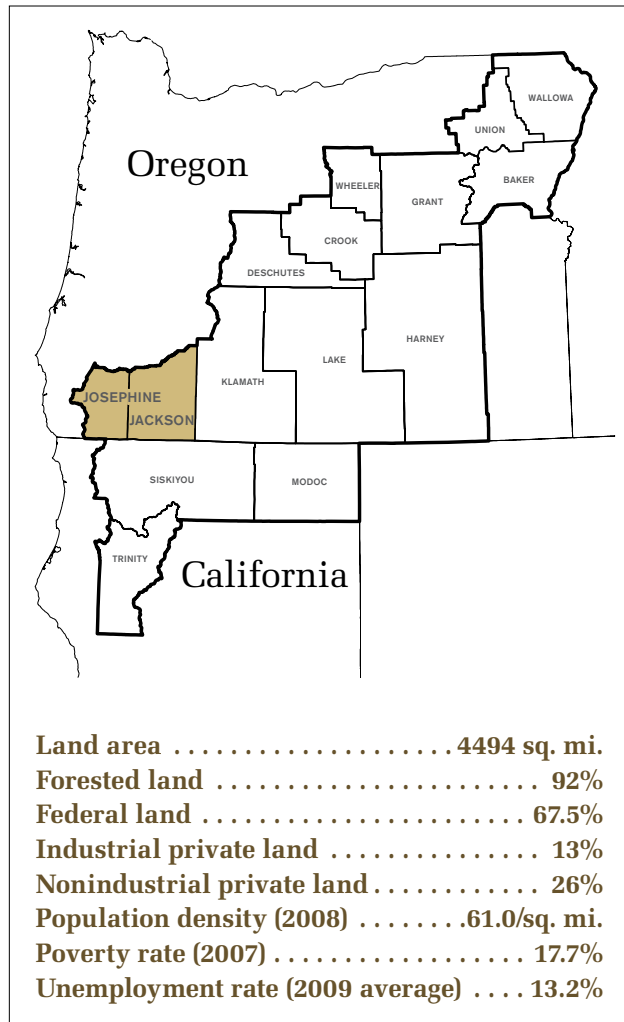


F. SOUTHERN OREGON: JACKSON AND JOSEPHINE COUNTIES



Where the Cascade and Siskiyou mountain ranges intersect in southern Oregon, forest types differ from other regions of the Dry Forest Zone. Douglas-fir, pine, other conifers, as well as hardwoods including oak and madrone cover Jackson and Josephine counties. Although there are many similarities across county lines, Jackson County has experienced a rapidly growing urban population, while Josephine County continues to be rural. Josephine remains more economically reliant on natural resources, and its poverty rate is among the highest in Oregon. Historically, the region’s Douglas-fir and mixed conifer forests supported an extensive timber industry. Timber harvest revenues once supported schools and other social services through direct payments to local governments. Due to increased environmental pro-

tections, past logging and wildfire suppression, and the growing threat of wildfire, forestry efforts now tend to focus on hazardous fuels reduction to promote forest health and protect homes. These projects are smaller in geographic extent and timber value compared to past harvesting operations. Utilization of the small trees and brush is currently limited to a few biomass co-generation and value-added operations. The regional forest products manufacturing capacity has declined considerably. Yet Jackson County continues to have a significant concentration of large-scale wood products manufacturing as well as many logging and forestry services contractors and workers. Forest-based collaboration has a long history in both counties, and participants in these groups are invested in pursuing further agreement and more active management.

Land management and alternative value streams

The BLM Medford District and the Rogue-Siskiyou National Forest are the primarily federal forest landowners in Josephine and Jackson counties. Public land has the potential to provide ecological, social, and economic benefits to a region via timber and other value streams. However, BLM and Forest Service staff members and various stakeholders in southern Oregon have been frustrated by the lack of active forest management, especially at the landscape scale. Agency personnel and collaborative participants (such as community leaders and representatives from environmental organizations) share a desire for public land restoration to address forest health issues and create employment opportunities as soon as possible. They also seek a comprehensive vision to guide the planning, implementation, and monitoring of public forest management for long-term productivity. Three factors have contributed to agreement on public land management. First, in recent years, fire planning has built strong interagency relationships and helped accelerate thinning and hazardous fuel reduction. Second, by starting at a small scale and conducting projects with less controversial species and diameter limits, BLM field staff members in the Grants Pass Resource Area and Forest Service staff members in the Wild Rivers Ranger District were able to gather momentum and build trust for stewardship contracting and future work. Third, numerous partners and organizations are also helping the

two agencies move toward a broader suite of sustainable forest stewardship objectives in the region. The Josephine County Stewardship group and the Southern Oregon Small Diameter Collaborative are the most prominent. These groups have developed high levels of agreement but have had varying degrees of success in terms of project implementation. Some of the ranger districts and field offices have used collaboration and stewardship contracting, but they have not used them across the Medford District or the Rogue-Siskiyou National Forest.

Private forestlands are also a significant part of the southern Oregon landscape. Regional, family-operated companies such as Perpetua Forest Company, Indian Hills, LLC, and Lone Rock Timber Company own and manage industrial forestland in the region. However, a considerable portion of industrial forestland has changed hands since the mid-1990s. This includes the 2004 sale of 140,000 acres of former Boise Cascade, LLC lands in Jackson and Josephine counties to Forest Capital Partners, LLC. Other landowners in the region include Plum Creek Timber Company and Fruit Growers Supply Company, a cooperative affiliated with Sunkist. Community leaders have been concerned about the loss of working lands due to future conversion as well as permanent protection of forestlands through federal acquisition and designation in the Cascade-Siskiyou National Monument. Industrial forestland owners do not appear to be planning any real estate development at this time. Given a history of intensive management, some residents expressed concern about the sustainability of forest practices on these lands even if they remain in production.

Many nonindustrial private landowners in the region actively manage their land for timber production and are interested in restoration and fuels treatments to treat overstocked stands and reduce wildland fire danger. Some of these landowners have been taking advantage of the financial incentives such as cost-share programs to assist with fuels reduction that the Oregon Department of Forestry (ODF) and the Natural Resource Conservation Service (NRCS) offer. The local chapter of the Oregon Small Woodlands Association also provides active management and technical assistance opportunities. These initiatives have been helping increase landowner management capacity. However, because the

amount of biomass removed during fuels treatment projects is typically small and the material is piled and burned, landowners see no income from the work. Another challenge is the number of landowners who are: (1) unaware of resources to aid their management plans, (2) aging and may face limited options for intergenerational transfer, or (3) inexperienced or uninterested in forest management. There is a need for outreach to nonindustrial private landowners and large landowners about technical assistance and restoration and fuels treatment opportunities.

Although the Forest Stewardship Council (FSC) has certified no forestland in the region, Rough and Ready in Josephine County and Murphy Company in Jackson County have sought FSC-certification for chain of custody, and several thousand acres of industrial forestland are managed under the industry approved Sustainable Forestry Initiative. Several southern Oregon landowners are interested in selling carbon credits and the Southern Oregon Research and Extension Center in Jackson County is working with the Oregon Small Woodlands Association to educate landowners about potential opportunities to do so.

Integrated woody biomass utilization

Forest Service and BLM personnel and active community members generally support biomass market development as a tool for restoration, creating jobs, and developing renewable energy. They agree that this development should occur at multiple scales ranging from small, local projects such as thermal district heating systems to large-scale energy development and integrated value-added projects. Despite concerns about competition with existing businesses and removing biomass from the forest, both BLM and Forest Service personnel and community leaders agree that more removable biomass could be available from federal lands.

Biomass markets currently exist in southern Oregon, but are limited to electrical at Biomass One in Jackson County (approximately 35 MW) and cogeneration at Rough and Ready in Josephine County (approximately 2 MW). Although there are several value-added utilization businesses in the region using small-diameter material. Further development of biomass markets is hindered by the lack of a consis-

tent, guaranteed supply, high costs associated with in-woods biomass removal, and lack of investment capital. Another barrier is the lack of organizational and programmatic linkages between economic development efforts and land management. Despite these barriers, some entrepreneurs have focused on biomass market development in this region.

Southern Oregon has an experienced forest restoration contracting and workforce. Several local contractors have the capacity to remove biomass and transport it. Some of these contractors have also been experimenting with increasing the efficiency of biomass removal from the forest. Current efforts to grow the regional market for biomass include a project in Josephine County by A3 Energy Partners to build a pellet and densified wood fuel brick manufacturing facility. This project is currently in the feasibility business planning stage and enjoys fairly broad community and local government support. In Jackson County, the Forest Energy Group, which consists of local contractors, is trying to develop a large-scale integrated cogeneration and value-added facility in White City. At least two public schools in Josephine County have been moving ahead with biomass thermal projects and Southern Oregon University is also interested in retrofitting. Those engaged in biomass development identified the government financing programs including the Woody Biomass Utilization Grants, Biomass Crop Assistance Program, and Oregon's Business Energy Tax Credit to foster further development. Efforts to create a consistent, guaranteed supply of biomass and link these projects with capital and business planning assistance are needed as well.

Community capacity and collaboration

There are several environmental and conservation nonprofit groups active in forestry issues in the region. These include Klamath-Siskiyou Wild, The Siskiyou Project, and The Nature Conservancy. These organizations have been interested in finding collaborative solutions but they have little funding for such efforts. In addition, there are several local, place-based collaborative groups like the Applegate Partnership and several watershed councils who work actively to promote solutions and projects within their communities. Another important federal lands project in Jackson County is the Ashland Forest Resiliency Project, which has brought together the city

of Ashland, the Forest Service, and other stakeholders including The Nature Conservancy and Klamath-Siskiyou Wild to prioritize and develop specific restoration, fuels reduction, and multi-party monitoring projects across several thousand acres in and around the Ashland City Watershed. Private landowners in both counties benefit from highly organized community wildfire protection and planning efforts coordinated by the Jackson Josephine Local Coordinating Group. Many NGOs and collaboratives in this region have worked locally at the county or subcounty level but may lack the capacity for broader coordination and cohesion.

The Southwest Oregon Resource Conservation and Development organization sponsors two county-level collaboratives, Josephine County Stewardship Group and Southern Oregon Small Diameter Collaborative (aka. the Knitting Circle), which has been active in Jackson County. They both contain a diversity of participants, including Forest Service and BLM representatives, forest contractors, environmentalists, and local government officials. These groups benefit from the many informal relationships these participants have with each other based on prior active engagement in forestry and other natural resource issues. The goal of the Josephine County Stewardship Group has been to foster local economic development using forest restoration and fuels reduction, community wildfire protection, and collaborative decision-making. Currently, the work of the Josephine County Stewardship Group has been on hold until they hire a new facilitator, which should occur in spring 2010. Much of this work has focused on specific projects; however, the group has the potential and desire to go beyond project level involvement and help develop a comprehensive vision for forest restoration in Josephine County.

The goals of the Small Diameter Collaborative have been to reduce fire risk and dense forests through fuels reduction and to develop a regional marketplace for logged material. They also have sought to promote forest worker and industry well being during the transition to new and different types of forest-based work. Thus far, most of the work of the collaborative has focused on developing a "declaration of cooperation" to guide the group and "productive harmony standards" for sustainable forestry. The collaborative has been conducting a landscape-

scale assessment of federal lands in both counties to identify projects that fit within these principles. The group has not directly implemented any on-the-ground projects although many participants are eager to experiment with projects based on this analysis. Upcoming plans for the collaborative in 2010 include becoming a 501(c)3 nonprofit, engaging in policy development, and working with the BLM to develop two on-the-ground projects based on their agreed upon principles and landscape assessment.

There is a need for greater coordination among the many groups that are active in the region, and for resources to support extensive collaboration within the BLM, the Forest Service, and stakeholder groups. The plurality of organizational activity in southern Oregon has led to occasional conflict over funding and activities among the many organizations. However, there are also beneficial ad hoc relationships between agency personnel and various important community stakeholders. Although several of these



groups promote sustainable forestry as economic development, there is no organization that works specifically at the nexus between economic development and natural resource management. These developments may help these stakeholders to articulate a compelling comprehensive vision and action plan for forestry and economic development in the region.

Public and market-based policy

The most significant policy challenge in southern Oregon is that existing agency policies and funding streams do not adequately address the current ecological, social, and economic conditions of the region. The O&C Lands Act of 1937, which provides revenue from BLM timber harvest to local governments, and development and subsequent withdrawal of the Western Oregon Plan Revisions (WOPR) have created confusion and conflict concerning the management of BLM lands. Other constraints are the land allocations under the Northwest Forest Plan and the lack of flexibility in the Oregon Forest Practices Act for conducting fuels reduction projects in riparian areas. Many community leaders and Forest Service and BLM personnel have agreed that the current system of planning is time-consuming, expensive, and ineffective. Additionally, many of these people continue to fear legal action from environmental organizations. With the rising costs of fire suppression the Forest Service has greatly reduced funds for forest restoration and related activities. Finally, frequent federal personnel changes make consistent agency collaboration difficult.

Both agencies have been using stewardship contracting and the Healthy Forests Restoration Act, but the Forest Service and BLM have been using stewardship contracting differently. This may be due to the flexibility of the Forest Service to use restoration authorities versus the requirements to provide revenue to counties as required by the O&C Act. Both contractors and federal agency personnel agree that contract terms are just as important as contract length. Long-term contracts cannot guarantee work if the agency does not issue task orders regularly.

Many of those involved in federal land management in the region, including Forest Service and BLM staff members and active community members, want federal lands policy that allows for implementation and decision-making at the local level. Within

that framework, it is important that the agencies and stakeholders capitalize on the success of small-scale projects to show policy makers what has been done and what is possible. In many cases, existing authorities like stewardship contracting have been used with success and it is a matter of institutionalizing these authorities across the region. There is a need for education and technical assistance regarding effective implementation of existing authorities like stewardship contracting on a larger scale.

Stakeholders recognize the importance of regional access to tax incentives and subsidies for developing new and existing markets for biomass energy. They agree that tax incentives and government subsidies like BCAP, WBUG, and Business Energy Tax Credit (BETC) are necessary for developing these markets.

Conclusion

Despite major changes in the forest industry over the last few decades, the current context in southern Oregon presents several opportunities for active forest restoration and economic development, particularly for improved public lands management. BLM and Forest Service staff members and community leaders have worked together to successfully complete several projects at the local level. They agree on the need for landscape-scale management and have organized accordingly within the Josephine County Stewardship Group and the Southern Oregon Small Diameter Collaborative. There is considerable existing capacity for biomass utilization, and several proposed biomass utilization projects are moving forward. Existing collaborative groups are eager to articulate a compelling comprehensive vision and action plan for forestry and economic development in the region. There are opportunities to build upon existing areas of agreement and local success stories to support existing and proposed biomass utilization projects. Although southern Oregon's population has grown and its economy has diversified since the 1990s, a range of stakeholders remains committed to the vitality and renewal of a forest industry. If they could continue to harmonize the diffuse and often disconnected collaborative institutions of the region, the residents of Jackson and Josephine counties could help make integrated, sustainable forest stewardship, healthy forests, and family wage employment a reality.