



Oregon Websites and Watersheds Project, Inc.
www.ORWW.org

May 9, 2017

To: Governor Kate Brown, Secretary Dennis Richardson, and Treasurer Tobias Read
From: Wayne Giesy and Bob Zybach
RE: Elliott State Educational Forest: Giesy Plan Alternative

Dear Oregon Land Board Members:

Thank you for your time and consideration in communicating with us in the past several months regarding the potential sale of the Elliott State Forest and our proposal to keep the Forest in public hands and for maximum value possible for our next generation of schoolchildren.

In addition to our February 14, 2017 submission of an outline of this proposal and its maps and two attachments, we have subsequently emailed each of you and your staff two articles regarding the Elliott we published in the current issue of *Oregon Fish & Wildlife Journal*, and a link to our ORWW website containing current and background information on this topic:
http://www.orww.org/Elliott_Forest/

We have also benefited by detailed personal, email, and telephone discussions with you and your staffs about these issues of promised Elliott sale vs. possible alternatives. We would like to add the following email excerpts to the public record regarding our proposal: 1) Senator Ted Ferrioli's string to each of you regarding Christine Broniak's economic estimate for the Giesy Plan, and 2) Steve Elzinga's request for detailed response to last week's proposals.

.....
Email String #1 (Broniak, Ferrioli, Zybach)

On Apr 18, 2017, at 5:02 PM, Bob Zybach wrote:

Hello Governor Brown, Treasurer Read, and Secretary Richardson: This is a follow-up email to Senator Ferrioli's April 14 note containing Economist Christine Broniak's recent analysis of the proposed Giesy Plan alternative to selling the Elliott State Forest. I presented you with an outline of this proposal during the February 14 Land Board meeting and have attached two recently published articles that provide additional details.

Ms. Broniak estimates the Giesy Plan would produce more than \$460 million during its 20-year life by harvesting an average of 50 million board feet of timber per year from less than 40% of the forest's land base. This rate of harvest was maintained for many years in the late 1900s when

the trees were much smaller and the forest contained less volume, is less than the Elliott's annual growth then and now, and is only a small fraction of the forest's 2.5+ billion board feet of standing timber.

By using a widely accepted "multiplier" of 10+ direct and indirect jobs created for each million board feet of harvest, these sales would produce more than 500 full-time jobs for the 20-year period; a figure that could be sustained indefinitely if this proposal were adopted on a permanent basis.

More than 40% of the forest (35,000+ acres) would be specifically dedicated to creating and maintaining "older forest" conditions for targeted wildlife species, including spotted owls and marbled murrelets. All streams would be actively managed to improve coho runs and as habitat for other salmonid species.

Existing forest ridgeline and riparian roads would remain open to public access, and recreational and educational uses of the forest lands would be encouraged. In addition, all forest management actions and conditions would be scientifically monitored and transparently shared via Internet with Oregon students, teachers, residents, and others interested in forest management issues. In this regard the Giesy Plan directly addresses the "timber wars" of the past 30 years and provides a possible model for the improved management of federal forestlands in Oregon.

We believe that this is the type of "innovative" approach to maintaining the Elliott State Forest in public ownership while meeting legal obligations regarding the State School Fund that was called for in the last two meetings of the State Land Board. Mr. Giesy, former Elliott Forest manager Jerry Phillips (see attached), and I would be very pleased if we could be allowed to present these updated findings to the next meeting on May 9.

Sincerely, Dr. Bob Zybach, Program Manager, www.ORWW.org, Cottage Grove
<Zybach_20170401.pdf>

On Apr 14, 2017, at 4:22 PM, Senator Ted Ferrioli wrote:

Governor Brown, Treasurer Read, Secretary of State Richardson,

A new and more accurate analysis of a proposal to manage the Elliot State Forest (Giesy Plan) has been completed and reviewed by forestry experts. It offers a much greater production of revenue while meeting the initial objectives of preservation, habitat conservation, watershed protection and recreation. I believe it offers a new alternative that could be the basis for retaining ownership of the Elliot while meeting our Trust responsibilities to Oregon school children.

On Apr 11, 2017, at 10:50 AM, Christine Broniak wrote:

Dr. Zybach, It looks like about 80 percent of the forest is dedicated to harvest to get to 50 mmbf/year? The good news is that I can use prices that were bid on the harvests for the past three years in the Elliott (\$367.50/mbf in 2017 equivalent) and grow them forward according to the Producer Price Index for logging to come up with revenue estimates for that 50 mmbf/year level of harvest.

Year	Total MMBF/Year	Revenue
1	50	\$18,770,220
2	250	\$19,175,466
3	50	\$19,589,461
4	450	\$20,012,394
5	50	\$20,444,458
6	50	\$20,885,850
7	50	\$21,336,772
8	50	\$21,797,429
9	50	\$22,268,032
10	50	\$22,748,795
11	50	\$23,239,938
12	50	\$23,741,684
13	50	\$24,254,263
14	50	\$24,777,908
15	50	\$25,312,859
16	50	\$25,859,359
17	50	\$26,417,659
18	50	\$26,988,011
19	50	\$27,570,678
20	50	\$28,165,924

Christine Broniak, Economist
 Legislative Revenue Office, 900 Court St. NE, Rm. 354, Salem, OR 97301

On Apr 11, 2017, at 11:21 AM, Bob Zybach wrote:

Thanks Christine: These are the correct figures, although the dollar figures are speculative and annual rates of cuttings might vary due to maintenance, wind, fire, landslides, and/or flooding. We are confident that these numbers can be reached with only 40% of the Forest dedicated to income-based harvest and the remaining 60% open to incidental maintenance, salvage, and prescriptive cuts.

Using these numbers, the Elliott would produce more than \$400 million in gross income for Oregon Schools over the next 20 years and more than 500 direct and indirect jobs, using a conservative multiplier effect of 10 jobs/mmbf harvested per year. I think those are reasonable ballpark figures to consider.

.....
Email String #2 (Elzinga, Zybach)

On May 3, 2017, at 1:35 PM, Stephen ELZINGA wrote:

Bob, I just wanted to see if you can send us the most recent version of your proposal for managing the Elliott State Forest in public ownership going forward. Secretary Richardson

would like to be fully informed before he makes a decision at the Land Board meeting next week.

Thank you, Steve

Steve Elzinga, Governmental & Legal Affairs Director, Oregon Secretary of State

On May 7, 2017, at 11:15 PM, Bob Zybach wrote:

Hi Steve: Have finally got an opportunity to read the three separate proposals from Governor Brown, Treasurer Read, and Secretary Richardson. We believe that the Giesy Plan alternative ("Elliott State Educational Forest") easily meets and/or exceeds most of the Secretary's eight points, which I will briefly outline below.

Our major concern, however, is Secretary Richardson's stated position that he would consider "either" the Governor's "or" the State Treasurer's proposals as they compare to his "eight leadership principles." We are very hopeful that he will also consider the Giesy Plan proposal as an additional alternative. We think it best serves Oregon's next generation of students, the rural Coos and Douglas county job markets, our State's taxpayers, and the various wildlife that inhabit the Forest's land and streams.

Here are our thoughts on the Secretary's 8-points:

1. Education First. A plan must be consistent with the moral and constitutional requirements to prioritize Oregon schoolchildren by providing at least \$220.8 million for smaller class sizes, more school days, expanding career training, and increasing graduation rates. The members of the Land Board are Trustees of the Common School Fund and our paramount fiduciary duty is to maximize yields.

The Giesy Plan would only last 20 years and would generate an estimated \$460+ million during that time — all to be allocated to the School Fund as currently required by law and with added incentives and technology to be included in statewide curricula and in direct learning opportunities.

2. Protect Environment. A plan must incorporate Forest Stewardship Council principles and clearly meet the requirements of the Endangered Species Act to protect critical habitat and wildlife.

An estimate 35,000+ acres of the Elliott would be set aside specifically for the management of older forest species, and particularly for spotted owls and marbled murrelets. All of the Forest's streams would be dedicated to actively monitoring and enhancing native coho runs, and particularly those streams above Tenmile Lakes. Riparian acreages would be in addition to older forest set asides and would likely total another 10,000 to 20,000 acres.

3. Create Jobs. A plan must allow sustainable timber harvest to create permanent family-wage jobs in struggling rural and coastal communities.

The Giesy Plan would create an estimated 500+ direct and indirect mostly local jobs for the entire 20-year period. An entire, greatly-informed, generation of schoolchildren and taxpayers

could then make a far better and informed decision as to whether to sell the Elliott, or otherwise alter its management direction, at that time.

4. Recreational Access. A plan must ensure that hunters, anglers, hikers, and all other Oregonians have access to the forest.

The Giesy Plan stipulates that 100% of the primary (and nationally historic) ridgeline and riparian road network be maintained and improved for 100% access by Oregon residents. Increased usage for recreational, educational, and/or research purposes would be encouraged — and particularly those activities that might generate additional funding for the School Fund and Forest management.

5. Tribal Justice. A plan must keep the promise to restore ownership of ancestral homelands to tribal peoples who have protected them for millennia.

The Giesy Plan identifies the four early historical Oregon Indian Tribes that lived in and adjacent to the Elliott Forest: Kelawatset, Hanis, Miluk, and Yoncalla. Any opportunity to coordinate coho recovery, recreational development, and/or forest management with the descendants of these people should be encouraged, particularly if written and signed agreements are involved.

6. Generational Equity. A plan must be financially sound over the long-term and avoid saddling Oregon's children with decades of debt. It should avoid spending General Fund dollars for management, avoid expensive litigation against the state, and avoid public debt to buy an asset the State already owns.

The Giesy Plan produces good income and excellent educational and recreational opportunities for an entire generation of Oregon schoolchildren and residents. The plan is dependent on formal good-faith agreements with recent litigants who have directly affected Forest management in the past five-ten years. In exchange for not filing any suits directly or indirectly affecting the management of the Elliott Forest for 20 years, they will be given exclusive use of nearly 1/2 of the Elliott Forest (excepting ridgeline and riparian roads and fish-bearing stream riparian areas) for that period of time for the sole purpose of demonstrating the value of older forest habitat to spotted owls and marbled murrelets. It is a basic scientific challenge with a transparent monitoring and review process publicly shared by all interested Oregonians.

7. Public Ownership. A plan must retain options for public ownership of old growth forest areas.

The Elliott State Forest is almost exclusively second-growth, due to fire, wind, landslides, and logging. Less than 1% of the forest is old-growth, and that is mostly contained in a 50-acre patch purchased from Weyerhaeuser under the direction of Jerry Phillips, and another 300 acres or so along the “Mill Creek Canyon,” with trees estimated to be more than 150 years old. The standard definition for “old-growth” Oregon trees for the past century has been 200 years of age, or older. More than 1/2 of the Forest would be retained in older forest conditions for the next 20 years and all of the Forest would remain in public ownership during that time.

8. State Reputation. A plan must preserve the state's reputation and the ability to negotiate agreements in good faith with business and nonprofit partners in the future.

Part of the risk of conducting business is that often times good-faith agreements are unable to be fulfilled. Despite the bruised feelings and costs entailed by deciding to postpone a decision to sell for 20 years, we believe that the positive example Oregon would set for the management of its forests, its commitments to education and recreation, and its willingness to address the “forest wars” and unprecedented forest wildfires of the past 30 years that have concerned all western states, would greatly enhance the State’s reputation.

Here is a way to not only greatly improve the management of Oregon’s “First State Forest,” but also as a demonstration for the possible management of USFS and BLM forestlands in the State, and in the western US. Here is the background to the Giesy Plan proposal — which was fittingly known as the “Oregon Plan” when Governor Kitzhaber was considering presenting it to the Western Governor’s Conference:

http://www.orww.org/Elliott_Forest/References/Academic/OR_Fish_&_Wildlife/Zybach_20140300.pdf

We are very interested in having Secretary Richardson consider this proposal in terms of his eight principles, in addition to the Governor’s and State Treasurer’s analysis using the same criteria. Perhaps a good solution might be to table consideration of the sale for six months or so in order that an independent and transparent public comparison can be conducted.

Thank you for considering this proposal. We look forward to your thoughts.

Sincerely,

Wayne Giesy, Pres., www.ORWW.org

Bob Zybach, Program Mgr., www.ORWW.org