

Statement of Interest – Ernie Niemi

In Support of application for the Oregon Board of Forestry

6 March 2018

My interest in the Board of Forestry comes from my belief that the Board should aim to provide Oregonians with the greatest possible net economic benefits from the state's forest resources. Only by doing so, can the Board achieve its mission to promote environmentally, economically, and socially sustainable management of Oregon's public and private forests.

I am applying for the Board of Forestry position because I have the necessary experience, background, and dedication needed to give the Board the ability and commitment to accomplish this goal. Briefly, I have:

- Conducted much of the analysis that underlies current understanding of the various ways in which Oregon's forests—logged and unlogged—contribute to the state's economy and the well-being of Oregonians.
- Worked effectively with all categories of interest groups: academic researchers, conservation groups, counties, economic developers, federal agencies and officials, forest managers, legislators, metropolitan communities, recreation-industry, rural communities, state agencies and officials, timber industry, tribes, water managers.
- Demonstrated that my core commitment is to improving the benefits Oregonians derive from the state's forests. If the benefits of logging a forest outweigh the benefits of leaving it unlogged, then I support logging; if not, then I don't.

My decision to apply now reflects my familiarity with the challenges that will require the Board to recognize, evaluate, and communicate the economic importance of both logged and unlogged forests. It must have a solid understanding of economic issues associated with climate change. For example, it must account for the BLM's 2016 analysis that showed the harm that carbon dioxide emissions resulting from logging of its lands in western Oregon exceeds the value of the logs produced by more than 4-to-1. If appointed, I can immediately help other Board members (and ODF administrators) understand the implications of the data and assumptions underlying this finding, as well as the significance of other research since 2016 that points toward much larger ratios. This research strongly suggests that the Board must acquire and act on this understanding without delay if it is to transition from playing catch-up to the risks of climate change and begin to get ahead of them.

Similarly, the Board also must get ahead of the pressures associated with anticipated population growth and economic expansion. These likely will, in turn, generate exponential growth in demand for the full range of forest-related goods and services: wood products, clean water, recreational opportunities, biodiversity, carbon storage, refuge for at-risk species, and much more. Concentrated in urban centers, this growth will redefine the opportunities for the Board to support sustainable prosperity in rural communities, by encouraging investment, jobs, and public-service revenues associated with the expected explosion in demand for clean water and outdoor recreation, for example. It also will heighten the consequences, for both rural and urban Oregonians, if the Board takes actions that impede, rather than encourage, these outcomes.

My familiarity with the challenges facing forest management in Oregon has deep, wide roots. Like many native Oregonians in rural communities, I grew up surrounded by the timber industry and its activities were a central part of daily life. I attended a primary school next to a sawmill in Klamath Falls and earned money for college working in the nearby Weyerhaeuser mill. I heard stories from my father about when, as a young man, he worked as a timber-topper and from my mother about her daily worry that he would not come home safe. I watched my uncles log in Lincoln County, grade lumber in a Coos Bay mill, and drive log trucks out of Albany. I began my career as a natural-resource economist in Roseburg, first as an analyst of forest-related economic-development proposals for Coos, Curry, and Douglas Counties, and then as a contract economist for Douglas Timber Operators.

I also have hands-on experience with the non-timber benefits of Oregon's forests. I know the sublime joy of seeing streams filled with salmon and steelhead, and catching my first steelhead was a rite of passage, from boy to young adult, in my family. I've helped my brother and an uncle build systems to deliver spring-fed water to their homes, and estimated the costs that households and businesses in Salem must pay to remove forest sediment from the city's water supply. As an economist at ECONorthwest, I was one of the first to describe Oregon's economic transition, with forests becoming important for much more than as a source of logs. I've estimated the economic benefits Oregonians enjoy as forests provide habitat for fish and birds and deliver high-quality water. I've observed as our forests serve as an inspiration and provide a proving ground for the burgeoning outdoor recreation industry. I've explained how the countless outdoor recreational opportunities in Oregon's forests contribute to the quality of life for families in rural and urban communities alike and documented the power of these contributions to bolster Oregon's economy by attracting talented workers, innovative entrepreneurs, and robust investors.

In 2012, I formed a new small business, Natural Resource Economics. Here, I have focused most of my research on climate change. In Oregon, other states, and other countries, I've estimated the costs to society (social cost) of carbon dioxide emissions, investigated the benefits of actions that reduce emissions, and weighed the costs and benefits of alternatives for increasing the resilience of families and communities to changes in climate that can't be avoided. I have been in communities suffering from climate-related drought, storms, disease outbreaks, crop failures, livestock deaths, heat waves, and flooding. This experience helps me understand and share information about the harm that changes in climate are now imposing and will impose on Oregonians and people around the world. Throughout my career, and especially over the past few years, I have responded to dozens of requests from individuals, groups, and communities throughout the state to share what I have learned about Oregon's forest economy. In public meetings, briefings for elected officials, webinars, and workshops with community groups, I have had hundreds of conversations with Oregonians about how the state's forests affect their lives.

I anticipate that this experience, blended with that of the other members, will significantly strengthen the Board's ability to address the state's forest-management challenges in a forward-looking manner with a solid understanding of the underlying economic realities. If the Governor appoints me, I will do my best to improve the Board's decision-making and decisions. If, however, the Governor decides I am not the right person for the position, then I strongly encourage her to appoint someone with similar experience who can help the Board maximize the benefits from Oregon's forests, both logged and unlogged.