as NOAA Fisheries focus on road improvements (e.g., culvert replacement, drainage improvements) and forest health (e.g., thinning and fuels reduction). In Oregon, these types of projects have limited windows of operability. In-stream work is limited to the period where low water flows ensure that the projects have minimal impact to threatened and endangered fish. Road maintenance projects are also limited to the dry season to avoid delivery of sediments to the waters of the state and violation of the Clean Water Act. For these and many other forest health projects, now is the time we should have crews on the ground working.

Forest Workers: Virtually all forest operations are conducted by small business independent contractors, who generally employ 1 to 80 forest workers. These forest contractors have endured over a year of recessionary work curtailments, since Oregon's forest product market began collapsing in early 2008. Stumpage prices have dropped 60-80%. Forest contract work volume has fallen to an estimated 30% of normal contract work—meaning that 70% of forest workers are now unemployed or under employed. The bulk of these businesses and hence the workers are in a fragile position. Contractors are already going out of business. Many have been hanging on to compete for the

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opportunities implied in the stimulus package. The CFF is particularly concerned that stimulus dollars reach these businesses to help preserve the forest contracting infrastructure. We are especially concerned about the consequences of a failed infrastructure in Central, Eastern and Southern Oregon. These small businesses have been poised (with shovel ready) to carry out ARRA projects since February. Every additional month of delay means that more of these businesses will fail.

Preserving Competency, Protecting Resources: The Oregon Department of Forestry faces significant reductions in field foresters due to decline in State revenues. These foresters deliver critical technical services to family forestland owners, they enforce the Forest Practices Act and they are a part of the nation's best fire protection program. These foresters have expertise to administer S&PF ARRA projects, and ensure good implementation of forest health and fuel reduction projects on the ground. Delays in funding mean that many of these qualified foresters are being forced to leave the agency for other work. In addition the ARRA funding processing has delayed the arrival of standard S&PF funds, impacting the current forest stewardship services provided to family forestland owners. CFF has been supportive of the ODF budget reduction strategy in part because ODF's commitment to preserving competency we need in the future. We worry about ODF's ability to recover expertise once this recession abates.

Keeping Forestlands in Forests. The timely distribution of ARRA funds can also help fill an important need. Family forestlands provide critical ecosystem services such as clean water, wildlife habitat, and carbon storage. These forestlands are at the greatest risk of conversion and fragmentation, as they border urban and wildland interface areas. Family forestland owners provide these ecosystem services free of charge, and most owners depend on income from wood products to maintain their forest and subsidize the provisions of ecosystem services. With the significant decline in the woods products market, many family forestland owners are facing increased pressure to sell and decreased ability to pay the day-to-day costs of managing these lands. While the federal government recognizes the problem with home foreclosure, there appears to be little attention focused on the plight of the thousands of family forestland owners. This is worth direct attention. At a minimum, ARRA dollars invested in forest health, roads, and biomass can accomplish work that is needed in Oregon's forests to ensure sustainability.

Time is of the essence. We have been "shovel ready in 7 days" for four months. If the so-called shovel-ready forest restoration contracts are to find bidders and contractors to do the work, we need the dollars on the ground now. If we are going to capture this field season, we need the dollars now. If we are going to preserve professional competency, we need the dollars now. And now is the time for us to signal forest landowners that the public will invest in forest sustainability. We ask that you do all you can to get the ARRA dollars to the ground. To that end, we have copied the Oregon Congressional delegation so they understand our concern.

Sincerely,



Craig W. Shinn, Chair
Committee for Family Forestlands

Cc Oregon Congressional Delegation
Gail Kimball, Chief, United States Forest Service