Signing of the Forest Restoration and Fuels Management Memorandum of Understanding between the Confederated Tribes of Warm Springs, Forest Service and BLM



From left—Gary Larsen, Mt. Hood Forest Supervisor; Barron Bail, BLM Prineville District Manager; Elaine Brong, BLM State Director; Ron Suppah, CTWS Chairman; Jody Calica, CTWS Secretary-Treasurer; Bill Anthony, Sisters District Ranger, Linda Goodman, Regional Forester; Jeff Walter, Ochoco Forest Supervisor

January 25, 2006



Ron Suppah, Chairman of the Confederated Tribes of the Warm Springs at the signing of the MOU.



Jody Calica, Secretary-Treasurer of the Confederated Tribes of the Warm Springs at the signing of the MOU.



Richard Krikiva from Senator Gordon Smith's Office at the signing of the MOU.

January 25, 2006



Linda Goodman, Regional Forester addresses partners at the signing of the MOU.

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Elaine Brong, BLM State Director addresses MOU partners before the signing.



Left--Bill Anthony, Sisters District Ranger; Barron Bail, BLM Prineville District Manager; Ron Suppah, CTWS Chairman Jody Calica, CTWS Secretary-Treasurer; Gary Larsen, Mt. Hood Forest Supervisor;



Illustration of range of MOU for biomass materials.







(foreground) Linda Goodman, Regional Forester and Elaine Brong, State Director sign MOU.

Warm Springs Forest Products Mill with Cogeneration plant.



Tribes, feds reach deal on biomass Project with reservation power plant expected to create jobs By Eric Flowers / *The Bulletin* Published: January 26. 2006 6:00AM PST

Warm Springs tribal leaders signed an agreement Wednesday with the U.S. Forest Service and Bureau of Land Management that could help create dozens of new jobs on the economically depressed reservation.

The agreement outlines a long-term relationship: Public agencies would work with the tribe to provide a steady stream of small-diameter trees, slash and other nonmarketable debris from logging and thinning projects to a planned 15.5-megawatt power plant on the reservation.

"It's a win-win. If there's any way we can work together to create an economically viable option for_{th} is material, that means we don't need to be paying money to pile and burn it and putting smoke in the air. We_{can use} it to provide a product that has some value to society," said Bill Anthony, Forest Service Sisters District ranger who was at Wednesday's signing at Portland's Pioneer Courthouse.

The agreement, which spans 20 years, creates a long-term fuel supply for_{the tribes'} biomass project, which has been several years in the planning stages. The tribes hope to have the new facility, which would provide enough electricity to power roughly 16,000 homes, running by the end of next year, said Larry Potts, Warm Springs Forest Products CEO.

Specifically, the agreement calls for the Forest Service and BLM to do forest thinning, logging or other work that would provide fuel for the plant on 8,000 acres annually near or adjacent to the Warm Springs Indian Reservation.

The acreage represents about 12.5 square miles or an area roughly one-third the size of the Eugene-Springfield metro area.

For the Forest Service, the deal represents an opportunity to rid itself of unmarketable debris from thinning and logging projects. Typically that debris is piled and burned - a process that can be costly and time consv well as environmentally undesirable.

For the tribes, the agreement represents a crucial piece of what is essentially a three-legged stool. The other two legs, said Potts, are an agreement with a utility to purchase the power and money to finance construction of the plant, which he estimated would cost between \$25 million and \$30 million. Potts estimated that the power project will create roughly 60 new jobs.

"It's just the first piece, and until we get the other two pieces, it's tough to say what this (agreement) does directly," Potts said. "But the plant is very significant as far as how we structure Warm Springs Forest Products to be competitive in the future. It allows us to invest in new technologies and helps us diversify into energy as well as wood products " That's important because like other sawmills, the Warm Springs Forest Products operation has been under increasing economic strain recently with the rise of cheaper imports and reduced timber harvests.

In 2003, tribal mill Chief Financial Officer Ralph Minnick told a meeting of the U.S. House Resource Committee in Redmond that the business had recently cut 65 jobs, eliminating its second shift. Minnick said the biomass project was a promising alternative to augment the traditional mill operations.

The tribes aren't the only entity looking into the possibility of biomass power production in Central Oregon, where a mandate to clear more federal lands of small-diameter timber and other debris to reduce fire_{risk} s has created a potential supply line for the biomass industry.

Silvan Power Co., a small Bend-based business, recently inked a contract with Des-chutes County to purchase land in La Pine for a proposed 20-megawatt biomass plant there.

The group has scheduled a public meeting 12:30 p.m. Saturday at La Pine High School.

Silvan representatives have yet to lock up a supply agreement similar to the arrangement between the Forest Service, BLM and Warm Springs.

Like the tribes, Silvan will rely in part on the public land management agencies to provide a significant portion of their fuel, said Sandy Lonsdale, a spokesman for Silvan.

However, he said the tribal agreement won't hinder Silvan's plans. There is enough fuel in Central Oregon for two projects, he said. "We don't see that as any conflict," Lonsdale said. "It's far enough away from us that we think both projects can go."

However, he said that he is concerned that the tribes may have received preferential treatment from the Forest Service with the agreement.

Lonsdale said his company has requested a similar agreement for a long-term fuel supply. He said the Forest Service replied that any such contract would be awarded on a competitive basis.

"My question back to the Forest Service is: 'Well, was the agreement with the tribe done in that way?'"

While there remains the possibility for competition from companies outside the reservation for fuels under the agreement, Sisters district ranger Anthony said the arrangement reflects the government's special obligations to the tribes under federal law.

As such, the agency would be less likely to negotiate a similar exclusive long-term agreement with a private company, Anthony said. However, he added, the Forest Service strongly supports projects like Silvan's proposed plant because it creates a market for otherwise useless debris. By doing so a plant creates opportunities for the agency to do more forest thinning and fuels treatment, reducing the risk of wildfire and improving the overall health of the forest, he said.

"I think we have an interest, a mutually beneficial interest, if Silvan or anybody else were to develop one of these facilities," Anthony said.

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