

## Independent Certification – Another Potential Benefit of Improved Stream Protection

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Good afternoon, my name is Daniel Hall. I'm an independent policy analyst and sustainability consultant with over 20 years experience in forestry and biodiversity topics.

As the Board considers making improvements to the State's stream protection rules, you are receiving information about how this may affect forest landowners.

**A complete picture of landowner costs and benefits should consider potential synergies between improved stream protections and broader market trends.**

As examples, I want to call your attention to two potential landowner benefits associated with independent forest certification.

**The first potential benefit is reducing the baseline costs for forest landowners to become certified as sustainable, and to access potentially significant market benefits.**

In the three Pacific Coast states, the standards of the leading forest certification system, the Forest Stewardship Council, require buffers on all stream segments and types.

This does not present much of a challenge for landowners in Washington and California, as those states forestry rules are also more comprehensive.

However, Oregon landowners face a significant gap between mere regulatory compliance, and the FSC's stream protections.

Not surprisingly then, in Washington, over 2 times as much acreage has been FSC certified as in Oregon – about 317,000 acres versus 144,000 acres.<sup>1</sup> If you weight this by the total amount of forestland in each state, Washington actually has about 3 times as much FSC certified forest as Oregon. Meanwhile, the FSC numbers for California are even higher – about 12 times Oregon's.

<b>FSC certified forests in Pacific States (estimated non-federal)<sup>2</sup></b>			
	Acres	x OR	% Non-Fed
Oregon	144,000		1%
Washington	317,000	2.2	3%
California	1,672,000	11.6	13%

By this measure, Oregon's forest landowners are falling behind those in our neighboring states – and missing out on potential benefits of being certified.

The benefits of FSC certification can include: affirmation that one's forest is being well managed, access to additional management planning support, improved market access for one's forest products, and in some cases, price premiums for forest products.<sup>3</sup>

Maintaining and growing market access is a more common benefit accruing to FSC certified producers, including in the West Coast.

More and more consumer brands expect the forests that supply their paper, wood, and other forest products to be managed to FSC standards.

FSC-certified wood was also found to be the most specified green-building product in McGraw-Hill's database of project specifications.<sup>4</sup>

A recent FSC survey also found that, globally, over 1/3 of certificate holders feel that FSC certification is important to maintaining their clients, and that over 80% feel the FSC label adds value to their products.<sup>5</sup>

**Another potential benefit of adopting stronger stream protections relates to non-certified landowners.**

The FSC is currently developing new mitigation measures for more controversial non-certified wood and fiber going into mixed source supply chains.

This means that decisive, timely action to close the gaps in the Oregon stream protections might also benefit producers who do not seek FSC certification, but who do wish to sell low-risk, non-certified wood and fiber into these FSC mixed-source supply chains.

**In closing, I urge the Board to consider the potential synergy between broader market trends and making real improvements to the aquatic protection requirements.**

Thank you.

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<sup>1</sup> While various factors influence landowner decisions to become certified, the extent to which they may need to make management changes is a core one.

<sup>2</sup> Based on a survey of the FSC database and certifiers, May 2015. Acreage rounded to 1,000. Some small properties may have been overlooked. Percentage of total non-federal forests based on forestland data from 2012 USDA RPA Update.

<sup>3</sup> While currently not common on the West Coast, price premiums for landowners have sometimes been enjoyed here previously, are currently found in the Southeast, and have also been found in the Midwest. Generally speaking, price premiums are more common as one goes up the supply chain.

<sup>4</sup> FSC US website.

<sup>5</sup> FSC Global Market Survey Report.