

NORTHWEST ENVIRONMENT WATCH

Subject: 2004 Draft Elliott State Forest Management Plan

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Recommendation

Northwest Environment Watch recommends that the Oregon Department of Forestry (ODF) pursue a forest management plan for the Elliott State Forest that is compatible with Forest Stewardship Council (FSC) certification for some or all of the forest. Certification makes good sense for a variety of social, economic, and ecological reasons, and will help Oregon manage forests prudently for the benefit of the public in perpetuity.

As a means to certification ODF should pursue the following activities:

- State a clear policy goal of FSC certification for the Elliott State Forest.
- Adopt harvest levels and management policies that are compatible with FSC standards.
- Conduct a full-cost accounting economic analysis of FSC certification.
- Consider soliciting legislative or other sources of funding to support certification audits.
- As interim measures, consider seeking FSC certification for a portion of the Elliott State Forests or consider the less rigorous SFI certification for some or all of the Elliott.

Background

During the summer of 2004 the Oregon Department of Forestry (ODF) will work out the details of a new Forest Management Plan that will guide forestry practices—including conservation, logging, and recreational access—for the 100,000 acre Elliott State Forest. But even as ODF develops the plan, the state's forest management is becoming increasingly controversial. In Southern Oregon, there's a movement afoot to sell the Elliott off to private landowners for a one-time cash payment. Elsewhere in the state, aggressive cutting targets for the Tillamook and Clatsop State Forests proposed by the legislature, triggered a preservationist backlash in a voter initiative, the Tillamook 50/50, which will likely appear on the ballot in November.

One way for ODF to resolve the tension between logging and environmental interests is to seek FSC certification for the Elliott State Forest, perhaps as a first step toward certifying all working state-owned forests. FSC certification is a form of third-party sustainable forestry certification—where forest management certification is conducted by independent auditors—that mitigates the worst ecological impacts of logging at the same time it promotes good jobs in the woods, and expands market access for certified timber. And even after the planning phase of 2004 has passed, ODF can explore certification for a portion of the Elliott State Forest or other forest holdings, perhaps on an experimental basis.

Following, are the reasons why ODF should consider sustainable forestry certification for the Elliott State Forest, and eventually for all working state forests.

Forest Stewardship Council (FSC) certification helps communities, protects ecosystems, and bolsters government credibility.

There are two primary certification standards in the United States: Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI). Both FSC and SFI are “third-party” certification systems, which means that independent auditors make the assessments. Both are strictly voluntary. And both require a comprehensive account of forest management practices.

With joint funding from both labels and Home Depot, the Meridian Institute recently conducted a detailed comparison of SFI and FSC standards. The study concluded that, on balance, FSC standards are more comprehensive, with more thorough coverage of social, ecological, and economic issues. FSC is also more independent than SFI, whose voting body is two-thirds forest industry representatives. The study also pointed out that FSC is widely accepted internationally by governments, private companies, and non-governmental organizations, while SFI is used mainly by members of the American Forest and Paper Association.¹

For these reasons and others, FSC certification is the more credible assessment method for sustainable forestry. And evidence shows that FSC certification has a wide range of benefits:

- **Ecosystems.** FSC standards are designed to preserve the integrity of forest ecosystems while allowing timber harvesting. Certification helps maintain ecosystem diversity and functions, including riparian habitat, rare ecosystems, and seed trees and snags. It also protects soil fertility, areas of high conservation value, and endangered species. In addition, FSC labeling restricts clearcuts to an average of 40 acres, increases the minimum harvest age, bans genetically modified organisms, and minimizes chemical applications.²
- **Communities.** FSC certification sustains forest-dependent communities by requiring forest managers to employ and train locally when possible, and to accommodate indigenous land rights. FSC provides tough health and safety provisions, and ensures the right of workers to organize.³
- **Economy.** Certification sustains local economies in more ways than just primary employment. FSC standards also require using local processing when available, diversifying forest products, and setting sustainable harvest levels that provide long-term employment security. Through certification, local communities also gain improved recreational opportunities and ecosystem functions from their forests.⁴

- **Management.** Another benefit of certification is the rigorous documentation. FSC's requirements—to clarify land use and tenure, list applicable laws, and document compliance with regulations—set a solid foundation for future legal inquiries. And FSC's additional requirements—management plan reviews, annual audits, and monitoring—make for an effective management system that can improve operations while publicly demonstrating a commitment to sustainable forestry.⁵
- **Markets.** The markets for FSC-certified wood are growing rapidly, including retail outlets, the building industry, and government. The U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) program requires the FSC label on half of all wood products. Some Northwest governments, including the cities of Portland and Seattle, require LEED approval for all new city-funded construction projects and even for large remodels. Nearly 500 U.S. companies including Home Depot, Lowes, and Lumberman's are "chain of custody certified," which ensures consumers that retail lumber actually comes from a certified forest. In 2003, Home Depot realized a 65 percent growth in sales of FSC certified wood.⁶
- **Credibility.** Finally, FSC certification can boost the public's confidence that state forests are being managed responsibly, sustainably, and in the public interest. And since an independent auditor, rather than the land manager or FSC, conducts the assessments, the FSC label conveys more credibility than self-certification.

FSC certification is widespread around the country and in the Northwest, but not in Oregon's state-owned forests.

Despite its green reputation, Oregon is falling behind an emerging national trend in state forest management: FSC certification. Six states already have some or all of their public forests FSC-certified, for a total of more than 4 million acres. Seven years ago, in 1997, Minnesota became the first state to obtain certification; Pennsylvania has by far the most extensive certified forests, with 2.2 million acres.⁷

Six states have FSC certified some or all of their forests, but not Oregon

State	FSC acreage	First certified
Pennsylvania	2,200,000	1998
New York	717,285	1999
Maine	514,587	2002
Minnesota	378,431	1997
Tennessee	158,703	2002
North Carolina	37,586	2002
Oregon	0	

Moreover, the private sector increasingly sees FSC approval as smart business. In spring 2004, the Potlatch Corporation, based in Spokane, Washington, became the first publicly traded company to win FSC certification when it was awarded the label for all 668,000 acres of its Idaho forest holdings. And now Potlatch is moving toward certifying an additional 700,000 acres in Minnesota and Arkansas. Nationwide there are currently 98 FSC-certified land managers, holding over 11.3 million acres of forestland.⁸

Already, more than 658,000 acres of forest in Oregon and Washington are FSC certified under the Pacific Coast Regional Standards, the same standards that would apply to ODF. In California, where operations must meet these standards, 25 land managers run FSC-certified operations in 1.4 million acres of forest. In each of the three west coast states, the certified lands span the spectrum from small to large, from public to private. But not a single acre of Oregon’s state-owned forestland carries the FSC label.⁹

FSC certified forests—large and small, public and private—are common in the Northwest, but not in Oregon’s state-owned forests.

Owner	Acres
Oregon: total FSC certified forests	575,271
Warm Springs Reservation	440,783
Collins Lakeview Forest	72,000
Potlatch Hybrid Poplar Plantation	17,300
J-Spear Ranch Co.	15,500
Individual Tree Selection Management, Inc.	10,935
Sims Forestry	4,388
City of Astoria	3,700
Whiskey Creek Timber Company	3,645
Integrated Resource Management	3,181
O’Neill Pine Co.	2,209
B&R Woodland Management	860
Ecoforestry Institute: Mountain Grove	419
Ecoforestry Management Associates	351
Washington: total FSC certified forests	83,147
Fort Lewis Military Installation	43,500
McCloud Tree Farm	39,537
Evergreen Ecoforestry, LLC	90
Tree Shepherd Woods	20

Certification makes business sense; a complete cost-benefit analysis is needed

Though each of the six states that have certified its forests manages its land under different laws than Oregon, there is no legal reason why ODF cannot pursue certification for the Elliott State Forest or other state-owned working forests. In fact, FSC certification may help ODF meet its legal obligations required for public forest management and would probably only minimally alter its management strategy.

Oregon’s policy environment is amenable to certification. The Oregon Constitution establishes that state trust forests, like most of the Elliott, are to be managed “with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management.” Oregon’s Endangered Species Act and the 1971 Oregon Forest Practices Act both encourage ecologically sensitive forest management. And the 2003 Forestry Program for Oregon urges specific strategies of sustainable forestry that are similar to the criteria for FSC certification.¹⁰

In addition to state legislation, multiple federal laws are consistent with sustainable management of forests. The Clean Water Act of 1972 requires managers to protect the watershed quality aspects of

forests on state lands. The Clean Air Act 1990 limits prescribed fires and post-harvest slash burning. Most influential, however, is the 1973 Endangered Species Act, which obligates land managers to protect species that are formally listed as threatened or endangered by extinction.¹¹

Simple compliance with existing laws and regulations probably brings the Elliott State Forest—and maybe other state forests too—within striking distance of FSC certification. But ODF needs to determine exactly how difficult FSC certification would be and estimate the expected costs and benefits. For instance, even if FSC certification increases the cost of forest management, or perhaps means forgoing some revenue opportunities, it may still pencil out. In fact, many private companies—including publicly traded Potlatch Corporation—are realizing that FSC certification makes financial sense because the small costs of FSC compliance are more than offset by the variety of goods conferred by certified operations, including expanded market access, enhanced public credibility, and efficient management.

Oregon’s state government has an interest in other features of certification, such as promoting good timber jobs with employment stability and rigorous health and safety standards. What’s more, the value of intact ecosystems with their attendant “services”—watershed filtration and storage, erosion control, flood prevention, carbon sequestration—may offset the direct costs associated with certification. Forest owners, for instance, can take advantage of global carbon sequestration markets that may make it cost effective to leave more trees standing. And flourishing ecosystems, while difficult to quantify monetarily, may also be worth something to Oregon’s citizens. Ecosystem preservation efforts may attract funding from land trusts or other conservation-minded funders.

The benefits conferred by FSC certification almost certainly outweigh its direct and opportunity costs. A thorough cost-benefit analysis of FSC certification would give ODF the information it needs to properly weigh the monetary costs of certification against its monetary and intangible benefits. And ODF should explore the parallel public policy challenge of determining how to weigh the costs to the forest trust beneficiaries against the benefits that accrue to Oregon’s citizens generally, benefits such as recreation and watershed services. Perhaps some forest trust revenue can be generated from other sources besides timber harvesting.

The Elliott has not been logged as severely as nearby forests; certification ensures good timber jobs and ecosystem protection.

The Elliott State Forest, while managed as a working forest, was clearcut less severely than many nearby forests in federal or private ownership. And while FSC certification doesn’t guarantee that logging rates will stay low, it does help prevent some of the worst ecological and economic abuses of logging, such as severe soil erosion and job insecurity. Certification can help ease the tension between environmental concerns and the timber industry, both of which are staples of Oregon’s economy and identity. Today, some of the worst tensions persist over management of state-owned forests, which are a source of revenue for certain beneficiaries as well as the natural heritage of state citizens.

To evaluate management of state lands—and visually document three decades worth of clearcutting—Northwest Environment Watch (NEW) analyzed a study area in Southern Oregon that includes the entire Elliott State Forest. The study area was defined by the boundaries of satellite imagery (see map in Appendix A). Stretching from the Pacific Ocean to the Cascades, it includes the Umpqua River drainage as well as portions of five nearby national forests, including large tracts of the Umpqua, Willamette, and Siskiyou. The study area covers an area of nearly 7.2 million acres of

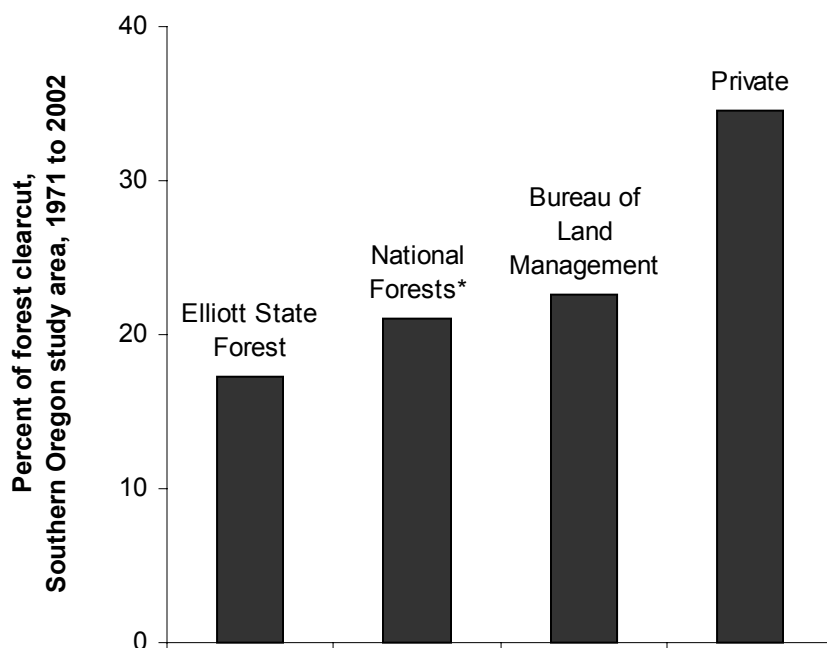
land and almost 6.3 million acres of forest, including 107,000 acres of the state-owned forests managed by ODF—all of the Elliott State Forest.¹²

Satellite imagery allowed NEW to identify and track clearcut logging over a 31-year period in the study area. Tracking clearcuts—places where nearly the entire forest has been cut down—provides a rough gauge of forest management trends, since higher clearcutting rates typically reflect less ecologically sensitive management. Clearcuts are also signs of disrupted ecosystems.¹³

In total, on all lands, nearly 1.7 million acres of forest were clearcut in the Southern Oregon study area from 1971 to 2002, an area greater than all the land—forested and unforested—in nine Crater Lake National Parks combined.¹⁴ Not all of these clearcuts were in mature, “old growth” forest stands; many may have occurred in second- or even third-growth stands that had regrown in older clearcuts. Satellite analysis is unable to distinguish between clearcuts in older forests and those in newer tree plantations. Even so, a clearcut, whether in old growth or on a tree plantation, is still evidence of a lasting human alteration to the native forests.

On state land in the Southern Oregon study area ODF clearcut 18,500 acres—17 percent of the state-owned forest there—from 1971 to 2002, a rate of roughly 50 acres each month for 31 years. But the Elliott State Forest was relatively lightly impacted compared to the 2.8 million acres of private land in the study area, of which 35 percent was clearcut. Even the nearby national forest and Bureau of Land Management forest holdings in the study area, which together account for over than 3.2 million acres, were clearcut more severely than the Elliott; nearly 22 percent of these federal lands were cut from 1971 to 2002.

The Elliott State Forest may be a promising candidate for FSC certification—it was clearcut less severely than nearby land.



*Including portions of the Rogue River, Siskiyou, Siuslaw, Umpqua, and Willamette National Forests

Because the Elliott State Forest has been less severely logged than much of the nearby forests, it may be a strong candidate for FSC certification. And certifying the Elliott State Forest can be an important means of protecting the unique ecosystems it contains. The forest links habitats along rivers and streams, and provides shelter for the region's dwindling salmon runs. It may also serve as a buffer zone for protected areas, and a wildlife reservoir for heavily logged private and federal forests. And state forests like the Elliott are recreationally important to Oregonians.

Oregon's state forests are a valuable resource for the state—they are a source of wildlife habitat, recreation, jobs, and revenue. As Oregon's public land manager, ODF is legally obligated to manage the state's forests with prudence and with concern for the long-term. At minimum, and as a first step, ODF can seek FSC certification for a portion of the Elliott State Forest, or even seek certification from the less rigorous SFI label.

But the best way to ensure good management is FSC approval for all working forests, including the entire Elliott State Forest. And the FSC label confers an array of additional benefits including good jobs, public credibility, and market access, even while it minimizes the adverse ecological effects of logging. ODF should immediately seek FSC certification for the Elliott State Forest, as a first step toward certifying all working forests under its management.

Methods

To measure trends in forest management, Northwest Environment Watch (NEW) partnered with CommEn Space, a geographic information technology center based in Seattle, to analyze 17 satellite images of the Southern Oregon study area (Landsat 7, path 46, row 30) captured by NASA's satellites since 1973.

Analysis of the satellite images identified areas where at least two contiguous acres of forest cover were disturbed between successive images. Additional data allowed the analysis to exclude natural disturbances such as avalanches or forest fires, as well as disturbances in urban areas. The resulting analysis identifies only those areas disturbed by logging. Analyzing consecutive images yielded rough year-by-year data on clearcutting by land ownership.

Maps

For web-based animated maps of clearcutting in the Southern Oregon study area, please see Northwest Environment Watch's website at www.northwestwatch.org/scorecard/maps_forests.asp.

Appendix A: Clearcutting in the Southern Oregon study area, 1971 to 2002



Map by CommEn Space, Seattle

Endnotes

- ¹ Report findings from Meridian Institute, Comparative Analysis of the Forest Stewardship Council and Sustainable Forestry Initiative Certification Programs, Oct. 2001, www.merid.org/comparison.
- ² Ecosystem benefits from Forest Stewardship Council (FSC), Pacific Coast (USA) Regional Forest Stewardship Standard, Version 7.9, Aug. 12, 2002, www.fscus.org/documents; and Meridian Institute, op. cit. note 1.
- ³ Community benefits from FSC, op. cit. note 2; Meridian Institute, op. cit. note 1.
- ⁴ Economic benefits from FSC, op. cit. note 2; Meridian Institute, op. cit. note 1.
- ⁵ Management benefits from FSC, op. cit. note 2; Meridian Institute, op. cit. note 1.
- ⁶ LEED building requirements from U.S. Green Building Council, Green Building Rating System for New Construction and Major Renovations, Version 2.1, Nov. 2002, www.usgbc.org/Docs/LEEDdocs/LEED_RS_v2-1.pdf. Seattle's building policy from City of Seattle, "Sustainable Building Policy," www.cityofseattle.net/sustainablebuilding/SBpolicy.htm. Portland's building policy from City of Portland, "Portland Adopts Green Building Standard and Policy," Jan. 10, 2001, www.green-rated.org/fg_rated/windows/mediaroompdfs/12_GBPpolicyfollowup_11001.pdf. Certified companies from FSC, "Certified Chain of Custody Companies," www.fscus.org/certified_companies. Sales growth from The Home Depot, "2003 Annual Report," ir.homedepot.com/downloads/HD_2003_AR.pdf.
- ⁷ State forest certification figures from FSC, "Certified Forests," www.fscus.org/certified_companies/index.php?num=*&type=forests.
- ⁸ Potlatch from Potlatch Corporation, "Forest Stewardship Council - FSC - Certifies Potlatch Management Practices," Apr. 20, 2004, ir.potlatchcorp.com/phoenix.zhtml?c=100877&p=irol-newsArticle&ID=516765. U.S. certification from FSC, "Certified Forests," www.fscus.org/certified_companies/index.php?num=*&type=forests.
- ⁹ California certification from FSC, op. cit. note 7.
- ¹⁰ Forestry Program from Oregon Department of Forestry (ODF), "2003 Forestry Program for Oregon (FPFO): The Board's Strategic Policy Plan," www.oregonforestry.org/fpfo/2003/; Oregon constitution and laws from Oregon State Legislature, "Oregon Revised Statutes: 2003 Edition," www.leg.state.or.us/ors/home.html; and ODF, "Statutes, Rules, and Regulations," www.odf.state.or.us/lawsrules.asp.
- ¹¹ The following federal laws from Marian Gould Gallagher Law Library, "Internet Legal Resources," University of Washington School of Law, lib.law.washington.edu/research/research.html#walaws: Clean Water Act, 33 U.S.C. 1251, et seq.; Clean Air Act, 42 U.S.C. 7401, et seq.; Endangered Species Act, 16 U.S.C. 1531, et seq.
- ¹² The study areas, while informative in themselves, are not necessarily representative samples of the Northwest's forests. Indeed, no study area could be. Clearcut logging is by no means confined to these five parcels, nor can we deduce much about the rate of clearcutting elsewhere based on the pace of deforestation in the study areas.
- ¹³ Effects of clearcutting from Elizabeth May, *At the Cutting Edge: The Crisis in Canada's Forests* (San Francisco: Sierra Club Books, 1998).
- ¹⁴ All clearcutting statements, figures, and charts calculated by Northwest Environment Watch and CommEn Space, a geographic information technology center. See "methods" section of this report for details of analysis.