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Loggers Try to Adapt to Greener Economy

By WILLIAM YARDLEY

LOWELL, Ore. — Booming timber towns with three-shift lumber mills are a distant memory in the densely forested Northwest. Now, with the housing market and the economy in crisis, some rural areas have never been more raw. Mills keep closing. People keep leaving. Unemployment in some counties is near 20 percent.

Yet in parts of the region, the decline is being met by an unlikely optimism. Some people who have long fought to clear-cut the region's verdant slopes are trying to reposition themselves for a more environmentally friendly economy, motivated by changing political interests, the federal <u>stimulus package</u> and sheer desperation.

Some mills that once sought the oldest, tallest evergreens are now producing alternative energy from wood byproducts like bark or brush. Unemployed loggers are looking for work thinning federal forests, a task for which the stimulus package devotes \$500 million; the goal is to make forests more resistant to wildfires and disease. Some local officials are betting there is revenue in a forest resource that few appreciated before: the ability of trees to absorb carbon dioxide, a heat-trapping gas that can contribute to global warming.

Pragmatism drives the shifting thinking, but a critical question remains: can people really make a long-term living off the forest without cutting it down?

"I run into people all the time who think we're lying and trying to go back to old logging ways," said Jim Walls, director of the Lake County Resources Initiative in southeastern Oregon, a nonprofit agency that is trying to create jobs for rural residents in fields like biomass energy production and wildfire prevention. "It's just not true."

One new believer is Harold Jones. Hear him repent and reposition in the new economy.

"The only money I've ever made is cutting down trees," Mr. Jones, 75, said just after coming in from thinning the stand of Douglas firs he has planted on 125 acres he owns here in Lowell. "So what I've tried to do in my retirement is to try to bring back and repay the Earth for a lot of the devastation I've caused it."

Mr. Jones started logging in 1948 and has long rolled his eyes at "countercultural types" who protest timber sales. Yet in front of his property now are signs saying "Certified Family Forest."

The certification process, supervised by the American Tree Farm System, requires Mr. Jones to manage and replant his land under the supervision of a professional forester. It is intended in part to give small tree farmers some credibility within the sustainable forestry movement, which promotes forest health, and to help them market their product as "green lumber."

"It's quite a process," he said.

Restrictions on logging have prompted entrepreneurial thinking about the forest for years, but efforts have increased as states like Oregon and Washington have emphasized renewable energy and jobs that support it. In turn, the plummeting housing market has forced some timber companies to try to diversify — and even collaborate with environmentalists to protect forests from wildfires, disease and development.

"There's been recognition in the last several years that we need the industry to carry out the restoration work we want accomplished," said Jonathan Oppenheimer, a senior conservation associate for the Idaho Conservation League, which is negotiating with loggers and others with the goal of getting Congress to preserve parts of the Clearwater National Forest as wilderness.

For loggers and other rural workers, survival in the future might mean abandoning fights to cut older trees in exchange for being able to salvage smaller timber from burned forests. It might mean removing or rebuilding roads and structures on federal land, whether to reduce erosion or to improve recreational access. For the <u>Forest Service</u>, the stimulus money for thinning reflects an increasing emphasis on preventing wildfires, rather than simply fighting them, by removing smaller trees and brush from overgrown forests.

The work may be less profitable for big timber companies than clear-cutting a hillside, but it can create jobs in places accustomed to losing them.

In Lane County, Ore., on the wet west side of the Cascade Range, the county commission is looking for revenue to replace dwindling federal

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payments set up a decade ago to help governments in timber regions. Lane County received about \$47 million this year, but the subsidies are declining and are scheduled to expire in 2012.

Now Lane County commissioners are asking the Legislature to draft a resolution urging Congress to pay counties that have large amounts of federal forest land for the carbon that their forests trap. Such a plan would depend on Congress's developing a system for buying and selling so-called carbon offsets.

Not everyone likes the idea. Some loggers say it would be the final blow to their efforts to restore more logging on federal land. Jobs that have disappeared, they say, will never return.

"It puts us at risk," said Robbie Robinson, president of Starfire Lumber in Cottage Grove, about 20 miles south of Eugene. Pyramids of Douglas fir rested outside his office window, no buyers to be found. "What I sense is another whole business being built, and the real problem is being able to harvest old trees."

Forest economists say government spending, beginning with the stimulus package but also extending to any program to buy and sell carbon offsets, will be necessary to build a new economy in the rural Northwest.

Some supporters of sustainable forestry are concerned that, despite assurances by the Forest Service, the stimulus package will create only short-term jobs in the woods and miss the chance to invest in a complete "waste chain," in which small timber and brush from thinning projects are put to use for lumber, biomass fuel and other purposes, potentially strengthening rural economies on many levels.

"We're doing a lot of things here that nationally we say we want to do — biomass, fuels reduction, forest health, green jobs — we're doing all of it now," said Josh Anderson, the timber resource manager for Vaagen Brothers Lumber in Colville, Wash., which has worked with environmental groups to preserve wilderness land but has had to lay off about half of its 200 employees in recent months.

"We want to be here to be able to do that when things improve," Mr. Anderson said. "We need to see something that moves a long-term trend toward work on these projects. It's got to be pretty integrated."

Mr. Walls, of the Lake County Resources Initiative, said a planned biomass energy plant in Lakeview, near the Nevada-California border, would generate 150 construction jobs, 50 to 75 permanent jobs in the forest and 15 at the plant. The plant would generate 13 megawatts of electricity, enough to power every home in the town of 2,300 and to contribute to the broader power grid.

But for the plant to operate, Mr. Walls said, it would need a steady flow of fuel, in the form of wood byproducts, from federal forest thinning and wildfire prevention, a pipeline that may or may not become permanent. The plant is seeking about \$5 million in grant money under the stimulus package.

Mr. Walls said he was told by the Forest Service's regional office in Portland that the project was a top prospect and that a decision was expected any day. He said its chances might have improved this month when Oregon's governor, Theodore R. Kulongoski, appointed him to a committee to help oversee stimulus spending.

Even if the Lakeview project and others like it do fall into place, Mr. Walls said, many other struggling timber towns still will need the demand for lumber to rebound. "In the end," he said, "the housing market does have to turn back."

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