

MEMORANDUM OF AGREEMENT
Oregon Business Development Department
Oregon Department of Forestry
Oregon Forest Resources Institute
Oregon State University College of Forestry/Oregon Forest Research Laboratory
Oregon Department of Energy

June 14, 2010

PURPOSE

This Memorandum of Agreement is between the Oregon Department of Forestry, the Oregon Business Development Department, the Oregon Forest Resources Institute, the Oregon State University College of Forestry and Oregon Forest Research Laboratory, and the Oregon Department of Energy.

The purpose of the agreement is to formalize respective state agency and partner organization roles, responsibilities, and priorities for improving the contribution of Oregon's forest cluster to state and local economies and educating Oregonians about the cluster.

A November 1, 2007 Joint Resolution signed by the Chairs of the Oregon Economic and Community Development Commission, Oregon Board of Forestry, Oregon Forest Resources Institute Board, and by the Dean of the Oregon State University College of Forestry/Director of the Oregon Forest Research Laboratory has established the context, goal and objectives for a State of Oregon Forest Cluster Economic Development Strategy. The agreement is intended to be consistent with the Joint Resolution and the resolution is made part of this agreement by reference.

Through the agreement, the participating agencies and organizations are also committing the necessary resources and institutional capacity to achieve the described roles, responsibilities, and priorities.

For the purposes of this agreement, "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.

June 14, 2010

TERMINATION, REVISION, EXTENTION

This Memorandum of Agreement becomes effective upon signing by authorized representatives of all referenced parties and will remain in effect until December 31, 2012, unless terminated, revised, or extended. Any agency or organization may terminate its participation in the agreement at any time through written notice to the other agencies and organizations. Revisions or extensions of the agreement must be approved in writing and signed by authorized representatives of the participating agencies and organizations. Other agencies and organizations may be added to the agreement through the revision process.

AGREEMENTS

A. All parties signing this Memorandum of Agreement agree to:

1. All findings and resolution elements of the November 1, 2007 Joint Resolution signed by the Chairs of the Oregon Economic and Community Development Commission, Oregon Board of Forestry, and Oregon Forest Resources Institute Board, and by the Dean of the Oregon State University College of Forestry/Director of the Oregon Forest Research Laboratory.
2. Jointly craft and implement a two-year work plan consistent with the November 19, 2008 Draft Oregon Forest Cluster Economic Development Strategy or a subsequent Strategy mutually agreed to by all parties.
3. Provide staff support to an advisory Forest Cluster Working Group chartered by the Oregon Board of Forestry. The Forest Cluster Working Group will include the Oregon Forest Industries Council Manufacturers Committee and other private forest cluster participants. The Working Group charter will call for an assessment of the strengths, weaknesses, barriers, opportunities, and likely behavior of current and prospective competitors and cooperators to Oregon's forest industries.
4. Create oversight structure such that state agency green building efforts and biomass working group efforts are coordinated with the Forest Cluster Economic Development Strategy.
5. Work jointly on recommendations for 2011, 2012 and 2013 legislative concepts and policy option packages needed to implement the Strategy.
6. Coordinate with the Bureau of Land Management State Director, the USDA Forest Service Regional Forester, and the USDA Forest Service Pacific Northwest Research Station Director to facilitate consistent forest cluster economic development policies with these federal agencies.

June 14, 2010

In addition, the Oregon Department of Forestry to agrees to:

1. Convene, facilitate, and lead state government policy discussions related to forest cluster economic development.
2. Maintain a consistent, single point of staff contact for issues related to implementation of this agreement.
3. Advocate policy positions consistent with the Board of Forestry's *Forestry Program for Oregon* and Forest Vitality Work Plan and strive to complement the Oregon Business Development Department's economic development programs.
4. Coordinate state government interactions with federal forest managers on policy and management issues, consistent with the Board of Forestry's January 2009 report, *Achieving Oregon's Vision for Federal Forestlands*, and seek increased capacity as needed to fulfill this function.
5. Consider national, state, and local opportunities to promote federal forest policies and management that are consistent with advancing the State of Oregon's vision for federal forests.
6. Explore alternative, more stable funding mechanisms for the department budget directed at maintaining and increasing public and private investments in forests and in keeping forests in forest use.
7. Promote the understanding, development, monetizing, and support of non-timber markets, such as biomass, carbon sequestration, and other ecosystem services that reward landowners for maintaining their lands as forests.
8. Widely communicate Oregon forest health and forest cluster and rural community economic vitality as priorities of the State of Oregon and will work with other organizations to revitalize the economy and social fabric of rural communities and to promote that the values they provide to all Oregonians are maintained and compensated.
9. Encourage the federal government land management agencies to achieve their statutory objectives by actively managing federal forestlands, including the use of commercial timber harvests and stewardship contracts where appropriate.
10. Promote climate change mitigation through forest carbon-offset markets and ecosystem services markets and provide landowners information on participating in these markets.
11. Advocate for a level playing field for public and private forestland biomass to be considered with other renewable energy sources and as key component of Oregon's

June 14, 2010

strategy for meeting state greenhouse gas reduction and renewable energy portfolio standard policy goals.

12. Continue to support research and develop policies and incentives that will drive the growth of the biomass/ bio-energy/ bio-based products industry in the state.

In addition, the Oregon Business Development Department agrees to:

1. Support cluster development activities that drive demand for value-added forest products, such as engineered wood products, energy production from woody biomass, and bio-based fuels.
2. Provide access to investments in capital, research, education, and technical assistance through alignment with the activities of the Oregon Innovation Council.
3. Through the Global Strategies Wood Products and Green Building project, pursue opportunities to bring Oregon's wood products producers together with representatives of green building industries to strengthen market opportunities and explore new buyer-supplier relationships. Specific activities include:
 - i. Targeted recruitment of Oregon Wood Products and Green Building industry firms for inclusion in the online buyer-supplier database, the Pacific Northwest Connectory.
 - ii. Production or aggregation of online or printed information materials about existing resources and services available in Oregon for wood products producers seeking to supply to green builders and for green builders seeking to procure Oregon wood products.
 - iii. Assisting OSU with programming for 2011 event designed to bring together Oregon's wood products and green building industries, specifically as relates to driving participation and attendance by representatives from green building industries and non-profits devoted to the promotion of green building in the state.
4. Support international trade missions and the participation of Oregon firms in trade shows for the purpose of generating sales leads for Oregon wood products producers.
 - i. Participate with economic development partners in strategic planning efforts for the 2010 Greenbuild conference, including recruiting Oregon firms to the conference, pursuing new business leads and opportunities for Oregon firms as part of the conference, promoting Oregon wood products via conference attendance and activities.
 - ii. Produce or support partner production of collateral marketing materials for domestic and international distribution including:
 1. One-page overview of the forestry and wood products industries in Oregon and description of their role in the state's economy.

June 14, 2010

2. Technical wood product marketing information piece for use on trade missions to include descriptions of products available from Oregon firms and specific resource information for national/international buyers looking to procure products.
 3. Materials produced for trade shows and missions shall be translated into Arabic, Japanese, Chinese and Korean.
5. Assist the Oregon Department of Forestry with economic analysis, market research and exploration of new market opportunities for the forestry sector.
 6. Through direct business development assistance provided by department field staff, deliver recruitment, retention and expansion services to firms statewide, including one-to-one technical assistance, and share with cluster partners any associated learnings or observations about industry needs and opportunities.”

In addition, the Oregon Forest Resources Institute agrees to:

1. Provide ongoing public education on the Forest Cluster Economic Development Strategy and its importance to all Oregonians. Public education efforts may include publications, conferences, workshops and other outreach activities.
2. Collaborate with Oregon Department of Forestry, Oregon Business Development Department, Oregon State University College of Forestry, and the Oregon Department of Energy, among others, on training for forest landowners, operators and others with roles to play in implementing elements of the Strategy.
3. Support refinement of the Forest Cluster Economic Development Strategy through additional studies and research, as necessary.

In addition, the Oregon State University College of Forestry and Oregon Forest Research Laboratory agree to:

1. Make relevant research findings readily available in support of development of the Forest Cluster Economic Development Strategy.
2. Provide access to faculty with relevant experience in subject areas relevant to the development of the Forest Cluster Economic Development Strategy.
3. Collaborate with the Oregon Department of Forestry, Oregon Business Development Department, Oregon Forest Resources Institute, and the Oregon Department of Energy on training for forest landowners and others with roles to play in implementing elements of the strategy

June 14, 2010

4. Educate a work-ready workforce capable of maintaining the global competitiveness of Oregon's forest cluster broadly defined and educating future generations of forest resource scientists.

In addition, the Oregon Department of Energy agrees to:

1. Support cluster development activities that drive demand for value-added forest products, such as energy production from woody biomass, and bio-based fuels.
2. Assist the Oregon Department of Forestry with economic analysis, market research and exploration of bioenergy development opportunities for the forestry sector.
3. Support refinement of the Forest Cluster Economic Development Strategy through additional studies and research, as necessary.

PRODUCTS

Products resulting from this Memorandum of Agreement may include:

1. A Forest Cluster Economic Development Protect Team short-term (two-year) work plan;
2. An effective and productive Forest Cluster Working Group process that increases state government responsiveness to addressing the needs of private sector forest cluster partners;
3. Recommendations for legislative concepts and policy option packages needed to implement the Strategy;
4. Recommendations for improvements in long-term state government organization, staffing, and budgeting to efficiently and effectively implement the Strategy;
5. Recommendations for improved coordination of the state government Forest Cluster Economic Development Strategy with policies, assessments, and initiatives undertaken by private and federal government partners;
6. Recommendations for proposed federal legislation;
7. Recommendations for changes in the Oregon Forest Research Laboratory, Pacific Northwest Research Station, and other research to better meet the needs of Oregon's forest cluster; and
8. Recommendations for measuring performance and Strategy success.

June 14, 2010

EXPENDITURE OF FUNDS

Nothing in this Memorandum of Agreement obligates the Oregon Department of Forestry, the Oregon Business Development Department, the Oregon Forest Resources Institute, the Oregon State University College of Forestry and Oregon Forest Research Laboratory, or the Oregon Department of Energy to expend funds in any manner or amount other than specified in their respective legislatively approved budgets.

CONTACT PERSONS FOR THIS AGREEMENT

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Laboratory

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For the Oregon Department of Energy

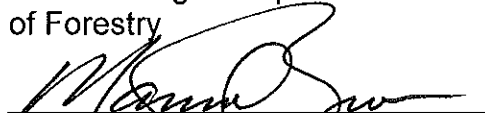
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June 14, 2010

SIGNATURES


This memorandum of agreement, and any changes, alterations, modifications, or amendments to it, shall not be effective until approved by the appropriate representative of the parties hereto.

For the Oregon Department
of Forestry


Marvin Brown, State Forester

Date: 8/2/10

For the Oregon Business Development
Department


Tim McCabe, Director

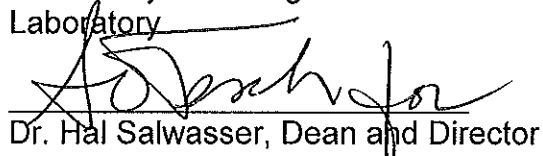
Date: 07-26-10

For the Oregon Forest Resources
Institute


Paul Barnum, Executive Director

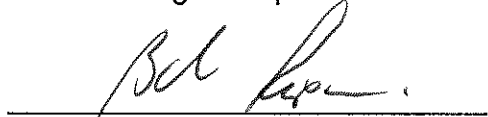
Date: 8-11-10

For the Oregon State University College
of Forestry and Oregon Forest Research
Laboratory


Dr. Hal Salwasser, Dean and Director

Date: 8/19/10

For the Oregon Department of Energy


Bob Repine, Director

Date: 8-26-10