

Analysis of the Estimated Economic Impact of Proposed Oregon Administrative Rule 629-643-0300



Background

The Forest Practices Act rulemaking procedure, Oregon Revised Statute (ORS) 527.714 (8), requires the Board of Forestry to prepare and make publicly available a comprehensive analysis of the economic impact of specific proposed rules before the close of the rule's public comment period.

An economic impact analysis is required if the board determines that a proposed rule is of the type described in ORS 527.714 (1)(c) and the proposed rule would require new or increased standards for forest practices. ORS 527.714 (1)(c) describes rules adopted by the board where they are exercising broad discretion to set forest practice standards.

Senate Bill 1501 (2022) requires the board to complete post-disturbance harvest rulemaking by November 30, 2025. On February 23rd, 2024, the board considered draft rules and determined proposed Oregon Administrative Rule (OAR) 629-643-0300, included in the appendix, is of the type described in ORS 527.714 (1)(c) and creates new standards for forest practices.

Post-disturbance harvest refers to the removal of forest products after catastrophic events such as wildfire, wind, ice, insect or disease damage and is commonly referred to as salvage logging.

Part 1: Estimated potential change in timber harvest as a result of the rule.

The current rule allows operators, after specified active management basal area retention targets are met, to remove any tree, whether live or dead, or downed log from the riparian management area (RMA) when they are 20 feet or more from a large or medium stream and 10 feet or more from a small stream.

The proposed rule establishes a definition for stand level mortality and specifies when dying or recently dead trees can be harvested in units and RMAs experiencing stand level mortality. The need to meet the stand level mortality definition replaces the prior requirement to meet the active management basal area retention targets. Depending on the severity and type of catastrophic event and the condition of the landscape on which it occurs, an operation may be eligible to apply the proposed rule, where it may have otherwise not been able to meet the active management basal area retention targets.

The proposed rule for Type F and Type SSBT streams in Western Oregon requires a 75-foot no harvest buffer and allows harvest of only dying or recently dead trees in the remainder of the RMA. This is an increase in buffer and tree retention requirements in comparison to the current rule. For small Type Np streams in Western Oregon, the proposed rule allows harvest of only dying or recently dead trees in the RMA resulting in increased tree retention in comparison to current rule. In Eastern Oregon, the proposed rule allows for the harvest of only dying or recently dead trees in the outer zone of Terminal Type Np streams, effectively establishing a 30-foot no harvest buffer which is an increase in tree retention in comparison to the current rule.

While the proposed rule includes provisions that increase tree retention requirements, it also establishes a different threshold that, depending on site-specific conditions, could increase the ability to harvest. Additionally, this rule relates to post-disturbance harvest and by nature catastrophic events are unpredictable in their type, frequency, severity, and impact on the landscape. For these reasons, the potential change in timber harvest volume is uncertain.

Part 2: Estimated overall statewide economic impact, including any change in output, employment or income related to the forest products industry, other private sectors such as commercial fishing, recreational fishing, and other outdoor recreation and government sectors such as public water system providers, waste treatment and built and natural infrastructure.

To estimate the statewide economic impact, the potential change in timber volume must be known. Due to the nature of catastrophic events, as stated in Part 1 of this analysis, this is uncertain.

If a volume is known, or estimated through further analysis or cause, information from pages 54 through 56 of the U.S. Department of Agriculture's Forest Service's October 2021, General Technical Report, GTR-PNW-997, can be used to extrapolate a reliable estimate of the economic impact as a value per million board feet.

Part 3: Estimated total economic impact on common school and county forest trust land revenues, both regionally and statewide.

For the purposes of the forest practice rules and this analysis, Western Oregon is west of the Cascade Crest and Eastern Oregon is East of the Cascade Crest. The proposed rule will not apply to forestlands managed under the Western Oregon State Forests Stewardship Agreement (agreement) which will be in place potentially through 2098.

There are approximately 41,000 acres of common school lands classified as forestland that have the potential to produce common school land revenue. 26,100 acres in Western Oregon and 14,900 acres in Eastern Oregon. Upon the proposed effective date of the rule, approximately 26,000 acres of common school lands in Western Oregon will be managed under the agreement.

Through 2098, statewide, roughly 15,000 acres, just under 37% of the common school lands classified as forestlands, would be subject to this rule and have the potential for revenues to be impacted. However, most of the potentially impacted lands are not designated as Common School Forest Lands pursuant to ORS 530.460 and it's anticipated that those that are, will not be prior to the effective date of the rule. This means these are not lands primarily suited for the growing of timber and other forest products and have already been identified by the Department of State Lands as only marginally capable of producing income from timber harvest.

There are 15 counties with 729,718 acres of combined state forestlands that contribute to county forest trust land revenue. 630,963 acres are in Western Oregon and are managed under the agreement and another 98,755 acres are in Eastern Oregon. Through 2098, just the acres in Eastern Oregon, which represent 13.5% of the county forest trust lands statewide have the potential to be impacted.

Due to the unpredictable nature of catastrophic events and other factors already discussed, which are further complicated by the narrowing of where the event would need to occur to impact common school or county trust land revenues the economic impact is uncertain.

Part 4: Assessment of the economic impact on various types of affected forestland parcels and on various geographic locations derived from consulting stakeholders.

ODF solicited public input on the economic impact of the proposed rule and received 344 responses. Participants were asked a total of eight questions, some of which were multi-part, and were provided links to both the current and draft rule.

Participants were asked to what degree they felt they understood what was proposed in the draft rule, and given the options of ‘completely’, ‘somewhat’ and ‘not at all’. 14.29% of participants reported completely understanding the draft rule, 59.48% reported somewhat understanding the draft rule and 26.24% reported not at all understanding the draft rule.

There are four potentially affected forestland types in Western and Eastern Oregon. Participants were asked what they thought the economic impact would be to the various types of affected forestlands if the proposed rule replaced the current rule. The table below represents the results.

Forestland Type & Region	Positive Impact	No Impact	Negative Impact	Unable to Determine
Private, non-industrial in Western	11.75%	9.64%	49.7%	28.92%
Private, non-industrial in Eastern	9.25%	13.01%	39.38%	38.36%
Industrial in Western	9.21%	5.59%	54.93%	30.26%
Industrial in Eastern	9.69%	7.27%	44.64%	38.41%
Small forestland in Western	11.39%	7.28%	50.95%	30.38%
Small forestland in Eastern	9.41%	9.76%	40.42%	40.42%
Public, non-federal in Western	10.86%	11.18%	47.37%	30.59%
Public, non-federal in Eastern	10.84%	13.64%	36.71%	38.81%

Below is a sampling of explanations provided by participants regarding their economic impact responses:

- “During the catastrophic event you will be able to actually manage the land. You can harvest the timber to create income for the landowner, additional hours worked by loggers to harvest (wages), reforestation through additional tree planting (wages and nursery revenue). It will also help capture carbon in an area that will not be growing trees or at least not at a rate that would be sequestered naturally. There is currently no incentive to do anything for these disturbed area if you cannot generate revenue to help offset the costs.”
- “I believe that increasing protection for the riparian areas of streams will have a positive impact on the environment, water quality, fisheries and the economy.”
- “I do think that overall the impact will be minimal. That said, the reduced ability to salvage timber for small forestland and industrial land owners does impact the investment they have been growing since initially planted.”
- “Decreasing the ability to remove damaged trees and reforest for future use will remove the ability to receive compensation as a landowner, as well as remove jobs for timber harvest operations and reforestation operations.”

Appendix: OAR 629-643-0300- Alternative Vegetation Retention Prescriptions

- (1) The purpose of this rule is to prescribe an alternative vegetation retention prescription for harvest units experiencing stand level mortality. This alternative prescription is intended to contribute to desired future conditions, provide tree retention, woody debris, bank stability and result in the re-establishment of live trees.
- (2) For the purposes of this rule only, “stand level mortality” means a riparian management area or harvest unit with 50% or more dying or recently dead trees due to a catastrophic event such as wildfire, wind, ice, insect or disease damage.

- (3) For the purposes of this rule only, “soil disturbance” means soil has been moved in a manner that alters water drainage patterns so that a new channel is formed within which water flows or is confined and has potential to move loosened or exposed soil or debris toward the stream.
- (4) For harvest units in Western Oregon the operator may:
- (a) For Type F and Type SSBT stream riparian management areas experiencing stand level mortality, harvest dying or recently dead trees outside 75 feet slope distance from the edge of the active channel or the channel migration zone (CMZ).
 - (A) The operator shall apply an ELZ at a distance of 75 feet from the edge of the active channel or the channel migration zone (CMZ) to the outer edge of the riparian management area.
 - i. Soil disturbance from cabled logs shall not exceed 20 percent of the total area of the ELZ.
 - ii. Soil disturbance from ground-based equipment shall not exceed 10 percent of the total area of the ELZ. Operators shall take corrective action(s) for soil disturbance from ground-based equipment. Corrective action(s) shall be designed to replace the equivalent of lost functions and be consistent with Forest Practices Technical Guidance.
 - (B) To encourage hardwood sprouting, the operator shall not apply chemicals within 75 feet slope distance from the edge of the active channel or the channel migration zone (CMZ) unless needed to address invasive species or noxious weed infestations and shall apply chemicals using targeted ground-based application. Chemical application in the remainder of the riparian management area is to be minimized to the greatest extent possible.
 - (C) To encourage less dense spacing, the operator may apply the minimum stocking standard described below rather than the productivity-based stocking standards described in OAR 629-610-0020(4) within the riparian management area.
 - i. 130 free to grow seedlings per acre; or
 - ii. 75 free to grow saplings and poles per acre; or
 - iii. 50 square feet of basal area per acre of free to grow trees 11-inches DBH and larger; or
 - iv. An equivalent combination of seedlings, saplings and poles, and larger trees as calculated in OAR 629-610-0020(7).
 - (b) For small Type Np stream riparian management areas experiencing stand level mortality, harvest dying or recently dead trees within the riparian management area. The operator shall apply an R-ELZ from the edge of the active channel in any area where tree removal occurs consistent with OAR 629-630-0700(6) and OAR 629-630-0800(8).
 - (c) For units experiencing stand level mortality that contain slope retention areas identified under OAR 629-630-0910(3), harvest dying or recently dead trees in the slope retention areas, if the slope retention area is not directly adjacent to designated debris flow traversal areas or Type F stream, Type SSBT stream, large or medium type Np stream riparian management areas. If the harvest unit contains one or more designated sediment source areas adjacent to a riparian management area or designated debris flow traversal area, the operator shall retain all trees in at least one of the slope retention areas.
- (5) For harvest units containing Terminal Type Np stream riparian management areas experiencing stand level mortality in Eastern Oregon, the operator may harvest dying or recently dead trees within the outer zone of the riparian management area.
- (6) The State Forester shall exempt small forestland owner harvest units experiencing stand level mortality from the watershed cap described in OAR 629-643-0140.
- (7) Except as explicitly stated in this rule, all other forest practice rules apply.