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Dear Oregon Decision Makers

I am an Oregon resident who advocates for forest management practices that contribute to building a strong and stable economic future. I am writing to add my voice to those in the North Coast State Forest Coalition to support the Governor's call for visible and durable conservation areas on our state forests. I agree with these objectives as well as the objective of creating jobs that diversify our economy. The most viable way of achieving this will be a shift away from outdated timber-intensive forest management and reorient forest management toward maintaining our natural resource heritage. This is a step we can take in the direction of making forest lands productive EVERY YEAR rather than once every 20-80 years.

Forest management that focuses all its attention on timber output ultimately commits each acre of our state forest land to a limited and high risk economic cycle. Depending on growing conditions and production objectives, it can take between 20-80 years or more before a clear-cut forest will grow to a size where another harvest injects an economic output into the state's economy. The output doesn't change under a select cut strategy because it still takes trees 20-80 years to grow no matter how you cut them. An acre of land cannot be expected to produce more trees than it can support. Forest management that focuses all its attention on timber output is a model for a very slow and unstable economic future.

In the majority of planning documents I have seen that support timber-intensive management strategies the one thing they all have in common is an absence of comprehensive economic analysis. The underlined headings below give an example of what I have personally observed to be inadequately represented in these documents:

#### Cost-benefit analysis

The cost-benefit analysis of all timber-based economic strategies that I have seen are characteristically constrained to determining how much money the timber industry will make, how many timber jobs will be created, and an estimate of the short term "profits" will be passed on to the state. There is rarely, if ever, an effort to look at the cost to society over the span of time it takes for each acre to produce another economic output, a span of 20-80 years. During that span of time, taxpayers typically pay for restoration of streams, reduction of fuels created the surge of fire adapted brush that inevitably grows after the canopy is removed, and decades of fire protection. And if we get lucky and a fire doesn't destroy everything then we get an economic output after we wait several decades for the forest to regenerate another harvest. If this economic strategy was looked at closely in a comprehensive cost-benefit analysis over the entire span from harvest to harvest it might become evident that a timber oriented management strategy is unlikely making money that benefits the broader Oregon public. In one way or another, Oregon taxpayers pay for sustaining the forest until the next harvest generates an economic output decades in the future, a period of time that may be as long as the life span of a human.

The cost-benefit analysis I have seen in most timber-based management strategies rarely if ever make an attempt to understand how a timber harvest might result in the loss of jobs in other sectors of the economy. A commonly overlooked fact is there are industries in Oregon that are just as dependent as the timber industry on forest resources and need these resources for generating an income. Also overlooked is the fact there are many different types of products in the forest that can be used to generate an income. The

following are examples of jobs that might be lost or unable to materialize if forest management strategies focuses on providing exclusive support for jobs in the timber industry while ignoring the needs of other forest dependent industries. The outcome of excluding these non-timber jobs is a severe and permanent weakening of the foundation we need for a stable economic future:

Tourism and recreation have a significant dependence on the forest and the forest products that these industries are most dependent upon include scenic values, species diversity, water retention and storage, and stable mountain slopes that reduce sediment from eroding into salmon bearing waterways. You can estimate the potential job creation that this sector might bring to Oregon by starting with the \$700 billion the tourism industry adds annually to the national economy. Divided by 50 states, Oregon's share should be 14 billion annually but in recent years we have only been able to capture about 8 billion, or barely half of our share. In comparison, California earns around \$96 billion. We are clearly not getting our share of the action. If we were to capture our remaining 7 billion, and assuming about 20% (1.4 billion) of this would go to payroll, we could create a substantial number of jobs. For example, an additional seven billion could create 35,000 jobs making an average of \$40,000. I won't argue that it is more likely the majority of tourism jobs will be entry-level positions that employ college students or high school students who might make \$10,000 in a 3-5 month period. At that pay level an increase of \$7 billion in new tourism revenues would potentially create about 140,000 jobs. This represents a significant job creation opportunity and forest management plays a critical role in achieving it. I have no doubt that timber advocates will blame Oregon's low performance in the national and international tourism market on inadequate abilities of tourism businesses to attract travel spending to their doors. A better explanation is the fact that the number one reason that people travel in the United States is to look at scenery and I can say from personal experience that clearcuts and heavily exploited timber lands absolutely shatter the scenery and the shock stays with travelers long after they pass these sites - sometimes for a lifetime. It would be unreasonable to expect business owners to attract income into their establishment if travelers are leaving the state because the scenery is unappealing. This might explain why preservation-oriented California is making \$96 billion in tourism revenues and extraction-oriented Oregon makes \$8 billion. It is critical to remember that managing the forest to support the needs of the tourism and recreation industries essentially takes each acre of forest land and uses it to generate an income EVERY YEAR not once every 20-80 years.

The values that Oregon's forest lands contribute to the quality of life of communities plays a major role in how well Oregon competes at attracting retirees, entrepreneurs, home-based telecommuters, and business start-ups to set up their enterprise here or attract existing businesses to move or expand into Oregon. Retirees bring their own income sources with them and use these to pay for goods and services that support jobs in the communities where retirees choose to live. Home-based telecommuters and online service providers can conduct their business anywhere they choose to live and many choose to live in places with high quality of life values. Home-based jobs draw money from around the world into the community where these people live and this money is used to pay for goods and services that support jobs. A forest can play a critical role in attracting retirees and home-based jobs by contributing scenic values, plant and animal diversity, clean rivers, and recreational opportunities that increase Oregon's quality of life. If these values are sacrificed by committing the state's forest to timber production we can expect this state to become less competitive in its ability to attract a wide diversity of income sources and jobs. If Oregon doesn't provide the quality of life values these people seek, then they will move to a state that does. Forest resources that contribute to the quality of life values that attract business development, entrepreneurs, retirees, online telecommuters/service providers, and home-based businesses are another way that each acre of our forest lands can be used to generate an income EVERY YEAR rather than once every 20-80 years.

Property value can be influenced by what happens in the landscapes that surround a home. The loss of such things as scenic values and recreational opportunities might reduce the value of property by as much as five percent or about \$10,000 for a home valued at \$200,000. As a result, property becomes

more difficult to sell and, ultimately property must be sold at a lower price, which will have a negative impact on the real estate industry and the jobs it supports. If a piece of property is within view of or located near to state forest land that at any time could be impacted by heavy timber harvesting and possible subsequent use of herbicides, it would be the obligation of the broker to disclose this to potential buyers. I don't know a lot of people who would invest in a home under these circumstances unless the property was practically being given away. In this way, forest management objectives that focus on timber production may contribute to an overall loss of Oregon property value. It is much more productive to retain forest resources that contribute to the quality of life of Oregon neighborhoods and contribute to the factors that retain the value of Oregon property and increases its marketability. This is another way that each acre of our forest lands can be used to generate an income EVERY YEAR rather than once every 20-80 years.

Timber management can influence the future of our ocean-based fishing fleets, especially those that may depend all or in part on anadromous species that complete their life cycle in Oregon rivers. Salmon runs can be severely impacted if the objectives of forest management contribute to raising water temperature or fail to retain water in hydrologic systems that sustain water levels and cool temperatures through the dry summer season. Creating thriving watersheds that produce the fish that will support our fishing fleets is another way our forest lands can be used to generate an income EVERY YEAR rather than once every 20-80 years.

### Risk assessment

Another element of economic analysis that seems poorly investigated in pro-timber forest management strategies is the possibility that investing our forest lands in timber production will actually produce a secure and sustainable economic future 20-80 years from now. Here are some examples of why investing in timber production represents a high risk of failure and significant risk of establishing a future of economic instability for Oregon:

We are experiencing longer hotter summers and warmer winters and the combination of these factors are changing how bark beetles impact the forest. Warmer winters are resulting in greater survival of bark beetle and warm summers are creating dryer conditions that stress trees and make them more susceptible to beetle attack. Summers are longer and hotter and this increases the risk of fire especially in dense plantation stands where there is a prevalence of ladder fuels that can easily carry a fire into the canopy and kill large swaths of plantation trees. There is an additional problem caused if state forest lands are converted into tightly spaced, monocultural plantations of Douglas fir where diseases like Swiss needle cast or parasites such as dwarf mistletoe are more easily dispersed. The overall outcome of management strategies that enhance pest, disease, and parasite distribution will be a reduction in growth and, hence, a drop in productivity and a longer wait in terms of decades before a profitable harvest can be made. In more recent years we are seeing the rapidly spreading threat of the fungus that causes sudden oak death, which at this time is moving up the coast from central California and is already becoming established in Curry County. This fungus is known to attack Douglas fir but little is known if it might kill this species of tree. What is of greatest concern with this disease is the effect that quarantine regulations might have on Oregon's ability to market our dimensional wood products, logs, and Christmas trees to other parts of the country and world. The coastal areas of Oregon are mapped as having the highest risk of future infestation. Examples of state lands in this high risk zone include Clatsop and Tillamook State Forests. Investing in future timber production in these locations can be expected to have a high risk of failure and subsequently commit Oregon to a weak economic future.

These are samples of the potential issues that are poised to strike a substantial blow to Oregon's timber-oriented traditions and some of these factors are well beyond the reach of where any of us can do anything about it. Based on this, I am personally very concerned about timber-based forest management continuing to be positioned as the primary foundation that we build our future economy upon. At this point, the absolute worst thing we can do is to turn our state forests into tightly spaced, monocultural industrial tree farms.

## Industry trends

A familiar argument that is used to encourage committing more of our public lands to timber production is the notion that this will create and sustain jobs now and into the future. However, it is more likely that doing this will result in a downward trend of job opportunities. Here are examples:

### Automation

The timber industry is becoming increasingly automated and this is especially true where the forest is being converted into monocultural, even aged stands of trees. These plantations can be quickly harvested with one operator on a single piece of equipment and logs can be transported by a small number of trucks to the nearest mill. With recent advances in technology that allow a car to drive itself from one point to another, it is not difficult to imagine that automated harvesting and transportation may not be far off in the future. This puts the timber industry on a trajectory of needing less and less people as more and more of our forest lands are converted to plantations and can be managed and harvested through automation.

### Export and outsourcing

The export of our timber and timber jobs is a matter of reality. There is no reason to expect that an international corporation will set up business in Oregon if they can get their timber milled cheaper in another country. These corporations owe their allegiance to their stockholders who likely live in other countries and have more interest in profits than concern about a mill worker in Oregon losing their job. This might seem a bleak outcome for the productivity of the state's forest but there is a way to manage these lands to create jobs that **CANNOT BE OUTSOURCED**. These jobs are in the tourism, recreation, and real estate industries, all of which are dependent upon scenic values, recreational resources and similar forest products these industries need for generating their income.

The trend for the timber industry is a future of work-force reduction through increased automation, export, and outsourcing. By investing our forest lands in timber production, Oregon makes a long-term commitment to a downward trajectory of job creation that includes impairing job creation in other forest-dependent industries that can't be outsourced.

## Recommendations

Orient the mission of forest management toward making every acre of land productive EVERY YEAR rather than once every 20-80 years.

Recognize that forest products include scenic values, plant and animal diversity, water retention, and other products that are essential to retaining our property value, support industries and businesses that are dependent upon these products for generating an income and creating jobs, and contribute to quality of life values that make Oregon attractive to retirees, home-based entrepreneurs, online telecommuters and service providers, and businesses looking for a place to set up their enterprise. There is a vast opportunity for job creation through managing the forest for production of forest products that support all forest dependent industries and/or contribute to Oregon's quality of life.

Produce cost-benefit analysis that span the complete cycle of timber production from harvest to harvest so the true cost and benefits over the span of decades can be thoroughly and accurately understood by Oregon residents and decision makers who have an interest in the long-term economic stability of Oregon.

Sincerely,

Roger Brandt