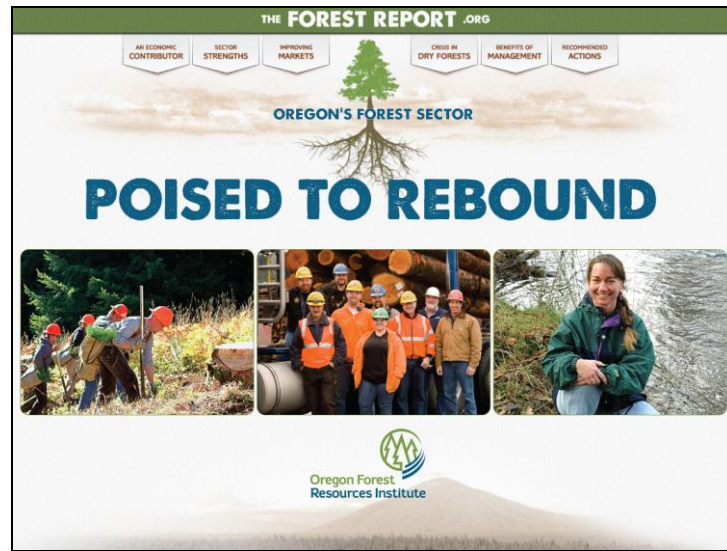


Slide 1



Chair Witt, members of the committee, my name is Paul Barnum, and I am executive director of the Oregon Forest Resources Institute. OFRI is a state agency governed by a 13-member board appointed by the State Forester and funded by a forest products harvest tax. Our mission is to educate Oregonians about forest management and train forest landowners in sustainable forest practices. OFRI has just published a comprehensive study of the forest sector's economic impact. I've provided you an executive summary, and will briefly cover 12 of the key findings.

Slide 2



In the minute or so you sit at a red light, Oregon's forests grew a house – about 15,000 board feet of timber. We have a vast natural resource. In fact, almost half of Oregon is forestland.

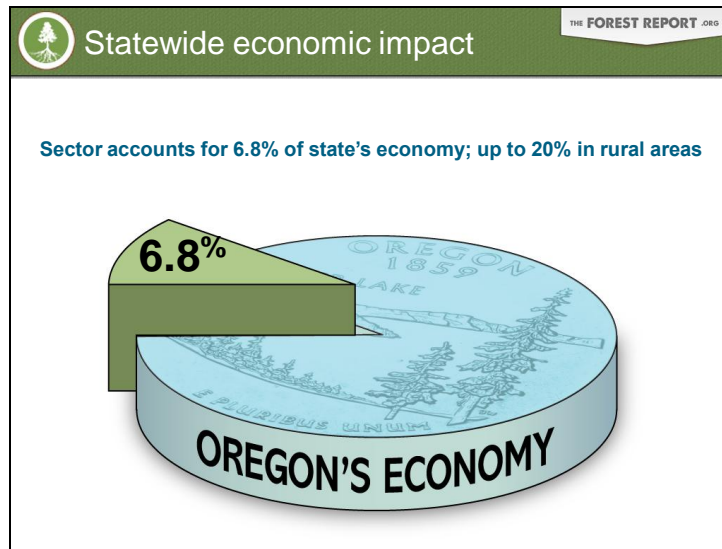


Oregon's forest sector provides 76,000 direct jobs – more than half of them manufacturing jobs. In some rural counties, the forest sector accounts for more than 1 in 10 jobs – twice the state average.

Slide 4



Leading up to 2008, the bottom fell out of the housing market. Demand for the plywood and lumber we make collapsed.



The forest sector generates nearly 7 percent of Oregon's overall economic base. However, as we emerge from the recession, the jobs figure underscores that the sector is still a powerhouse — and will continue to be an important part of our state's recovery.

Slide 6



Housing starts are on the rise. In December, annualized housing starts and building permits both posted new highs, over 900,000. Many economists expect housing starts to slowly return to historic norms.

The Forest Report makes several recommendations.

Slide 7



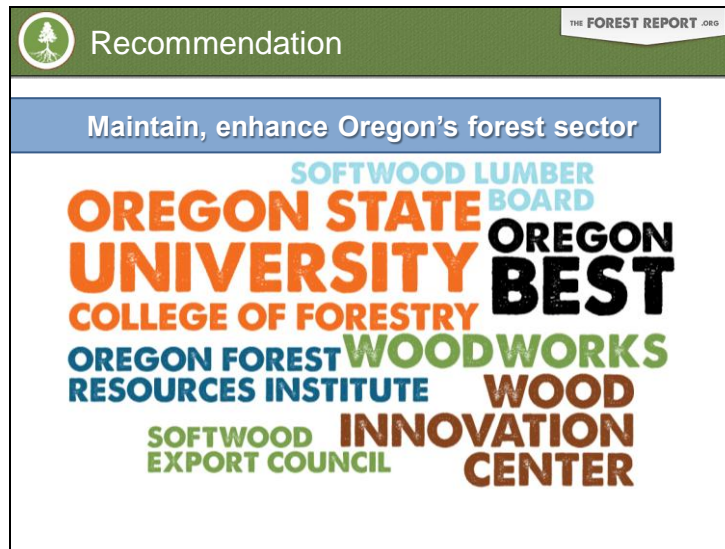
First, maintain Oregon's leadership in responsible forest management. We have a law, the Oregon Forest Practices Act, that balances the benefits we get from forests. As well, we must protect our forests from wildfire.

Slide 8



Second, we should grow the forest sector by pursuing new markets. The report recommends that in addition to individual efforts, we launch a concerted effort that involves public leaders and the sector as a whole.

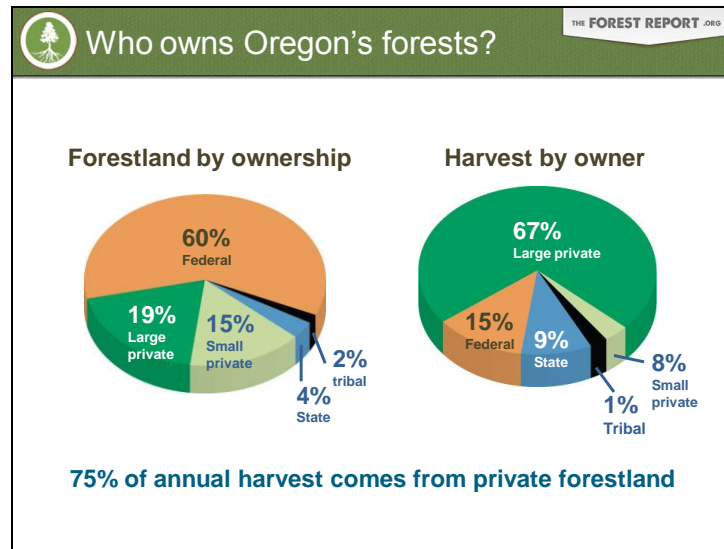




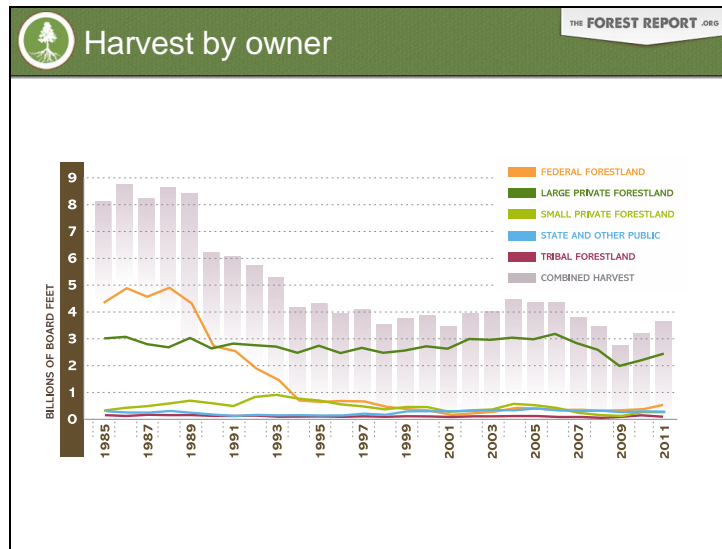
Third, we need to maintain and build on this already strong sector, by supporting innovation and wood science research at Oregon State University and elsewhere.



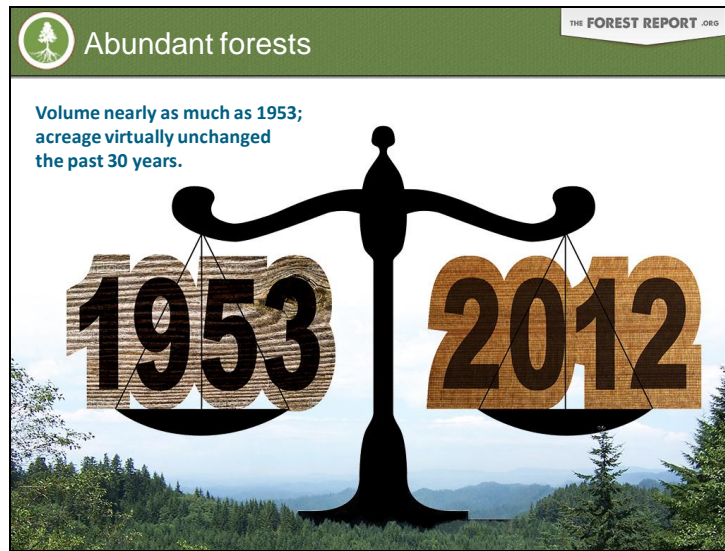
Finally, we need to work on the policies relating to how our federal forests are managed. Of all the timber harvested in Oregon...



...only about 15 percent comes from forests managed by the federal government, and it has been that way for nearly 20 years.

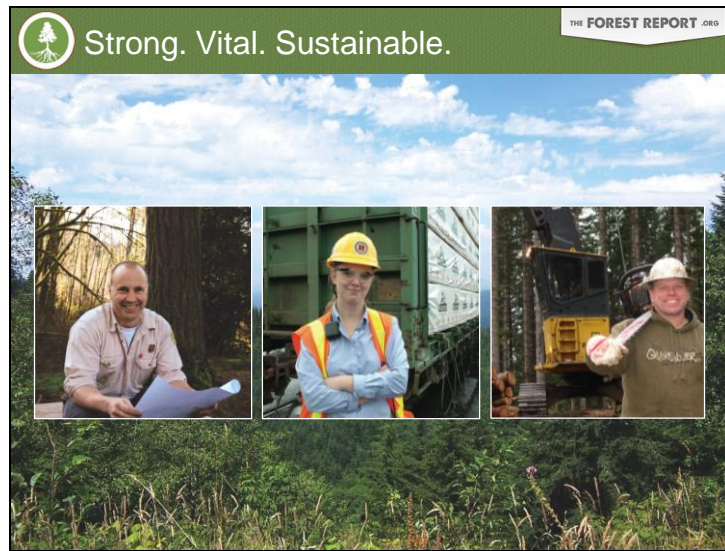


Meanwhile, the harvest of timber from private lands has been steady for decades. Private landowners are growing trees, harvesting them and planting new ones. It's a sustainable business.



Overall, forested acres and timber volume have remained constant over the years. That's because Oregon's Forest Practice Act requires reforestation after harvest, and land use laws and comprehensive planning practices have steered development away from ag and forestland.

Slide 14



The forest sector remains a vital contributor to Oregon's economy. It brings wealth to the entire state, and it is a fundamental livelihood in rural communities. Oregon is simply a great place to grow wood – one of the top two or three places in the world.

Slide 15



Thank you for your time.