

Big Opportunities, Bigger Frustrations: Commercialization of Smallwood Products

The Challenge We Face when Public Agencies are
Both Suppliers of Smallwood and Customers for
Finished Products

Jim Dooley

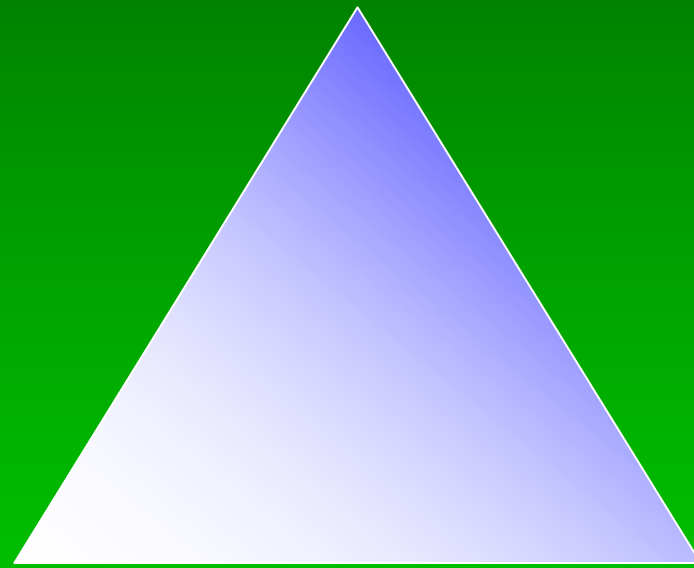
Forest Concepts, LLC

SMALLWOOD 2004

May 19, 2004

Complete the Watershed Cycle

Forest in Need of Thinning



Community in Need of
Jobs and Economic Activity

Public Land in Need of
Erosion Control, Fencing,
Habitat, etc.

Enabling Words

“The Healthy Forests Restoration Act helps the people closest to the problem by allowing local citizens to help plan projects for nonprofit, for profit, and for stewardship groups. And these citizens can benefit economically from selling smaller trees that are cleared out of the forests”

President George W. Bush, May 20, 2003



Challenge of the Century

How do we support forest stewardship?

“Responsible stewardship is our greatest societal challenge on federal forests in the 21st century.”

“Regaining social trust of and a broad commitment to active management of federal lands is the ‘brass ring’ for which all of us ... need to be reaching.”

Dr. Jerry Franklin, University of Washington
Editorial in *TimberWest* Nov/Dec 2003

Wisdom of Jim Petersen

"Minus technologically advanced processing infrastructure and robust markets for products made from small diameter trees, restoration forestry will remain a distant dream."

“What is the Forest Service doing right and what is it doing wrong?” Nov. 18, 2003

Healthy Forests Healthy Communities

"By adding value locally to the by-products of forest restoration, rural businesses have the opportunity to create high-skill, high wage jobs and diversify economies while benefiting the land and communities that live adjacent to them... Efforts to support these businesses will ultimately yield the mutually dependent benefits of healthier forests and healthier communities in the Pacific Northwest."

Ryan Temple,
Sustainable Northwest

The Conservationists Get It

“Thinning small trees from a forest to spare it from wildfire isn’t a novel idea. Putting those trees to use ... is.”

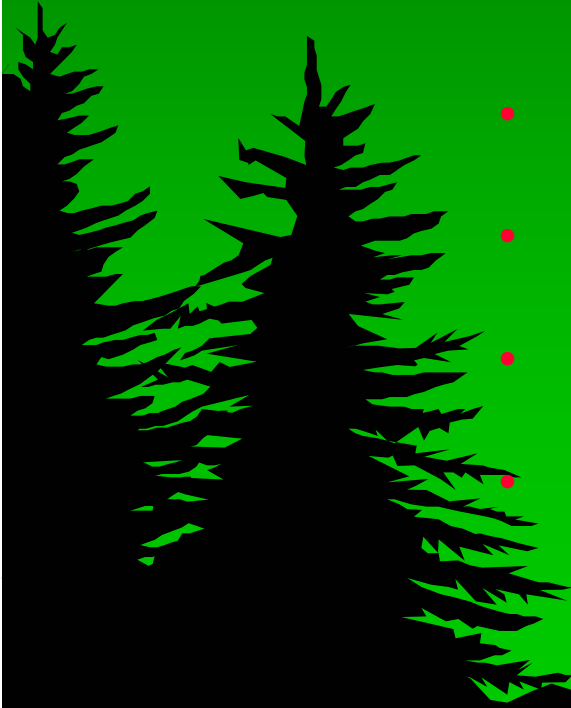
Nature Conservancy, Fall 2003 Issue

“Using small diameter trees, not for timber, but for restoration, is an alternative that people may not consider. [The idea] integrates social, economic and ecological goals in an innovative way by creating markets for restoration products”

Ayn Shlisky, Nature Conservancy ecologist

Products with Big Public Markets

- Fencing
- Erosion Control
- Habitat Enhancement
- Streambank Protection
- Shelters & Small Structures
- Posts & Poles



Fencing – Boundary, Exclusion, Facilities



Erosion Control – Excelsior & WoodStraw™



Bioengineering – Streambank Protection



Habitat Enhancement



Some Agency Leaders Get it!

Walking the Healthy Forests Talk

“We are very pleased that FlowCheck™ erosion control devices can be used locally, because they come from local fuel reduction sites, provide local jobs and then are returned to the local forest.

Whenever we can get a product that help resource management in multiple ways, we all win.”

Dick Smith , Boise National Forest Supervisor

How Big is the Big Opportunity?

- **Fencing: 500 miles / year**
 - 35,000 tons per year utilized from the forest
 - \$ 1,400,000 direct revenue to forest contractors
 - \$ 16,000,000 direct revenue to smallwood firms
 - 180 FTE direct jobs in smallwood communities

How Big is the Big Opportunity?

- **Erosion Control Material on Natural Areas**
 - 50,000 tons per year utilized
 - \$ 1,200,000 direct revenue to forest contractors
 - \$ 3,000,000 direct revenue to smallwood firms
 - 35 FTE direct jobs in smallwood communities

Who's in the Spotlight

Department of Defense Bases
USDA – NRCS, Forest Service
USDI – BLM, BIA, NPS, USFWS
USDA – Forest Service
DHS – Coast Guard

State Natural Resources
State Parks
State Fish & Wildlife Agencies
State Transportation
Agencies

Port Authorities & Districts
Conservation Districts
Irrigation Districts
Parks and Open Space Boards
Surface Water Management Districts
Resource Advisory Councils (RAC)
Resource Conservation and
Development Organizations (RC&D)
Land Trusts
Conservancies
Mitigation Banks

Enabling Policies & Rules

Healthy Forests Restoration Act

SEC. 1109. BEST-VALUE CONTRACTING.

To conduct a project under this Act, the Secretaries may use best value contracting criteria in awarding contracts and agreements. Best-value contracting criteria includes--

- (1) the ability of the contractor to meet the ecological goals of the projects;*
- (2) the use of equipment that will minimize or eliminate impacts on soils; and*
- (3) benefits to local communities such as ensuring that the byproducts are processed locally.*

Enabling Policies & Rules

Federal Acquisition Regulations (FAR)

- 19.5 – Set-asides for small business
- 23.2 – Preference for products that conserve energy
- 23.4 – Use of recovered materials
- 23.7 – Contracting for environmentally preferable products and services
- 52-225-5 - Buy American preference for construction materials
- USDA Biobased products list?

Enabling Policies & Rules

Federal Acquisition Regulations (FAR)

FAR 8.404(b)(2)

When selecting the supply or service representing the best value, the ordering office may consider-

- (i) Special features of the supply or service required for effective program performance;
- (ii) Trade-in considerations;
- (iii) Probable life of the item selected as compared with that of a comparable item;
- (iv) Warranty considerations;
- (v) Maintenance availability;
- (vi) Past performance; and
- (vii) Environmental and energy efficiency considerations.

Obstacles

- Inflexible concepts of “local”
- Narrow notions of “being the steward of the people’s money” in procurement
- Lack of tools & guides to apply FARs, etc.
- Ossified technical handbooks and specifications
- Budget & accounting rules preclude cost sharing within agencies and districts
- No top-down direction

Congress can Force the Issue

“Any public agency that requests funds under the National Fire Plan and/or Healthy Forests Restoration Act for forest thinning shall demonstrate effective processes to give preference to procurement of wood products made from resulting forest biomass for the purposes of fencing, erosion control, recreational facilities and other demonstrated applications.”

1st Draft of Potential Legislation

Congress can Force the Issue - 2

“Federal Agencies shall expeditiously revise or update their standard plans to include smallwood designs for fencing, erosion control, recreational facilities and other demonstrated applications.”

1st Draft of Potential Legislation



Local Leaders can Step Up

“All WHIP and EQUIP fencing submitted for cost-share or built by district crews in _____ Conservation District shall be of predominantly wood construction.”

Proposed Resolution for
Conservation District Boards

Our Cause

- Advocate smallwood utilization at every level in the community, watershed, region and nationally.
- Ensure specifiers and decision makers are aware of preference programs and opportunities.
- Take to task those who do not walk the smallwood utilization and community sustainability talk.

Thank you!

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Forest Concepts, LLC

Innovative Forest Products and Natural Resource Services