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Rare alliance favors thinning of forests

Central Oregon interests push for a steady source of woody brush for businesses ready to invest in new ways to use it

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SISTERS -- High in the canopy of centuries-old yellow-sided pines near Black Butte are branches thick as utility poles.

Beneath the imposing ponderosas, Tim Lillebo, dressed in dirty jeans and wearing hiking boots, pushes through a dense thicket of spiny saplings.

As a 30-year veteran of Oregon's timber wars, Lillebo has spent much of his life opposing logging on public lands such as this area. But he'd like to see some chain saws back in the federal forest.

"What we need to do," he said, "is remove a hell of a lot of small-diameter trees."

That puts Lillebo, a field representative for the Oregon Natural Resources Council, on the side of federal land managers and timber companies, a rare alliance.

He and his group support a plan that would have the U.S. Forest Service and Bureau of Land Management provide a steady amount of woody brush from thinning operations to companies that invest in new technologies to use the material.

The thinning work is happening and at a high cost to taxpayers. The federal government spent about \$400 million thinning 2 million acres across the country in 2001, according to a Forest Service study in March. Much of the cleared material, called biomass, gets piled and burned in the woods.

"It's not really treated as a resource, nor is it offered in a way that reflects the realities of business investment," said Scott Aycock of the Central Oregon Intergovernmental Council. The regional nonprofit agency is spearheading the plan -- known as Crop, short for Coordinated Resource Offering Protocol -- for Central Oregon.

"If it can work there, then it can work in many other areas," said Edmund Gee, biomass coordinator for the Forest Service. "It has national implications."

Similar initiatives are under way around Lakeview and Klamath Falls in Southern Oregon.

The idea is to consider biomass a commodity, not waste wood. Public land managers then could sell it to businesses that use it for everything from power generation to decking material to road signs. That, in turn, could help defray the cost of the thinning work.

"If even we get just a dollar an acre for someone to reduce our costs, that spreads our money better and allows us to (thin) more acres," said Barron Bail, manager of the Prineville district of the BLM.

Oregon has more acres of public and private forestland, 5.6 million, in need of mechanical thinning than any other state, the Forest Service report said. Thinning also can be done using controlled fire, but fire risks or other factors sometimes preclude that.

Much of the forestland in question is in Central Oregon, where decades of fire suppression have caused small pines and firs to thrive under older trees, creating competition for limited water and increasing the risk of large, devastating fires.

The Forest Service estimates that about 70,000 acres of restoration and maintenance work is needed every year for the next five years on the Deschutes National Forest alone. Businesses could use the material that work produces, but they're wary of investing in any new venture that requires a stable supply of public timber, which is susceptible to lawsuits or shifts in the political wind.

Bruce Daucsavage, president of the Ochoco Lumber Co. in Prineville, said his company is ready to invest \$2 million to upgrade its John Day plant to handle smaller wood material.

"I've got the money, I've got the desire, and I've got the people to implement things on the production side," he said. "The question is: Can I find the supply?"

Two obstacles

A report this month from Congress' Government Accountability Office said an unreliable supply is one of two major obstacles to creating biomass-based industries.

The other problem is that, even if the supply is there, the business of biomass may never be profitable without public subsidy.

For instance, the GAO study said, one Forest Service researcher estimated that it would cost a company about 7.5 cents per kilowatt-hour to produce energy with biomass boilers in California, but the company would be able to sell the power for only about 5.3 cents per kilowatt-hour.

The supporters of Crop hope to solve the supply problem by getting environmentalists, land managers and industry leaders to agree ahead of time about how much woody debris will be available every year for Central Oregon companies.

The first estimates for the region are due soon, said Cindy Glick, biomass coordinator for the Deschutes National Forest.

Worst-case concerns

Lillebo and other environmentalists say the worst-case scenario from their perspective would be if the biomass tail starts wagging the dog.

"What we cannot do is set up a system and guarantee a huge amount of this material and create an unsustainable industrial demand" that would put pressure on officials to thin too much forest, he said.

And not every environmentalist thinks creating a thinning industry is such a good idea. Tim Hermach of the Native Forest Council in Eugene said federal forests need less logging, not more.

"There is no money in the little stuff," he said. "It's just an excuse to get onto the forest where they can take the big stuff, too."

Even if biomass does take off, it will never be the cash cow for rural Oregon that logging of federal lands was in its heyday decades ago when mills were geared to higher-value trees, said Hal Salwasser, dean of the College of Forestry at Oregon State University.

Seed grants

To help kick-start the biomass industry, the Forest Service recently announced \$928,500 in grants

distributed among four Central Oregon organizations and companies, including Aycock's group, to coordinate efforts and retool plants.

More than a quarter of the money is going to Warm Springs Forest Products Inc., a tribal timber company on the Warm Springs reservation. The company is building a system of biomass boilers that one day could export 15 megawatts of electricity back to the grid.

Larry Potts, the company's manager, has been a vocal supporter of Crop as a way to move past traditional timber battles.

"For 30 years those in the industry have been fighting a battle to cut those big trees, and we lost," Potts said earlier this year at a biomass conference. "Rather than beat our heads against the wall and say we need big trees, what we've said is we need small trees.

"I used to look at environmentalists as my enemy. Today they are my friends."

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