

Rogue River-Siskiyou National Forest and the Medford District of the Bureau of Land Management

The Rogue River-Siskiyou National Forest and the Medford District of the Bureau of Land Management are located in southwestern Oregon. Together the forests cover more than 2.6 million acres from the crest of the Cascades Mountains west to the Siskiyou Mountains along the coast and south to the California-Oregon border. High elevation forests are dominated by Douglas fir and Port-Orford cedar and lower elevations with shallow soils supporting ponderosa pine on the east side and a diversity of coastal-influenced species on the west including tanoak and Madrone. The area encompasses the Rogue, Illinois and Applegate Valleys in the southern half of Josephine and Jackson Counties with Medford, Ashland, White City, Grants Pass, and Cave Junction being the primary communities. More than 75 percent of the land base in the area is federal public land.

The Rogue Rive-Siskiyou National Forest and Medford District were chosen for the Joint Fire Science Program assessment because of the existing forest products industry in the region and the focus on biomass utilization for energy production. Multiple state and local efforts are underway to expand bioenergy production, which is generally co-located and dependent upon the existing solid wood products industry. This case also represents a combination of Bureau of Land Management forests with extensive forest product potential and highly productive species on USDA Forest Service lands.

Wildfire fuels reduction projects are ongoing with most activities focused on Bureau of Land Management lands surrounding communities. The Rogue River-Siskiyou National Forest lands are largely outside the wildland-interface zone, but fuels reduction activities are still an important component of forest management, especially since the Biscuit Fire in 2002 that burned more 500,000 acres on the western half of the forest. The challenges of increasing biomass removal and subsequent utilization generally revolves around four key factors: 1) access and road systems; 2) rising diesel fuel costs and transportation distances; 3) NEPA planning and project delays; and 4) contract requirements.

Lack of access to project sites and a backlog of maintenance on forest roads poses a significant obstacle for contractors. Remote forest regions are extremely difficult to access because of steep and rocky terrain, but so too are areas closer to communities. Maintenance dollars have not been available in recent years and so trucks are confined to fewer and increasingly tighter roads making site access to landings and turning around difficult. Adding to transportation costs have been recent increases in diesel fuel prices, which have increased nearly \$2.00 per gallon in the past few years. A decline in mill residues used to supplement local biomass production is also causing processors to travel greater distances to procure biomass, substantially increasing their cost per megawatt-hour. This could pose a significant obstacle to utility companies as they renegotiate their power purchase agreements.

The procurement of biomass from federal lands continues to be a challenge in this region. Officials talked about the need to reduce the threat of litigation and the complexity of managing for threatened and endangered species. One tool has been the use of Stewardship Contracts to exchange forest goods for services in the form of restoration or wildfire risk reduction. The Bureau of Land Management has had success treating hazardous fuels using this authority but USDA Forest Service staff has had difficulty finding willing bidders. The primary opposition is from businesses who prefer timber sale contracts that offer larger trees than typical of Stewardship or service contracts. Also, county



governments receive payments in lieu of taxes for federal timber sales whereas no payments are received for Stewardship or service contracts. Another challenge posed by contract arrangements is that neither the Rogue River-Siskiyou National Forest nor the Medford District generally requires the removal of slash from timber harvest or fuels reduction activities. Contractors and bioenergy producers talked about the need to require removal to the roadside to stimulate utilization. The caveat is that federal land managers must be willing to offset the increased costs by either reducing stumpage prices or offering financial assistance, which could be paid for from budgets used to pay for the slash piling and burning that normally occurs. The challenge is that current budgeting rules do not allow for the transfer of burn-dollars to pay for the cost of removal, even though doing so would save the agency money. The following strategies are being employed by local partners to overcome these challenges:

- There are two key partnerships in region working with local businesses, state and federal agencies, and conservation groups to increase biomass utilization. The first is the Applegate Partnership founded in 1992. They have been an important catalyst in creating community wildfire protection plans and supporting feasibility studies for biomass energy expansion. The second, Lomakatsi Restoration Group, began as a non-profit to champion environmental-industry collaboration and has recently expanded to a for-profit enterprise using hazardous fuels for value-added production. Both groups have been effective at informing the debate and even though the threat of litigation continues to impede project implementation and there are concerns about “biomassing” the forests, many local stakeholders are beginning to embrace utilization on federal public land as a necessary forest management tool.



- To address problems with biomass supply, the Medford District is strategically using Stewardship Contracts and “designation-by-description” in priority areas, and the Rogue River-Siskiyou National Forest is seeking to have ready multiple NEPA-approval projects. Together, the forests are creating a joint biomass utilization coordinator position that will work with staff in both agencies to coordinate contracting, help with industry recruitment, and prioritize biomass planning.
- The State of Oregon recently enacted legislation to address several challenges that officials hope will encourage enterprise develop and maintain existing utilization capacity. In particular, the Business Energy Tax Credit (HB 3201) and the Renewable Fuels Standard (HB 2210) provide tax incentives for construction and subsidizes the cost of transporting qualifying biomass for energy.

There is a general sense that biomass utilization could bring together traditionally opposed interests in the region with respects to forest management on federal public lands. But multiple challenges remain, not the least of which is maintaining existing capacity to utilize forest residues. Continued focus will be necessary on enabling legislation and local collaboration in the coming years.

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