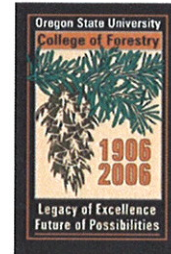




Oregon Forest Cluster Economic Development Strategy Executive Summary



The Oregon Department of Forestry (ODF), the Oregon Department of Economic and Community Development (OECD), the Oregon Forest Resources Institute (OFRI), and the Oregon State University (OSU) College of Forestry/Oregon Forest Research Laboratory are working together with private sector partners to craft a state economic development strategy for Oregon's Forest Cluster.¹ The goal of the Forest Cluster economic development strategy is to:

Create and maintain a favorable investment climate for environmentally sensitive, socially responsible, and globally competitive forest-based businesses throughout Oregon. As a result, these businesses will generate high quality, value-added products; family wage, highly skilled employment; increased revenues to private landowners for providing public benefits, and increased forest products exports.

To achieve this goal and to help implement the Governor's broader Economic Vision for Oregon, the proposed Oregon Forest Cluster Economic Development Strategy focuses on three priorities:

Federal Forest Restoration

Strategy Recommendations

- Widely communicate Oregon forest health and forest cluster and rural community economic vitality as priorities of the Governor and the State of Oregon.
- Encourage and support local collaboration efforts, such as community wildfire protection plans and fully using Healthy Forest Restoration Act authority, to accomplish federal forest restoration work and provide wood fiber to local mills.
- Explore a role for the State of Oregon to directly participate in addressing federal forest/private forest interface issues with respect to fires, insects, and diseases.

¹ "Forest Cluster" means firms and organizations that support production of and benefits from primary and secondary wood products and a broad spectrum of forest ecosystem services and includes geographically concentrated and interconnected economic activities and linkages to customers and suppliers. Organizations engaged in forest resource management, education, and research are also considered part of the Forest Cluster.

Immediate Actions Needed

- Lobby Congress and the Administration to restore funding for the USDA Forest Service for forest management; to revise Forest Service wildland fire policy to increase emphasis on fuels treatment, initial attack, and fire suppression; and to fully implement and expand the federal biomass transportation credit.
- Craft a Memorandum of Understanding between the State of Oregon and the USDA Forest Service to provide state expertise and funding where appropriate to immediately implement timber sales, stewardship agreements, and other projects critical to forest restoration and maintaining forest industry infrastructure.

These actions are consistent with the strong consensus reached at the 2007 Oregon Leadership Summit, with the recommendations emerging from the Oregon Board of Forestry's Federal Forestlands Advisory Committee, and with the recent successful negotiations regarding increased economic activity on the Malheur National Forest. The actions are supported through ODF's Agency Request Budget.

Forest Cluster Vitality

Strategy Recommendations

- Promote development of market opportunities and removal of market barriers for wood products, non-timber forest products and ecosystems services.
- Promote increased funding for integrated research programs that directly benefit the forest cluster through improved management systems, technologies, and higher value wood products.
- Promote state and federal laws and policies which provide economic incentives for biomass energy research and industry development.
- Promote ways to improve Oregon's forest sector innovation system to increase competitiveness and synergies among the forest sector, higher education, and other Oregon business sectors.
- Strengthen relationships between Oregon's forest cluster and green building cluster.
- Ensure the Governor's *Investing in Infrastructure and Communities* Initiative meets the transportation and energy needs of the forest cluster.

The Oregon Innovation Council (Oregon InC) is supporting an OSU proposal for: (1) enhanced forest transportation research and development to reduce costs, (2) developing comprehensive silviculture technologies through the Center for Intensive Planted Forest Silviculture, and (3) strengthening the commercialization support capabilities of the Oregon Wood Innovation Center. The Oregon Forest Biomass Work Group and the Board of Forestry's Federal Forestland Advisory Committee have already developed recommendations for needed policies and laws and, at the state level, much has already been accomplished through the Governor's 2007 renewable energy legislative agenda. The Agency Request Budget for OECDD addresses Oregon InC initiatives, cluster support, industry sector outreach, and the Governor's Strategic Initiatives Fund.

Immediate Actions Needed

- Fund the Established Industries Project proposed to the Oregon Innovation Council (described above).
- Work to lower log transport costs. Explore ways of reversing the loss of short-line rail and other transportation infrastructure and increased log haul costs arising from higher fuel prices and longer haul distances.

- Improve coordination among state agencies with the goal of developing a ‘one stop shop’ system to support forest cluster economic development. Develop an information infrastructure for timber and non-timber products, biomass and ecosystem products and services.
- Continue to support research and develop policies and incentives that will drive the growth of the biomass/ bioenergy/ bio-based products industry in the state.
- Address Oregon state government policies and regulations that may be placing Oregon’s forest cluster at a competitive disadvantage to forest clusters in other states and regions.

Forestry Workforce

Strategy Recommendations

- Establish employer-led training consortia by county or workforce region.
- Expand forest cluster employers outreach programs to teachers, school counselors, students and parents that promote career opportunities in the cluster and develop appropriate forestry education programs and specific skill training for students who want to pursue university/community college education or enter the workforce directly from high school.
- Establish a Career Pathways in Wood Products programs to link high school students and adults with careers in the cluster based on the Oregon Forest Resources Institute’s Careers In Forestry Program model.

Immediate Actions Needed

- Support the Governor’s *Investing in Human Capital and Promoting Innovation* Initiative.
- Support increased investments in forestry, business, and engineering programs at public universities and community colleges to increase the supply of professional graduates
- Maintain the involvement of the forest cluster in comprehensive state workforce development initiatives.

These actions will support the Governor’s *Investing in Human Capital and Promoting Innovation* initiative. OFRI will continue its K-12 forestry workforce education program and seek new partners.

Next Steps

With the Governor’s support and private sector collaboration, ODF, OECDD, OFRI and OSU has developed a more detailed work plan for implementing each of these three priorities. The work plans provide details on:

- Why the actions are important
- Needed private sector involvement
- The role for state government
- Agency assignments
- Additional agency resources needed
- Milestones
- Deliverables
- Measures of success

The four agencies will continue working to enlarge the conversation with private sector forest cluster partners to build support for implementation of the Oregon Forest Cluster Economic Development Strategy.