



Department of State Lands Office  
775 Summer St. NE, Suite 100  
Salem, OR 97301

November 11, 2016

Dear Governor Brown, Secretary Atkins, Treasurer Wheeler, and Director Paul:

This letter is in regards to the Elliott State Forest Transfer Opportunity. Ecotrust appreciates the exhaustive process the staff and board went through to develop a transparent process that creates coalitions of unlikely partners. The process has revealed that the Elliott is invaluable from a public conservation and cultural resource perspective, and we respectfully request that the Department of State Lands (DSL) extend the bid date 18–24 months so that coalitions can include conservation and tribal interests in a meaningful way.

The Transfer Opportunity that we have been working within is best-suited for commercial timberland companies, TIMOs, and integrated forest products companies that are well capitalized or have easy access to debt financing. The 3.5-month timeframe between the end of July through mid-November did not allow the conservation community or tribal parties to obtain enough certainty with public conservation or private philanthropic funding to meet the November 15, 2016 deadline. Funding cycles for public and philanthropic resources simply require longer lead time. The only option for conservation and tribal interests was to either develop a timber-focused strategy or not participate at all.

Our ability to meaningfully participate in a coalition, and advocate for the protection of public values that the DSL has identified has, therefore, been limited. It may feel to DSL that the process has been going on for years—and on one level it has. However, until price expectations were revealed at the end of July, it was not possible to realistically undergo diligence and structure the acquisition financing or to determine the level of conservation funding that would be required. From our perspective, the process began at the end of July, creating an impossibly short time frame for a property of this size, complexity, and importance, even from a strictly commercial point of view.

The conservation values of the Elliott State Forest cannot be overstated. The Elliott is the most significant, viable marbled murrelet habitat outside of federal lands in the State of Oregon. Newly occupied sites are identified on a consistent basis, despite the fact that the land has been under-surveyed for the presence of the sea-faring bird. It is also home to nine other Endangered Species Act-listed, proposed, and candidate species, as well as over six dozen other species of concern. The Elliott is also critical for the protection and recovery of Oregon coastal coho salmon, supporting close to a quarter of the State's wild population.

Endangered Species Act liabilities have challenged the State's timber-focused management and resulted in the State losing more than \$5 million from 2013–2014. The DSL requirements for protection of public values detailed in the Transfer Opportunity are inadequate to safeguard the important current and potential future marbled murrelet habitat. It has required only 20,625 acres to be protected from harvest in perpetuity. The DSL has also made it clear that these protected acres

can comprise stands of any age. As a result, the protection of the most unique resource on the Elliott (stands over 80 years of age) is not assured.

The DSL has also made clear that to meet this requirement for permanently protected acres the new owner can: 1.) Include riparian buffers in these 20,625 acres and 2.) Move these protected areas around the landscape over time. There are currently 37,338 acres of older forest on the Elliott. The minimum requirements for protection of public values would, at most, protect 50 percent of these unique stands but will most likely result in the protection of very few of the unique, older forest stands. Conservation funding (public or philanthropic) is a critical means to enable a higher level of protection.

We have identified viable financing opportunities for a conservation-focused management plan but are unable to do so on this timeline. Again, raising \$220.8 million, or even a significant portion of that, to finance the desired public benefits in 3.5 months (from the time when the fair market value was released at the end of July to when bids are due November 15<sup>th</sup>) is not adequate for anyone outside the timber and financial investment industries.

We see a way forward for the management of the Elliott in a manner that would enable the restoration and protection of the forest's natural and cultural resources, while also supporting the production of high-quality timber through thoughtful, ecological forest management certified by the highest third-party standards. Our vision for the management of the Elliott includes provision of public access for hunting and recreation and jobs for local communities, while expanding riparian buffers and extending protection for all stands older than 80 years of age, using a combination of carbon and conservation funding to support their protection.

In addition, we support the opportunity for tribal land repatriation in the Elliott at a meaningful scale, in a manner that would include all tribes with an interest in the Elliott and allow for adequate time and a fair process that could engage them.

Thank you for considering our request to extend this process and allow for a broader community of interests who care deeply about the State's many public resources. We believe this extension will create opportunities for proposals that will more fully capture the financial, ecological, and cultural potential of this unique forest.

Sincerely,

A handwritten signature in black ink that reads "Brent Davies". The signature is written in a cursive, flowing style.

Brent Davies  
Vice President, Forests and Ecosystem Services