

United State Department Interior

BUREAU OF LAND MANAGEMENT

Oregon State Office

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In Reply Refer to:

5600 (OR-931) P

July 23, 2004

EMS TRANSMISSION 07/23/2004

Instruction Memorandum No. OR-2004-098

Expires: 9/30/2005

To: Deputy State Directors, Staff Chiefs, and District Managers: Coos Bay, Eugene, Medford, Roseburg, and Salem; Branch Chiefs: OR-931, OR-932, OR-933, and OR-934

From: State Director, Oregon/Washington

Subject: Implementation of Statewide Tree Improvement/Genetics Program Review DD: Various

Program Area: Forest Development (silviculture and genetics) (6320)

Purpose: Implementation of the recommendations made by the Tree Improvement and Genetics Program Review. These recommendations have been reviewed by the westside district managers.

Policy/Action: Appropriate district and State Office personnel will implement the ten action items which resulted from the Statewide Tree Improvement and Genetics Program Review completed in January, 2004. A summary of the specific action items, along with assigned personnel and due dates, follow:

Action Item 1 -- Five Needle Pine and Port-Orford Cedar (POC) Programs: Are Five Needle Pine blister rust programs meeting Bureau of Land Management (BLM) needs? Are funding levels appropriate? The POC Program lacks clear goals and comprehensive disease resistant program plans.

- **Decision:** Continue funding for Dorena Blister Rust Program at current levels. Continue funding Sprague Seed Orchard, subject to ten percent annual reduction (see action item # 4). Continue, in the short term, necessary funding to establish resistance levels and mechanisms at Dorena for POC. This funding will continue until the BLM and Forest Service complete an evaluation of the cost savings of an accelerated program to locate, test, and breed disease resistant stock from existing breeding zones (reference page 6 of the May 2004, Record of Decision for Management of POC in SW Oregon). Continue to seek disease tolerant POC funding from 9620 subactivity as an alternative to 6320 subactivity funding.

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- **Responsible person(s):** Roseburg, Medford, and Coos Bay district managers; Oregon State Office (OSO) staff
- **Due Date:** Ongoing, Larry Larsen to plan for FY05 budget.

Action Item 2 -- Seed Extraction: BLM has seed extraction capability at two seed orchards -- Horning and Tyrell. Large volume seed extraction projects, however, are completed under contract with commercial facilities. Consider using Horning for most (or all) seed extraction or contract out if most cost efficient.

- **Decision:** A business study will be done to determine the best cost, service, and quality. The report is to

include facts, figures, capabilities, service, and quality for seed extraction (BLM vs. contract). *NOTE:* If this report reflects that it is beneficial to go to contract, then it also needs to identify what is to be done with the equipment.

- **Responsible person(s):** Glenn Miller, Greg Tyler, Dave Henneman, OSO Procurement
- **Due Date:** Report due August 30, 2004. Implement recommendations of report in FY05.

Action Item 3 -- Native Plant Program: Non-conifer native plant production is occurring at several orchards.

Originally funded out of 6320 subactivity funds, this production now occurs primarily as fee-for-service.

- **Decision:** Continue to use seed orchards for production of native plant materials with a five year goal of no funding from subactivity 6320, other than support of facility infrastructure (i.e., no personnel, production, or overhead costs from 6320). Look at opportunities to reduce spending from 6320 on native plant development as part of the ten percent off-the-top reduction (see item 4).
- **Responsible person(s):** OSO and district staffs
- **Due Date:** Ongoing

Action Item 4 -- Off-the-Top Funding for Seed Orchard Operations: Seed orchard funding levels have been fairly consistent over the last ten years, which is not reflective of the reduced need for seed due to lower regeneration harvest levels. Operating decisions have been left to seed orchard managers; district managers have not participated in funding discussions.

- **Decision:** Off-the-top funding for **all** seed orchards (and related OSO support) will be cut ten percent per year for the next four years, starting in FY05. Savings will be reallocated via flexible funding for priority on-the-ground work statewide. A subcommittee will be formed to make programmatic recommendations as to cuts, but districts managing the orchards will make the ultimate decisions on cuts to meet the ten percent target. Realistic projection of seed needs should be a factor in determining orchard funding levels.
- **Responsible person(s):** Subcommittee: Liang Hsin plus seed orchard managers, in consultation with the silviculture working group. Establishment of target funding allocations: Larry Larsen. Final decisions on actual cuts: affected district managers.
- **Due Date:** Subcommittee report: August 6, 2004. First ten percent reduction in FY05.

Action Item 5 -- Cooperative Agreements: Oregon/Washington (OR/WA) BLM has many agreements in place for the tree improvement and genetics programs. Many agreements have been in place for years. No systematic review of these documents has been completed to see if they are still in the best interest of the government from both a financial and programmatic point of view.

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- **Decision:** Review existing research/data sharing and seed orchard cooperative agreements for evaluation against current agency needs. Evaluate business economic aspects in light of decision to begin cutting funding for seed orchard operations and second generation tree improvement (see item 6). Make sure cooperators are paying a fair share. Set up meeting for discussion with appropriate BLM officials (including OSO representatives and affected district managers or designated management reps) and cooperators.
- **Responsible person(s):** Lead: Liang Hsin plus representative from the silviculture working group, OSO Procurement staff, Harvey Koester.
- **Due Date:** Ongoing, final reviews completed by end of calendar year 2004.

Action Item 6 -- Genetics/Tree Improvement not in Alignment with Current OR/WA BLM Management Practices or Budget Direction:

Program decisions being made at the working group level, when decisions should be made at district manager or State Director level. Consequences of this are that the tree improvement program lacks clear goals and has not fully adjusted with the changes in other BLM programs. Also, the current level of forest treatments and expected flat budgets in the forest development (6320) program have resulted in questions on the continuation of and priority for the planned level of work.

- **Decision:** Disband the genetics working group. Maintain the 6320/silviculture working group with the addition of a geneticist. Orchard managers/tree improvement leads are to work more closely with district managers in establishing program direction.
- **Responsible person(s):** District managers, silviculture working group

- **Due Date:** Effective immediately

Action Item 7 -- First Generation Douglas-fir Genetics Program: The majority of first generation work has been completed. What level of maintenance is needed for progeny test sites?

- **Decision:** First generation agreements are completed and do not need revision. Discontinue measurements on first generation progeny test sites. Collect information to develop progeny site status updates for each district (how many, how old, past thinning history, etc.). The silviculture working group is to provide district managers with recommendations on minimal level of action needed. Recommendations should include academic input as to potential future scientific value. Carry progeny sites as discrete inventory units until minimal level of actions are agreed upon by district managers.
- **Responsible person(s):** Update: Glenn Calascibetta; recommendations and academic review: Larry Larsen/Liang Hsin, silviculture working group
- **Due Date:** December 30, 2004

Action Item 8 -- Short Term Future Operation and Management Intensity: Pending completion of Resource Management Plan revisions, the seed orchards are over-staffed and maintained to a higher standard than needed to produce improved seed for current BLM reforestation efforts.

- **Decision:** Implementation of the other action items within this Instruction Memorandum (IM) will address this issue; therefore, no specific assignments are needed for this item.

Action Item 9 -- Second Generation Tree Improvement Program/Seed Orchard Development: Is there sufficient economic benefit to participate in a second generation tree improvement program and resultant seed orchard development? Coos Bay, Eugene, and Salem Districts have chosen to move forward with second generation tree improvement programs via cooperative agreements. Medford has a second generation Five Needle Pine Program.

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- **Decision:** There will be no further expenditures for development of either second generation seed orchards or progeny sites. Limit expenditures for second generation activities on affected districts to no more than \$2-\$5K/year and one workmonth per year for maintenance activities on established second generation activities.
- **Responsible person(s):** Affected district managers, OSO 6320 budget lead (Larry Larsen)
- **Due Date:** October 1, 2004

Action Item 10 -- Staffing Levels: OR/WA BLM no longer needs five full-time geneticists and three full-time seed orchard managers.

- **Decision:** The team is to develop functional statements for a target organization of one seed orchard manager and one program geneticist. Positions do not need to be placed physically in the OSO (i.e., would be on OSO T/O, but could live elsewhere). The team will consider input/alternatives already developed by Salem/Eugene efforts.
- **Responsible person(s):** Team lead/meeting representative: Teresa Gallagher-Hill; program representatives: Harvey Koester (Medford), Glenn Miller (Eugene), Jeff Gordon (Salem), OSO (Larry Larsen), Personnel (Joyce Rottenberg (OSO) and Kelly Coleman (Medford)), Budget (Kay Gargano). Some proposals have been forwarded by the Salem and Eugene Districts. The authors of those proposals should act as consultants to the team to clarify their proposals.
- **Due Date:** Functional statements prepared by October 30, 2004. Implementation of target organization: State leadership team by end of FY05.

Timeframe: As specified in individual action items. Activities on some items are already underway, based on the review of draft editions of this IM.

Budget Impact: Significant budget savings are anticipated as a result of implementation of these recommendations. Savings will be redistributed toward other priority workload within the 6320 program.

Background: In February 2003, a Program Review Team was assembled by Cary Osterhaus, then Roseburg district

manager, at the request of the State Director to analyze the current Genetics and Tree Improvement Program. The team was to develop alternative proposals (both budget and staffing) that would allow the 6320 program to reduce expenditures and still preserve future options for the program.

The historic harvest levels in western Oregon during the 1970s and 1980s, which was primarily regeneration harvest, resulted in a typical annual harvest of approximating 26,100 acres. Annual seed needs (primarily Douglas-fir) were estimated at approximately 1,600 pounds. As a result, BLM established four seed orchards to produce 1,300 pounds of Douglas-fir seed and 500 pounds of Noble Fir, Western Hemlock, Sugar Pine, and Ponderosa Pine.

Today's situation is drastically different. Harvest levels are approximately 18-20 percent of historic highs. The land base impacted by this harvest has declined by 75-80 percent. In addition, harvest practices over the past four years have placed less emphasis on regeneration harvest. These factors have combined to greatly reduce the amount of seed needed for the growing of seedlings for reforestation. Overall, program needs have seen a decrease of about 85 percent since the late eighties.

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This IM is recognition of the fact that the Tree Improvement Program and the seed orchards that support western Oregon harvest levels need to reflect this reduction in product demand (i.e., improved seed needed for reforestation). During the next four years, while new Resource Management Plans are developed, the Genetics/Tree Improvement Programs' focus will be de-emphasized based on the reduced needs. Savings generated by this refocus will allow for 6320 program dollars, which are expected to be stagnant with time, to be redistributed for higher priority forest management and restoration needs.

Manual/Handbook Sections Affected: None

Coordination: Westside district and program managers, silviculture working group, OSO 6320 silviculture and genetics program leads.

Contact: Michael Haske, OSO Branch Chief for Biological Sciences (503-808-6066); Larry Larsen, 6320 Program Manager (503-808-6080); Liang Hsin, OSO Geneticist (503-808-6079)

Other: The OSO would like to acknowledge the substantial work completed by the team members involved in the study resulting in this IM. It is obvious that this group has made significant progress over the last two decades in meeting the long term objectives associated with the Tree Improvement and Genetics Program. The BLM's program in western Oregon is probably one of the best in the country, thanks in large part to the dedicated efforts of the team members and their staffs in the districts and at the seed orchards. However, changes in program emphasis and operational needs have created a different landscape for future program needs. There are, or will be, many opportunities in the near future to significantly change current program direction and still preserve future program options.

Districts with Unions are reminded to notify their unions of this IM and satisfy any bargaining obligations before implementation. Your servicing Human Resources Office or Labor Relations Specialist can provide you assistance in this matter.

Signed by
James G. Kenna
Associate State Director

Authenticated by
Mary O'Leary
Management Assistant

Distribution
WO-230 (204LS)

OR-931 (Liang Hsin, Larry Larsen, Jeannette Griese)