Central Oregon Partnerships for Wildfire Risk Reduction (COPWRR)
OR Solutions CROP Initiative

DECLARATION OF COOPERATION

January 20, 2005 Edition

1. Introduction and Background

Beginning in the late 1980s and early 1990s, a combination of wildfire fuel accumulation, droughts, and extreme weather conditions caused wildfire in Central Oregon to strike with more destructive power than in decades past. At the same time, the region began experiencing rapid rural development, putting more people and property in the path of wildfire while also increasing the risk of accidental fire ignitions. In August of 2001, COIC received a National Fire Plan grant to develop a strategy for increasing wildfire fuel removals and utilization in Central Oregon. Beyond simply addressing these issues on a technical basis, the COIC grant application committed the organization to work with a broad coalition of Central Oregon stakeholders in order to develop local capacity to implement the strategy.

Central Oregon Partnerships for Wildfire Risk Reduction (COPWRR) is a multi-stakeholder collaboration project aimed at reducing wildfire risk, enhancing ecosystem health, and providing community jobs and income in Central Oregon. The synchronization of these goals is depicted in the "COPWRR Sustainability Diagram," Appendix 1, and the full COPWRR Purpose and Goal Statements are included in Appendix 2. COPWRR is guided by a stakeholder Advisory Council and is staffed by the Central Oregon Intergovernmental Council. The first product of the COPWRR project was the *COPWRR Strategy Framework* which outlined 64 recommendations for achieving the project objectives.[1]

A key strategy outlined in the *Strategy Framework* is the development of a stable, sustainable supply of small diameter material. Research performed for the COPWRR project revealed two key findings: 1) small diameter timber supply within and among Central Oregon's National Forest Ranger Districts, BLM Resource Areas, and private woodlands have experienced dramatic fluctuations in the last few years; and 2) these fluctuations have contributed to a stall in technology and employment investment in the region's wood products sector. Researchers noted that businesses need to be able to "look out" 3, 5, and 10 years for investment and planning purposes – as opposed to the status quo in which small diameter timber is not managed as a resource and it is very difficult to gather accurate data on future supply characteristics and volume. In response to these findings, the COPWRR Advisory Council proposed the development of a **Coordinated Resource Offering Protocol (CROP)** initiative. The CROP initiative will – through the development of a regional supply offering protocol – help

[1] The COPWRR Strategy is available at http://www.coic.org/CED/copwrr/Final_Strategy_web_version.pdf

achieve the necessary predictability and stability of supply to enable businesses to invest in technologies and product development. This supply program proposal is predicated on the principle that ecosystem, fuel treatment, and community wildfire risk reduction objectives should drive the volume and characteristics of supply, which should then determine the characteristics of industrial and technological capacity.

2. Oregon Solutions Collaboration

Governor Kulongoski designated the COPWRR CROP initiative as an Oregon Solutions project in September, 2003, and appointed COIC Executive Director Tom Moore and Sustainable Northwest Executive Director Martin Goebel to serve as initiative co-conveners. Scott Aycock, coordinator of the COPWRR project, was selected to serve as the project facilitator and staff. The mission of Oregon Solutions is to develop sustainable solutions to community-based problems that support economic, environmental, and community objectives and that are built through the collaborative efforts of businesses, governments, and non-profit organizations.

The Oregon Solutions designation will help ensure successful implementation of the CROP initiative. The Governor has assured participation of his staff and appropriate state agencies with other partners through the designation of this effort as an Oregon Solutions project. It is expected that the creation of an Oregon Solutions Team for this initiative will help make efficient use of available resources, accelerate the pace of the initiative, overcome potential impediments early on, raise awareness of the initiative on a statewide level and bring effective partners to the table. In this fashion, the Team will commit resources and time to develop and implement an integrated action plan focused on achieving a predictable and stable supply of small diameter material to enable investments in related timber-utilizing technologies and businesses.

To this end, a CROP Project Team was created, composed of individuals, agencies and organizations with a “stake” in ecosystem restoration, community wildfire risk reduction and employment/job creation in Central Oregon. Team members and contact information is presented in Appendix 3. The team developed a set of ground rules, presented in Appendix 4, which assisted them in developing an integrated and inclusive solution. During the course of seven meetings, from October, 2003, through November, 2004, the CROP Team agreed on a series of Project Purpose and Goal Statements, and an Implementation plan. These documents were used to build sections 1 and 3 of this Declaration of Cooperation. Section 5 outlines the commitments and contributions to project success of project participants.

3. Project Goals

A. Desired Outcome Conditions

The Project Team agreed on the following “Desired Outcome Conditions” that CROP will help achieve:

1. Central Oregon communities will be safer from catastrophic wildfire through the restoration of fire-adapted ecosystems and the development of defensible space.

2. Central Oregon's forests and rangelands will be restored and demonstrate the characteristics of healthy ecosystems.[2]
3. Central Oregon will have a healthy, diverse market for the by-products of fuel treatment and ecosystem restoration projects;[3] this market will provide opportunities for sustainable jobs and income in local communities.
4. Central Oregon communities, individuals, and stakeholder groups will have opportunities and the capacity to engage in collaboration so that their social and ecological values are incorporated into ecosystem management. These opportunities will translate into better practices and more community and stakeholder trust.

B. CROP Purpose, Goals, and Objectives

The CROP initiative is focused upon overcoming one of the many barriers to achieving the desired outcome conditions listed above – supply instability.

CROP Purpose Statement

Within a context of community, ecosystem, and economic sustainability, the purpose of the CROP initiative is to achieve a predictable and stable supply of material to enable investments in small diameter timber-utilizing technologies and businesses. Investments will help develop a Central Oregon market for local small diameter timber (the largest material volume component of fuel treatments), thus allowing land managers to stretch hazardous fuel treatment dollars over larger areas. Expanding fuel treatments will, in turn, reduce community wildfire risk, enhance ecosystem health, and provide community jobs and income.

Primary CROP Outcome Goals

1. Develop public and private land management capacity and commitment to engage in consistent, coordinated planning for fuel treatment by-product supply, based on longer-term resource planning (3, 5, 10 years) and across multiple jurisdictions, to create and maintain a steady, predictable flow of small diameter material (0-12" DBH) within individual "community supply landscapes"[4] and across Central Oregon.

2. Use the coordinated small diameter timber supply offerings to catalyze private investment in by-product-utilizing manufacturing capability.

3. Use the resulting market for small diameter materials to enable the expansion of fuel reduction and forest restoration project acres (by offsetting treatment costs with increased material value), to meet community wildfire risk reduction and ecosystem restoration goals.

---

[2] "Ecosystem health" is defined as a condition where the parts and functions of an ecosystem are sustained over time and where the system's capacity for self-repair is maintained, such that goals for uses, values, and services of the ecosystem are met (source: Interior Columbia Basin Ecosystem Management Program Draft EIS, as used in the COPWRR Strategy Framework).

[3] "Fuel treatment and ecosystem restoration by-products" includes the brush, slash, and small diameter trees removed from the land for fuel reduction and ecosystem restoration purposes.

[4] "Community supply landscapes" are defined as lands of all ownerships on which fuel treatment and ecosystem restoration projects may be performed, surrounding individual communities. The radius of any given supply landscape is determined by economic characteristics (e.g. industry capacity and transportation costs), social acceptance in each community, and ecosystem restoration needs.

Primary CROP Process Goals

1. Develop the local stakeholder and community understanding and enabling agreements required to achieve coordinated supply, including basic support and/or agreements to achieve consistent, coordinated supply.

2. Disseminate the data contained in the Mater Engineering CROP report (covering an area centered on Bend-Redmond-Sisters) to businesses, community groups, and entrepreneurs. Develop custom community supply landscape data as necessary for other areas, beginning with Warm Springs. Multiple administrative units will coordinate to levelize supply within community supply landscapes associated with identified utilization opportunities.

3. Create a CROP Monitoring Program to track progress relative to desired outcome conditions and initiative goals and objectives. The monitoring team will be composed of community, forest industry, environmental, and public agency interests in order to develop shared knowledge of the CROP initiative, potential community economic benefits, and community wildfire risk reduction and forest restoration projects that provide the levelized supply. The Team will primarily be responsible for monitoring, at a regional level, agency performance in providing a levelized supply, and the industry jobs and investment stimulated by the levelized supply. Information on existing environmental monitoring efforts will be provided to the monitoring team and the general public to further the development of trust in the treatments and projects that provide the supply, and to develop a scientific basis for treatments in local conditions. The Team's focus will be on achieving results, and will work cooperatively with public land management agencies. The Monitoring Team will select key measures and determine how to collect and then evaluate the data, with subsequent reporting to stakeholders, the general public, and land management agencies.

4. Project Implementation Plan

The Project Implementation Plan outlines all of the steps required, at a general level, to implement CROP. The full plan is included in Appendix 5. In summary, the Implementation Plan addresses the following key elements of CROP.

A. Data Collection, Analysis, and Delivery

Detailed small diameter supply projections from public and private lands within community supply landscapes will be created on an annual basis, and tailored to the needs of individual utilization projects. Conservative estimates of supply will be created, based on harvest costs, proximity to communities, and political feasibility. Data on harvesting and transportation costs will also be produced. This information will be communicated to existing businesses, community groups, entrepreneurs, and the general public via forums and one-on-one meetings.

B. Develop and Implement Planning Protocols

Planning protocols are at the heart of CROP. Without planning protocols, public land agencies will be unable to work together at a regional scale to "levelize" small diameter supply. A public agency CROP Implementation Team will be created to produce this protocol, which will include the following elements:

- a coordinating tracking system for small diameter supply;
- a system for shifting supply delivery among administrative units;

- identification of product opportunities for restoration projects that would previously have been considered "unmerchantable;" and
- the development of a "shelf stock" of approved restoration projects from which administrative units can select.

Public agencies will train implementing staff in how to use the CROP planning protocols.

C. Monitoring

A CROP Monitoring Team will be created, with two primary tasks:

1. Monitoring the CROP Initiative. This task involves monitoring CROP implementation (e.g. was supply offered; was it coordinated?) and effectiveness (e.g. was investment created and supply utilized?). Measures would seek to determine if CROP is creating the conditions for an equilibrium between sustainable, levelized small-diameter supply and high-value production.
2. Monitoring Environmental Performance. This task involves ensuring that the environmental performance of projects producing the supply is being monitored and reported, to build trust and improve ecosystem restoration project performance. Membership will include local and national environmental organizations, public land agencies, industry groups and community interests. This task will involve the following steps:
    - begin by collecting information from existing environmental monitoring activities and work to ID gaps, if any;
    - If gaps are found, the monitoring team can work to develop funding and buy-in to fill them. The team will agree on a set of standards and criteria to determine environmental effects and changes in wildfire resiliency on post-treatment sites. The team would agree upon a party to perform an independent assessment of the monitoring effort.

Findings for both tasks will be incorporated back into the CROP initiative, including adjustments to supply projections as necessary. Findings will also be communicated to stakeholders, businesses, and the general public.

D. Initiative Reporting and Outreach

Project outcomes will be communicated to target stakeholder groups and the general public through annual reports, newsletters, conference presentations, the project website, and email updates. If the project is selected as a national benchmark pilot project (proposal in development) by the national Forest Service and Department of the Interior offices, pilot findings will be produced for replication of the initiative in other regions.

5. Commitments and Contributions

These commitments represent a public statement of intent to participate in the project, to strive to identify opportunities and solutions whenever possible, to contribute assistance and support within resource limits, and to collaborate with other Team members in promoting the success of the project.

The OS Project team agrees to provide project policy oversight and to engage in efforts to enhance project visibility and acceptance.

The following commitments to the success of the project are made by the Project Team members:

Governor Kulongoski's Office

General Project Support and Policy Development

The CROP Initiative is an excellent example of a "lasting solution that simultaneously addresses economic, environmental, and community well-being," as stated in the Governor's Sustainability Executive Order. The Governor's Office created the Oregon Solutions approach to help address complex issues with sustainable solutions. To this end, Governor Kulongoski's Office will continue to support the Oregon Solutions CROP in concept and is interested in developing and coordinating policy, in partnership with federal agencies, for long-term levelized small diameter timber supply from public and private lands, and more generally, finding solutions that simultaneously improve forest health, reduce wildfire risk, and benefit local economies.

Lance Clark, Natural Resource Policy Advisor,
Governor Kulongoski's Office

Oregon Economic and Community Development Department

The Oregon Economic and Community Development Department will develop an internal team to identify ways to support CROP. The Department will work with project partners to identify creative resource-leveraging opportunities.

Marty Brantley, Director
Oregon Economic and Community Development Dept.

USFS Pacific Northwest Region and OR/WA BLM

The Pacific Northwest Region of the Forest Service and the Oregon-Washington Bureau of Land Management offices are committed to local community and stakeholder-led initiatives which work across administrative boundaries. To that end, we commit support to CROP, an initiative with excellent potential to achieve long-term, sustainable solutions to ecosystem restoration, community wildfire risk reduction, and economic revitalization efforts in Central Oregon. We are proud that the Deschutes-Ochoco, Winema-Fremont, and Mt. Hood National Forests, and the Prineville BLM are participating with local groups to implement CROP, and will support their efforts in the following ways:

1. **Enabling Assistance to Local Units:** The regional offices will identify opportunities to assist local units in implementing CROP through the program of work and budgeting processes.

2. **Intergovernmental Cooperation:** The regional offices will continue to work with the Oregon Governor's Office and relevant Indian Sovereign Nations to achieve mechanisms to implement long-term "levelized" small diameter timber supply.

3. **Multi-Agency Stewardship Contracting:** The regional offices will assist local units in identifying opportunities for, and overcoming obstacles to, long-term multi-agency stewardship contracts tied to CROP.

Linda Goodman, Regional Forester
USDA Forest Service – Pacific Northwest Region

Elaine Brong, State Director
Bureau of Land Management – Oregon/Washington

Oregon Department of Energy

The Oregon Department of Energy recognizes that the development of a sustainable supply of small diameter timber is necessary for biomass power and/or biofuel facilities. The Department will identify ways to support CROP, particularly regarding the use of the Business Energy Tax Credit and the Energy Loan Program to stimulate energy-related biomass utilization. We will work with project partners to identify creative resource-leveraging opportunities.

The Oregon Department of Energy endorses efforts to sustain biomass and biofuels technologies, because these actions support Oregon's Renewable Energy Action Plan. CROP is to be congratulated for its efforts to promote and develop Oregon's renewable energy resources. Investments in forest biomass conversion to energy will lead to multiple environmental, economic, and social benefits, including reduced and avoided carbon dioxide emissions.

Michael Grainey, Director
Oregon Department of Energy

Oregon Natural Resources Council

Tim Lillebo, Advocacy Director for the Oregon Natural Resources Council (ONRC), recognizes that CROP is a valid means toward achieving the ONRC Eastside Forests Goal: "To defend the remaining old-growth forests and roadless regions and to restore a fully functioning eastside ecosystem across the landscape and over time." Mr. Lillebo will commit the following support to CROP:

1. **Serve on the CROP Monitoring Team.**
2. **Act as a Liason with other Environmental Groups** – providing information and opportunities to participate in CROP.
3. **Help Propose and Design Restoration Projects** – demonstrating support for restoration projects through activity on the monitoring team.

Tim Lillebo, Advocacy Director
ONRC

Central Oregon Intergovernmental Council

In association with its role in managing the overarching COPWRR project, the Central Oregon Intergovernmental Council will provide project management and administration services for the CROP Initiative, and will continue to serve and support the "neutral convener" role and process to ensure ongoing stakeholder collaboration and engagement. Given that COIC is able to develop sufficient resources (in collaboration with other partners) it will provide the following specific services to CROP:

1. **Fund Raising and Development:** COIC will collaborate with CROP Initiative partners to raise funds and other resources to support stakeholder engagement, data analysis, outreach and marketing, and monitoring elements of CROP. COIC will also continue to pursue funding and resources for small diameter market and technology identification and development through the COPWRR project. COIC will pursue the following resources:
   - develop and present CROP as a pilot project for funding by USDA Forest Service and DOI national offices;
   - foundation grants in collaboration with non-profits and other partners;
   - state agency funding and resources;
   - local community funding (e.g. Title II, Title III);
   - business funding partnerships; and
   - local volunteer opportunities (e.g. Teachers on Summer Assignment, youth crews, community crews).

2. **Analyze and Deliver Supply Data:** COIC will receive data projections from public land agencies and private forest landowners, and:
   - deliver data to businesses, community groups, stakeholders, and the general public;
   - organize meetings to cull feedback on the data and projections; and
   - suggest and implement improvements to data and projections.

3. **Develop and Staff the Monitoring Program:** COIC will work with the CROP Project Team and COPWRR Advisory Council to create a monitoring plan (with technical assistance from Sustainable Northwest) and identify monitoring team representatives. COIC will identify community resources to deliver environmental monitoring, if needed.

4. **Technical Assistance for Small Diameter Utilization:** Through its work with the overarching COPWRR project, COIC will continue to assist local businesses and community groups in identifying and executing small diameter-utilizing technology, markets, and products, by:
   - pursuing feasibility studies for promising technologies, markets, and products, and
   - engaging in on-the-ground project development technical assistance (networking partners, grant writing, advocacy)

Tom M. Moore, Executive Director
Central Oregon Intergovernmental Council

Deschutes National Forest, Ochoco National Forest, Prineville BLM

The Deschutes and Ochoco National Forests, and the Prineville BLM (hereafter "the agencies"), in their efforts to restore ecosystems and natural fire regimes, commit the following support to CROP:

1. **Develop Supply Projections:** The agencies will produce raw data projections on small diameter supply to be offered and available on an annual basis, in coordination with the 5-Year Fuel Strategy process. This data will include detail on the supply for the year ahead, as well as projections for a rolling 5-year plan of work. This data will:
   - include detail on volumes, species, and size classes to be offered;
   - provide maps of projected supply within various community supply landscapes;
   - be organized so that CROP staff can identify a sub-set of projected supply that is most certain to be offered (e.g. near roads, from non-controversial areas, etc.).

   Over the course of the CROP initiative, the supply projections and the actual supply offered will be used to identify a minimum annual supply commitment from the undersigned agencies.
2. **Identify More Small Diameter Material for Utilization:** The agencies will identify value in small diameter wood from restoration projects that previously would have been considered un-merchantable, and will incorporate utilization objectives into contract offerings.
3. **Supply Offering Coordination:** The agencies will develop a process to coordinate supply offerings within and between the agencies and their various administrative units. This effort will include a process for communication between administrative units and a means to adjust supply offerings across BLM and Forest Service lands in Central Oregon. Coordination will be demonstrated in an annual program of work.
4. **Participate in CROP Monitoring Efforts:** The agencies will maintain representation on the CROP Monitoring Team, as agreed to in a final CROP Monitoring Plan. The agencies will measure their work toward CROP against performance measures, and make necessary adjustments as necessary to improve success.

Barron Bail, District Manager
Prineville District BLM

Larry Timchak, Forest Supervisor
Ochoco National Forest

Leslie A. C. Weldon, Forest Supervisor
Deschutes National Forest

Warm Springs Forest Products Industries

Warm Springs Forest Products Industries (WSFPI) will support COPWRR/CROP in the following ways:

1. **Investment in Small Diameter Processing Facilities:** WSFPI is committed to building a 15.5 MW biomass power facility when the following conditions are met:
    a. a 10-year supply of biomass fuel has been identified, either through a stewardship contract for 80,000 BDT/year of biomass material from off-reservation, **OR** through the identification of a gross available regional supply (not under contract to WSFPI) of 240,000 BDT/year (3X the fuel required for the facility) within its community supply landscape.
    b. WSFPI has negotiated an economically-viable power sales agreement with a utility.

    Upon completion of the biomass facility, WSFPI is committed to purchasing and installing efficient primary-breakdown technology to produce lumber from small diameter timber. Upon installation and operation of the primary breakdown facility, WSFPI is committed to identifying and developing economically-viable value-added technologies.

2. **Data Development and Feedback:** WSFPI will complete its fuel needs assessment by April, 2005, including gathering the data required to "fill in" the CROP circle for the northern half of the Warm Springs community supply landscape. WSFPI will also provide timely feedback on CROP supply projections, to assist CROP staff to identify the exact type and format of data that is most useful to aid investment decisions.

3. **Monitoring:** WSFPI will designate a representative to serve on the CROP Monitoring Team.

4. **Coordinated Policy Development:** WSFPI will work with COIC's CROP, COPWRR, and BASE projects on policy advocacy issues of common concern. If WSFPI is the recipient of funds under the federal biomass demonstration project, and/or the state biomass pilot project, it will commit funds to study and evaluate the multiple benefits of biomass power, as part of an overarching effort towards improving state and federal incentive programs.

Larry Potts, General Manager, Warm Springs Forest Products Industries

Sisters Forest Planning Committee

General Endorsement and Commitment to Monitoring:

The Sisters Forest Planning Committee recognizes CROP as a valid means toward accomplishing ecosystem management in Central Oregon. It is critically important that the monitoring component of this initiative be maintained, and the Committee will work to support this effort.

Paul Dewey, Attorney
Sisters Forest Planning Committee

Karen Lillebo, President
Sisters Forest Planning Committee

Oregon Department of Forestry

Information Conduit and Liaison With Private Forest Landowners and Forest Contractors:

The Central Oregon District of the Oregon Department of Forestry will act as a liaison and a conduit of information regarding opportunities to participate in the CROP supply initiative to private forest landowners (industrial and non-industrial) and forest contractors operating in Central Oregon. This will include distributing print and other material on CROP, and helping develop and announce meetings.

Robert O. Young, Central Oregon District Forester,
Oregon Department of Forestry

Sustainable Northwest

Sustainable Northwest will support COPWRR/CROP in the following ways:

1. **Fundraising and Capacity Building:** SNW will help identify, secure and leverage financial resources. SNW will also assist local community groups to develop their leadership and implementation capacities that enable them to participate and pursue CROP-related goals, objectives and projects.
2. **Forest Restoration-Based Businesses:** SNW will help deliver technical assistance through its *Healthy Forests-Healthy Communities Partnership*, especially to local stewardship contractors and small diameter wood-utilizing businesses. This may include training, product development, individual business & business cluster development, and marketing services.
3. **Monitoring:** SNW will share its experience and contacts to help strengthen the CROP monitoring program, and assist in activities (e.g. field tours) that enable multi-party participation, action-learning, and shared science.
4. **Coordinated Federal Policy Development:** SNW will work to activate CROP and interested partners into the *Rural Voices for Conservation* grassroots federal policy advocacy network.

_____

Martin Goebel, Executive Director
Sustainable Northwest

Gary Auxier, Citizen/Volunteer

I, Gary Auxier, a citizen of the three county area, pledge my continued support and cooperation to this CROP project and the COPWWR project to try to assure that the needs and concerns of the community at large are adequately addressed. I agree to make my services, and experience of 38 years in the Forest Products Industry available to all partners so as to be able to serve ALL members of this group to promote their goals while protecting the interests of all members.

_____

Gary Auxier, Private Citizen/Volunteer

Northwest Wood Products Association

The Northwest Wood Products Association (hereafter, "NWPA") will support the CROP initiative in the following ways:

1. **Develop Private Land Supply:** The NWPA, through the Oregon Wood Producers' Coalition project (a partnership with Oregon State University and the Oregon Small Woodlands Association), will work with COIC to provide opportunities to develop small diameter supply from private woodland owners.

2. **Disseminate Information on CROP, and Feedback on CROP:** The NWPA will disseminate information on the CROP supply initiative and small diameter supply forecasts, including opportunities to utilize the supply, to members of the wood products industry. The NWPA will also provide feedback regarding improvements to make the CROP supply data more useful to businesses.

3. **Matching Small Diameter Supply to R&D, Technology, and Market Options:** The NWPA will work with COIC and the COPWRR project to research and stimulate promising technology and market options to better utilize the identified small diameter supply.

4. **Develop Small Diameter Processing Facilities:** The NWPA will continue to work with local businesses, entrepreneurs, and community interests to identify and develop viable micro-processing facilities capable of primary breakdown, drying, and value-added production using small diameter timber.

Dennis Brock, Executive Director,
Northwest Wood Products Association

Oregon Department of Environmental Quality

The Oregon Department of Environmental Quality (DEQ) will support the CROP initiative in the following ways:

- Assist in developing and reviewing air emission data to assess the extent of net emission reductions of biomass power facilities as compared to wildfires and open burning (e.g. slash burning).
- Provide regulatory assistance to biomass power facilities and small diameter timber-utilizing businesses through DEQ's Business Response Team and participation on the Central Region Economic Revitalization Team.
- Contribute assistance and support, within resource limits, and provide applicable DEQ data to the CROP Monitoring Team.

_____

Stephanie Hallock, Director
Oregon DEQ

Friends of the Metolius

Friends of Metolius [Friends] recognizes that CROP is a valid means toward achieving Metolius Conservation Area goals as described in the 1990 Land & Resource management Plan for the Deschutes National Forest. Furthermore, Friends recognizes that CROP is a valid means to reducing wildfire risks in the 'community of Camp Sherman and the larger Metolius River Basin.' Friends commits the following support to CROP:

1. **Serve on the CROP Monitoring Team**

2. **Act in a Liaison capacity with other Environmental Groups –** providing information and opportunities to participate in CROP as it relates to the Metolius Basin and Metolius Conservation Area.

3. **Help Propose and Design Restoration Projects –** demonstrating support for restoration projects through activity on the monitoring team.

4. **Serve to Educate Citizens and to Engage Users –** acting as a conduit for information about CROP and related restoration projects within the Metolius Basin.

_____

Gregory R. McClarren, Board President
Friends of Metolius

3E Strategies

3E Strategies will support the CROP initiative in the following ways:

1. **Liaison Between the Economic Development and Environmental Arenas:** 3E Strategies will assist CROP staff in liaising between economic development and environmental organizations. This will include providing information on the CROP initiative, answering questions, and soliciting support.

2. **Identify and Develop Value-Added Markets for Small Diameter Material:** 3E Strategies will partner with COIC and the COPWRR project in identifying and developing value-added, niche market opportunities for the utilization of small diameter material. For this effort, 3E will focus primarily upon green markets, green building in particular, and entrepreneurial development.

3. **Outreach and Public Relations Assistance:** 3E Strategies will partner with COPWRR/CROP on developing a coordinated outreach and PR campaign for the CROP project.

Cylvia Hayes, Executive Director,
3E Strategies

Oregon Department of Fish and Wildlife

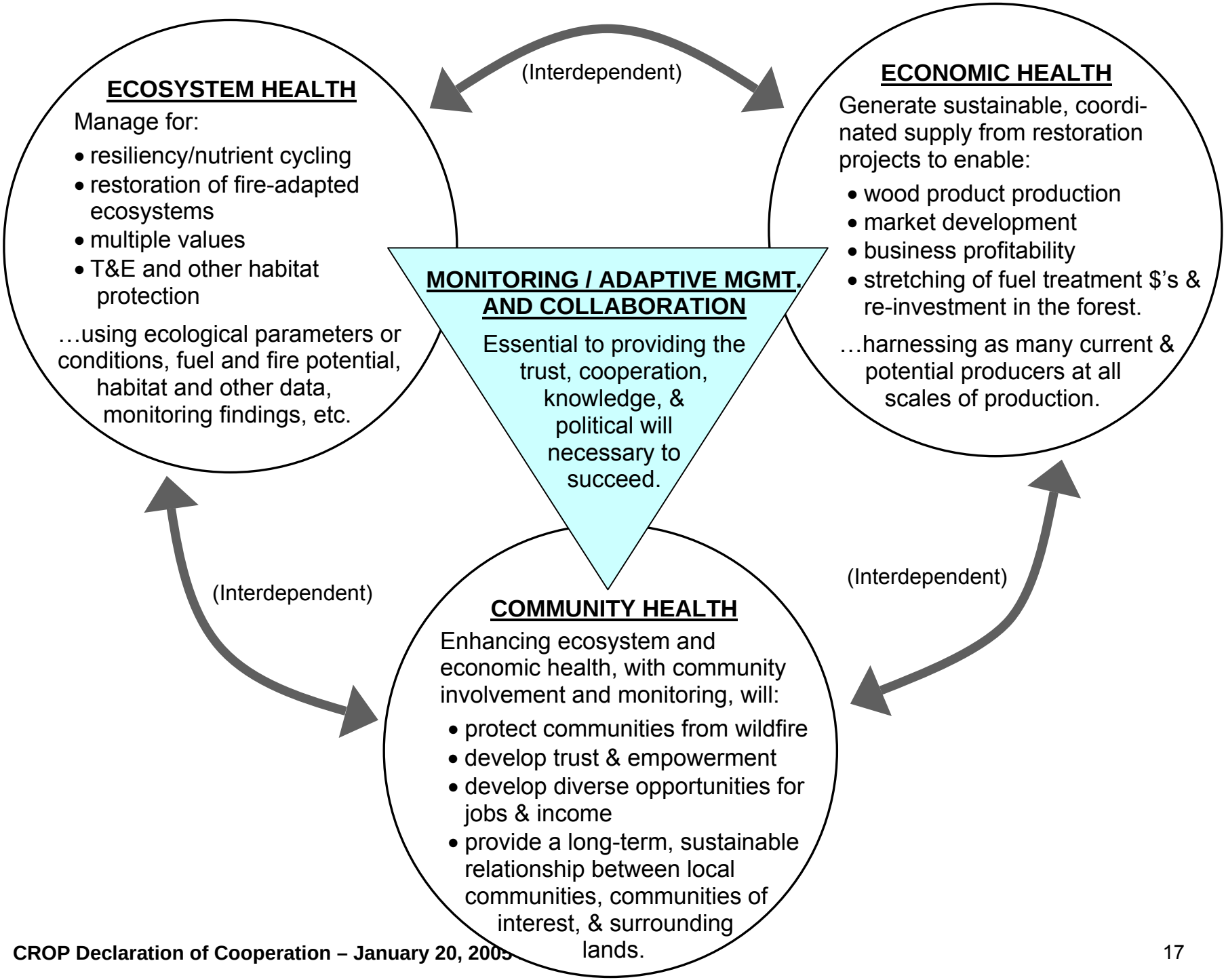
The Oregon Department of Fish and Wildlife (hereafter, "the agency") will support the CROP initiative in the following ways:

1. **Participation on the CROP Monitoring Team:** The agency will designate a representative to participate on the CROP Monitoring Team.

2. **Feasibility to Use Small Diameter Material in Restoration Projects:** The agency will evaluate the feasibility and niche for using small diameter material in ODF&W-sponsored riparian and aquatic restoration projects when large material is not readily available. If feasible, the agency will coordinate with local public land managers to obtain necessary materials, implement projects, and monitor the functional value of these products.

Kristine Kautz, Deputy Director,
Oregon Department of Fish and Wildlife

Appendix 1: The COPWRR Sustainability Diagram



Appendix 2: COPWRR Purpose and Goal Statements

The following **Given Statements** were agreed upon by all of the members of the COPWRR Advisory Council, many of whom also serve on the CROP Project Team:

COPWRR Given Statements:

"Given that the enhancement of ecosystem health is a priority goal for public and private land management in Central Oregon;

Given that catastrophic wildfire threatens people and property, the forest resource, and ecological systems; and

Given that a priority is to retain local forest sector infrastructure and jobs in Central Oregon;

The following purpose and goals for the COPWRR project respect and are subsidiary to the above overarching understandings."

COPWRR Statement of Purpose:

"Through broad-based community participation, this project will develop a strategy to implement ecologically sustainable, economically viable, market-driven methods to remove hazardous fuel and utilize non-sawtimber biomass from Central Oregon's public and private lands.

The focus of this strategy will be the development of the **partnerships** necessary to remove hazardous fuel and cultivate markets using non-sawtimber biomass."

COPWRR Outcome Goals:

- "Increase amounts of hazardous fuel removed and non-sawtimber biomass utilized in Central Oregon;
- Decrease the potential for catastrophic wildfires;
- Create economic linkages between non-sawtimber hazardous fuel and local economic infrastructure;
- Develop an ongoing process or structure to implement the strategy;
- Increase public awareness in Central Oregon about catastrophic wildfires, hazardous fuel, treatment methods, and biomass utilization; increase public involvement in projects related to these issues;
- Educate stakeholders and the public to wildfire risks, impacts, and the environmental and economic benefits of fuel treatments in Central Oregon."

Phase I of COPWRR concluded with the development of the ***COPWRR Strategy Framework***, in December, 2002. The *Strategy* included 64 recommendations on how to achieve the outcome goals. The Advisory Council subsequently selected 7 high-priority Recommendations for achieving project goals. Of these, the highest-priority goal was to create a sustainable, predictable, and coordinated supply of small diameter timber.

Appendix 3: CROP Ground Rules

The CROP/OR Solutions Project Team developed the following set of understood ground rules to guide the process of achieving an integrated solution and the creation of a Declaration of Cooperation.

General Principles

- We agree to approach problems with humility and adaptability. We will inevitably make mistakes and we will learn from these mistakes, make corrections, and not place blame.
- We recognize that we each have a unique perspective and contribution to make, whether it is expertise, labor, money, in-kind services, etc.
- We recognize that we must endeavor to involve any person or group who could influence our ability to achieve our goals.
- We agree to focus on taking specific, concrete steps towards long-term, systematic outcomes.

Ground Rules

1. We recognize that the best outcome depends upon cooperation and collaboration by all entities at the table. This means GENUINELY welcoming all willing participants to the table.
2. We commit to openly communicate ideas, potential contributions, and concerns, and also commit to engage in respectful, active listening to each other.
3. We are willing to creatively explore solutions.
4. We agree to commit to the agreed-upon solution, in whatever way we can. If we, individually, are unable to make a commitment for our organization, we will work to identify the person that can and determine if the commitment is possible.
5. We commit to building trust by doing what we say we will do, over and over.
6. When possible, we agree to notify each other before taking outside actions that might impact the process. (This does not mean that we will provide information that it would be inappropriate to share in a public venue.) We strive to use one voice when discussing the project.
7. We agree that everyone shares in the solution, everyone shares in the credit.
8. Project conveners and staff commit to ensuring that this process does not result in “just a bunch of meetings.”

Appendix 4: CROP Project Team Contact Information

Glen	Ardt	Wildlife Habitat Biologist	ODF&W	541-388-6444, x 30	glen.t.ardt@state.or.us
Gary	Auxier	Private	Gary N. Auxier Design	541-388-1755	Bendbumperman@aol.com
Scott	Aycock	Program Administrator	COIC	541-548-9525	scotta@coic.org
Barron	Bail	District Manager	Prineville BLM	541-416-6730	a1bail@blm.gov
Dennis	Brock	Executive Director	Northwest Wood Products Association	541-385-9910	dennisb@empnet.com
Chuck	Burley	Representative	American Forest Resource Council	541-389-2306	cburley@afrc.ws
MerrieSue	Carlson	Regional Coordinator	Central Region Community Solutions Team	541-388-6146, x 252	merriesue.carlson@state.or.us
Peter	Dalke	Program Manager	OR Solutions	503-725-9097	petedalke@orsolutions.org
Paul	Dewey	Director	Sisters Forest Planning Committee	541-317-1993	pdewey@bendcable.com
Bill	Fish	Planning and Forest Operations Staff Lead	USFS	541-383-5567	wfish@fs.fed.us
Cindy	Glick	Assistant Forest Silviculturist	USFS	541-383-5495	cglick@fs.fed.us
Martin	Goebel	Executive Director	Sustainable NW	503-221-6911	mgoebel@sustainablenorthwest.org
Don	Harker	President	Communities by Choice	541-788-3000	dharker@CommunitiesbyChoice.org
Cylvia	Hayes	Executive Director	3E Strategies	541-617-9013	cylvia@att.net
Greer	Kelly	Log Supply Manager	International Forest Products	541-433-3313	greer.kelly@crown-pacific.com
MG	Kimmel	Owner/Operator	MG Kimmel Development	541-477-3130	mmkimmel@bendnet.com
Tim	Lillebo	Advocacy Director	Oregon Natural Resources Council	541-382-2616	tl@onrc.org
Catherine	Mater	President	Mater Engineering	541-753-7335	mater@mater.com
Mike	McCabe	Commissioner	Crook County	541-447-4710	grizzly998@aol.com
Gregory	McClarren	Representative	Friends of the Metolius and Clean Air Committee	541-923-6670	attable@oregontrail.net
Norm	Michaels	Forest Silviculturist	Fremont-Winema National Forests	541-947-6215	nmichaels@fs.fed.us
Lyle	Miller	Principal	Life Designs Consulting	541-595-1857	lyle@lifedesignconsulting.com
Ralph	Minnick	CFO	WSFPI	541-553-1131, x 228	rminnick@wsfpi.com
Tom	Moore	Executive Director	COIC	541-548-9523	TMoore@coic.org
John	Morgan	Resource Manager	Ochoco Lumber	541-447-6296	john.morgan@ochocolumber.com
Frank	Morton	Councilor	Madras City Council	541-475-1089	fandgpros@crestviewcable.com

Appendix 4: CROP Project Team Contact Information

Cal	Mukumoto	Management Consultant	Mukumoto Associates	541-382-2708	cal@mukumoto.com
Kristi	Ottenti	Community Advocate	LaPine Community Action Team	541-536-3972	lcat@uci.net
George	Ponte	Prineville/Sisters Unit Forester	Oregon Department of Forestry	541-447-5658	gponte@odf.state.or.us
Larry	Potts	General Manager	Warm Springs Forest Products Industries	541-553-1131, x 227	LWPotts@aol.com
Jeff	Rola	Operations Manager	Deschutes Soil and Water Conservation District	541-923-2204	Jeff.Rola@or.nacdnet.net
Jerry	Smith	Co-owner	Forest Resource Enterprises	541-536-2983	grsmith@fs.fed.us
Rex	Storm	Forest Policy Manager	Associated Oregon Loggers	503-930-4122	rexstorm@oregonloggers.org
Mike	Templeton	Community Advocate	Central OR Partnership	541-416-9288	pcccat@crestviewcable.com
Larry	Timchak	Forest Supervisor	Ochoco National Forest	541-416-6625	latimchak@fs.fed.us
Bill	Vonsegen	PNW Cooperative Programs	USFS Region 6	503-808-2348	wvonsegen@fs.fed.us
Leslie	Weldon	Forest Supervisor	Deschutes National Forest	541-383-5562	lweldon@fs.fed.us

Appendix 5: Full Text of CROP Implementation Matrix

TASK OR CATEGORY	WHO IS RESPONSIBLE?	TIME FRAME	POTENTIAL SUPPORTING ROLES
DATA COLLECTION AND ANALYSIS			
1A) <u>Improve existing supply projections, and create more projections</u> – for planned small diameter supply (≤12"DBH): ▪ should break down into Tier 1 (most likely to supply), Tier 2 , Tier 3 (least likely) based on harvest economics; in WUI?; political issues; etc; species; size class; etc. ▪ ID and display actual locations of supply projects (ie. not just the Ranger District) ▪ refine supply region boundaries to reflect topography, transportation networks, etc. ▪ businesses and community utilization projects partner to create data tailored to their own needs (e.g. coop in Redmond; Interfor mill in Gilchrist; facilities in Prineville; Fuels for Schools; etc.) ▪ implement for Bend/Redmond/Sisters 1st (done), Warm Springs/Madras community 2nd, then apply to Prineville, LaPine/Gilchrist/Chemult, and others as appropriate.	Agency CROP Team (discussed below); private woodland owners; COIC; businesses; community project proponents; tribes; etc.	Bend area: summer, '04 (done) Warm Springs/ Madras: winter/spring '04-05 then as needed for other utilization projects	▪ USDA FS and BLM HQ support, under the proposed national CROP pilot project; ▪ county Title III; ▪ National Fire Plan; ▪ OECDD; ▪ EDA.
1B) <u>Analyze projections</u>; create Resource Offering Maps and apply business sensitivity/risk analysis to generate conservative estimates of supply.	COIC; businesses; CROP Monitoring Teams (discussed below)	as data is produced; at least annually	▪ USDA FS and BLM HQ support, under the proposed national CROP pilot project; ▪ county Title III ▪ National Fire Plan
2) <u>Create economic data</u> = other data that would facilitate business investment decisions: e.g. treatment costs, transportation costs, etc. – on a general (regional) and project-specific (specific community geography and business technology/market profile) basis.	Public land agencies, COIC/COPWRR, Juniper Group	gather existing data by 1/05, then as needed	▪ National Fire Plan; ▪ Sustainable NW; ▪ OECDD; ▪ EDA

Appendix 5: Full Text of CROP Implementation Matrix

TASK OR CATEGORY	WHO IS RESPONSIBLE?	TIME FRAME	POTENTIAL SUPPORTING ROLES
DELIVER SUPPLY/OPPORTUNITY DATA TO COMMUNITIES AND BUSINESS INTERESTS			
1) Communicate data to communities and industry: ▪ broad outreach – web site, public meetings, press releases and events; ▪ target groups: existing business and industry; relocating businesses; entrepreneurs; ED officials; local governments; general public; ▪ focused outreach – industry forums; one-on-one meetings.	COIC, primarily; NWPA, ODF, Sustainable NW (via HFHC) send notices to members	begin winter, 2004/2005; then ongoing	▪ OECDD ▪ National Fire Plan ▪ EDA industry cluster development grant ▪ local economic development organizations
Complementary activity[1]: continue to develop information on small diameter market opportunities; R&D; etc.	*COPWRR; local industry*	*ongoing*	▪ *National Fire Plan;* ▪ *OECDD;* ▪ *industry support;* ▪ *Forest Products Lab, COCC; OSU;* ▪ *EDA* ▪ *NWPA* ▪ *3E Strategies*
Complementary activity[1]: business development technical assistance (generally for smaller businesses) ▪ *start-up and expansion financing;* ▪ *business planning;* ▪ *general project development services (agency networks, directory of biomass utilizers, etc.*	*COPWRR; BASE; banks and alternative financing institutions; state financing (OECDD and DOE);.*	*ongoing*	▪ *National Fire Plan;* ▪ *COCC Small Business Development Center;* ▪ *3E Strategies* ▪ *OECDD, ODOE* ▪ *EDA* ▪ *industry*

[1] "Complementary activities, while not formally part of the CROP initiative, are considered to be strongly linked to CROP success.

Appendix 5: Full Text of CROP Implementation Matrix

TASK OR CATEGORY	WHO IS RESPONSIBLE?	TIME FRAME	POTENTIAL SUPPORTING ROLES
DEVELOP AND IMPLEMENT PLANNING PROTOCOLS			
1) Create a Planning and Implementation Protocol to "levelize" supply across administrative units, to respond to stochastic events, etc. Must include mechanisms for: ▪ developing a coordinating tracking system for small diameter supply (i.e. standardize reporting); ▪ shifting the program among administrative units to develop coordinated supply ▪ developing a "shelf stock" of approved projects from which administrative units can select; ▪ implementation coordination – create an agency CROP Team of 'implementers".	Agency CROP Team, with delegation to relevant staff persons.	initiate in summer, 2005?	▪ USDA FS and BLM HQ support, under the proposed national CROP pilot project; ▪ existing budgets – prioritization.
2) Regional Support – receive support from the regional FS and BLM offices through the program of work and budgeting processes	Regional Forester; BLM State Director.		▪ Local agency partners "sell" CROP to regional leadership ▪ national HQs
3) Train staff to implement the protocol	Agency CROP Team.	spring-summer, 2005	▪ USDA FS and BLM HQ support, under the proposed national CROP pilot project; ▪ existing budgets – prioritization.
4) Utilize a decision tool to determine project product opportunities for projects that would have been previously categorized as "unmerchantable," e.g. "My Fuel Planner," Minimum Rates Analysis, etc.	Public agencies	spring-summer, 2005	▪ USDA FS and BLM HQ support, under the proposed national CROP pilot project; ▪ existing budgets – prioritization.

Appendix 5: Full Text of CROP Implementation Matrix

TASK OR CATEGORY	WHO IS RESPONSIBLE?	TIME FRAME	POTENTIAL SUPPORTING ROLES
COLLABORATION AND MONITORING			
1A) Develop broad stakeholder support for the Initiative: ▪ capture stakeholder support in the founding Declaration of Cooperation.	COIC; CROP Project Team; organizations represented on the Team.	December, 2004	▪ already-funded OR Solutions Process
1B) Use monitoring and outreach processes to develop further stakeholder and general public buy-in: ▪ outreach and communication efforts, public meetings	COIC; Agencies; Monitoring Teams; appropriate partners	begin Dec. 2004 with signing event; then ongoing	▪ USDA FS and BLM HQ support, under the proposed national CROP pilot project; ▪ OR Solutions Networks ▪ Foundations
2A) Create a CROP Monitoring Team: Create a CROP Monitoring Team with 2 primary tasks: CROP Initiative Monitoring and Environmental Monitoring.			

Appendix 5: Full Text of CROP Implementation Matrix

TASK OR CATEGORY	WHO IS RESPONSIBLE?	TIME FRAME	POTENTIAL SUPPORTING ROLES
2B) CROP Initiative Monitoring: monitor CROP implementation (was supply offered; was it coordinated?) and CROP effectiveness (was investment created and supply utilized?). Measures would seek to determine if CROP is creating the conditions for an equilibrium between sustainable, levelized small-diameter supply and high-value production. Measures could include: ▪ supply projected vs. supply offered; ▪ "levelization" and coordination of supply within a community supply landscape; ▪ feedback from industry - interviews ▪ board feet, tons, etc. utilized by local businesses; ▪ dollars invested in technologies/industrial capacity and product development to utilize supply offered via CROP; ▪ increase in value of small diameter material; ▪ jobs and income resulting from the investments; ▪ % of jobs created in value-added businesses; ▪ decrease in "no-bids" for small diameter contracts; ▪ effectiveness of using CROP to get work done – e.g. speed in preparing and offering material, etc.	CROP Monitoring Team; COIC (local coordinator, if national pilot); Pinchot Institute (national coordinator, if national pilot).	initiate in spring, 2005	▪ USDA FS and BLM HQ support, under the proposed national CROP pilot project; ▪ National Fire Plan ▪ Foundations ▪ County Title III; ▪ OECDD/EDA; ▪ Sustainable NW (technical assistance) ▪ Industry partners (feedback) ▪ NWPA (business feedback)

Appendix 5: Full Text of CROP Implementation Matrix

TASK OR CATEGORY	WHO IS RESPONSIBLE?	TIME FRAME	POTENTIAL SUPPORTING ROLES
2C) Environmental Performance Monitoring of project types producing the supply, to build trust and improve ecosystem restoration project performance. ▪ Team will begin by collecting information from existing environmental monitoring activities and work to ID gaps, if any; ▪ If gaps are found, the monitoring team can work to develop funding (including from public land agencies) and buy-in to fill them. The team would agree on a set of standards and criteria to determine environmental effects and changes in wildfire resiliency on post-treatment sites. The team would agree upon a party to perform an independent assessment of the monitoring effort; ▪ membership should include local and national environmental organizations, public land agencies, forest industry, community interests; ▪ Create "typologies" of treatment projects, including information on ecotypes affected and treatment practices.	CROP Monitoring Team; Agency CROP Team; COIC; COPWRR Advisory Council and other stakeholders;	initiate in Spring, 2005	▪ RAC Title II; ▪ County Title III ▪ Foundations; ▪ technical asst. from Greater Flagstaff Forest Part., Sustainable NW, OSU; ▪ OWEB ▪ local fundraising; ▪ local non-profits (e.g. Friends of the Metolius, Heart of OR, COIC youth crews, TOSA) could collect data
3) Incorporate performance findings into the CROP initiative and future actions, including adjustments to supply projections, if necessary.	CROP Monitoring Team; Agency CROP Team	annually	▪ USDA FS and BLM HQ support, under the proposed national CROP pilot project; ▪ requires agency buy-in to feedback process
4) Communicate monitoring findings to the general public. ▪ clearinghouse function; ▪ provide opportunities to become involved ▪ Public-friendly reports and site visits	CROP Monitoring Team; COIC; Agencies	report at YR 1; biannual updates	▪ Title II ▪ Foundations

Appendix 5: Full Text of CROP Implementation Matrix

TASK OR CATEGORY	WHO IS RESPONSIBLE?	TIME FRAME	POTENTIAL SUPPORTING ROLES
GENERAL REPORTING AND OUTREACH (in addition to and in coordination with reporting and outreach already listed above)			
1) Create annual summary report: ▪ region-wide supply offerings - proposed ▪ monitoring findings: o CROP initiative performance (planned vs. offered supply, levelization, etc.) o Environmental monitoring findings ▪ utilization opportunities; utilization performance (dollars invested, jobs created)	COIC; Pinchot Institute (during pilot); COPWRR project	annually	▪ USDA FS and BLM HQ support, under the proposed national CROP pilot project; ▪ National Fire Plan; ▪ County Title III ▪ Foundations
2) Create semiannual project update: ▪ distributed to mailing list; ▪ focused on generating additional support and input ▪ including: developments, events, opportunities to get involved, etc.	COIC; Monitoring Teams	every 6 months	▪ National Fire Plan; ▪ County Title III ▪ Foundations
ONGOING CROP INITIATIVE DEVELOPMENT			
1A) Develop project proposal for submission to USDA and DOI	COIC; Greater Flagstaff Forests Partnership; Mater Engineering; Pinchot Institute	January 2005	▪ With signed DOC and other letters demonstrating multi-stakeholder support
1B) Galvanize support for full implementation: ▪ outreach to agency leadership (up the chain to DC) ▪ outreach to political leadership (local, state, and national) ▪ outreach to regional agency personnel responsible for implementing this	COIC; Governor's Office; OR Solutions Network; Pinchot Institute; Greater Flagstaff Forests Partnership; Mater Engineering; local agency leaders; etc.	Summer 2004 – Spring 2005	▪ CROP Project Team; ▪ Sustainable NW ▪ community leaders

Appendix 5: Full Text of CROP Implementation Matrix

TASK OR CATEGORY	WHO IS RESPONSIBLE?	TIME FRAME	POTENTIAL SUPPORTING ROLES
2) Create full cost-accounting funding package for treatment projects. With a narrow view of costs and benefits, small diameter utilization projects offered for sale/contract appear to be more expensive than pile burning. Full-cost accounting data should be prepared to identify the costs and benefits of small diameter utilization in relation to incorporating: ▪ air quality, pollution, and carbon offsets (use the green tag and carbon credit systems): o one suggestion: create an internal Forest Service goal set for obtaining green tags for biomass energy producers. ▪ avoided fire suppression and rehabilitation costs; and ▪ existing economic development goals and programs. This information would then be used to justify and develop a multi-agency funding and incentive package.	COIC; COPWRR/CROP Teams; Deschutes/Ochoco NF's and Prineville BLM. Agencies involved could include: OR: ODF; DEQ; OECDD; DOE US: EPA; USFS; BLM; EDA	Fall, 2004-Spring 2005	▪ Foundations ▪ National Fire Plan ▪ OR/AZ Delegation; ▪ OR Governor's Office; ▪ USDA and DOI national leadership; ▪ Pinchot Inst.; ▪ Climate Trust; ▪ Energy Trust of OR.
3) Communicate Pilot Project findings to national USDA, DOI, offices, media, and others – to assist in replicating the model.	Pinchot Institute, if national pilot project.	annually, final report at YR 2	▪ USDA FS and BLM HQ support, under the proposed national CROP pilot project