

**Wood Innovations
Project Application – Part 1:
Cooperator Contact Information (FY2015)**

Check one:
Category 1:
 SWET _____
 Wood Energy _____
 Wood Markets _____
Category 2: X

APPLICANT LOCATION	City: Portland	County: Multnomah
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COOPERATIVE AGREEMENT AND PROJECT INFORMATION

Cooperative Agreement Applicant — *Name of person officially responsible for cooperative agreement and funding requirements*

Name: Kathy Storm	Phone: 971-673-2953	Fax: 971-673-2946
Title: Manager of Business Operations		

Organization/Company: Oregon Forest Resources Institute

Bureau/Division: _____

Section/Program: _____

Street Address: 317 SW Sixth Ave., Suite 400

P.O. Box: _____

City: Portland	State: OR	Zip: 97204
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E-mail Address: storm@ofri.org Web Site: OregonForests.org

Key Project Contact — *Responsible for management/coordination of the project; if named above, check here →*

Name: Paul Barnum	Phone: 971-673-2954	Fax: 971-673-2946
Title: Executive Director		

Organization/Company: Oregon Forest Resources Institute

Bureau/Division: _____

Section/Program: _____

Street Address: 317 SW Sixth Ave., Suite 400

P.O. Box: _____

City: Portland	State: OR	Zip: 97204
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E-mail Address: barnum@ofri.org Web Site: OregonForests.org

COOPERATIVE FUNDING AND PROJECT COST

Cooperator Funding: \$166,271	Requested U.S. Forest Service Funding: \$249,628
Funding Ratio (Cooperator: U.S. Forest Service): (40:60)	Total Cost: \$415,899

Wood Innovations Project Application – Part 2: Narrative Proposal and Program of Work

Application Guidelines for Fiscal Year 2015

A. **Project Title:** Oregon Forest Products Marketing Program

B. **Length of Project:** Two years.

C. **Costs:**

April-June 2015	\$20,000
July 2015-June 2016	\$197,949
July 2016-June 2017	\$197,950
Total	\$415,899

D. **Abstract:**

The Oregon Forest Resources Institute, an Oregon state agency with nearly 25 years of experience in communications, marketing and grant management, will lead and direct a Forest Products Marketing Program to grow domestic and international demand for wood products manufactured in Oregon. OFRI will collaborate with other statewide organizations, including universities, state agencies and non-governmental organizations, to promote the use of traditional and innovative wood products in commercial building and other markets. The program objectives are to:

- promote the benefits of wood as a cost-effective and environmentally preferred green building material to the design/build communities
- develop credible, professional and science-based print and electronic materials that position Oregon wood products as a preferred green building material
- underscore Oregon’s sustainable forest practices and high environmental standards throughout all marketing materials, events and other initiatives
- advocate for Oregon as the intellectual capital of North America for forest restoration, forest management, and wood products innovation and manufacturing
- expand opportunities for Oregon manufacturers to export finished goods abroad

As a result of this marketing program, OFRI expects to create “pull” demand from the design/build and international communities for both traditional and innovative wood products. In turn, this will create incentives for private and public investment in mills capable of producing these products, which in turn will create demand for increased timber supplies. This will include commercial-grade sawlogs harvested from Oregon’s federal forests, including small-diameter logs harvested as part of the U.S. Forest Service’s emphasis on restoring national forests in Oregon to historic norms of ecosystem health and fire resiliency.

E. Project Narrative

Oregon has the most forestland of any state in the continental United States, and is the national leader in softwood lumber and plywood production, forest productivity, timber harvest, wildland firefighting, and forestry research and education. Oregon's forests and forest products have long been important elements to the state's economic and environmental vitality, providing both jobs and environmental benefits.

Economically, Oregon's diverse forest sector is a significant contributor – primary wood products (e.g., lumber, veneer and plywood), secondary wood products (e.g., doors and windows), forestland management, transportation and distribution of forest products, and forestry support (e.g., consulting, firefighting and reforestation). The sector ranks third among Oregon's traded sectors and is estimated to contribute \$12.7 billion annually to the state's economy. In 2013, the sector employed some 59,000 people, generating billions of dollars in personal income.

The conservation and continuation of Oregon forests and forest sector is critical to Oregon's economic and environmental future. Promoting products from sustainably managed Oregon forests facilitates this objective, because strong markets help conserve forests by encouraging continued investment in forest ownership and strengthening local communities.

Oregon now has the opportunity to lead the nation's response to the twin challenges of climate change and forest health restoration, through the increased and innovative use of wood – a naturally renewable material for building materials and energy.

Wood, with less embodied energy and more embodied carbon than any other building material, is increasingly viewed as part of the solution to capture carbon dioxide and reduce greenhouse gasses. Woody biomass – e.g., logging slash, mill residuals and the by-products of national forest restoration projects – is being advanced as a source of local, dependable energy for heating, electricity generation and cellulosic fuels. Non-energy-based wood products – lumber, plywood and engineered wood products – are being touted by some architects, engineers and developers as the “new,” environmentally preferred structural building material.

While there is increasing interest in using wood products, there are also barriers – both real and perceived. Among the real barriers are the lack of building codes governing the design and construction of tall wood structures exceeding five stories – or six stories if a concrete podium is utilized. Until the code issue is addressed, demand for innovative engineered wood products such as laminated veneer lumber, glue-laminated beams and cross-laminated timber (CLT) will remain weak, which will hinder investment in mills that could manufacture such products.

Among perceived barriers are fears that timber cannot be harvested sustainably, or that timber harvest is inconsistent with contemporary public values regarding natural resource protection, recreation and climate change. In addition, the public – including the green building and design communities – lacks a complete understanding of the environmental tradeoffs of building with wood versus alternatives such as concrete and steel.

With support from Oregon’s forest sector and state and federal government, these barriers can be overcome. In 2012 Gov. Kitzhaber issued Executive Order 12-16, calling for actions to collectively promote wood products in commerce as a green building material, encourage innovative uses of wood products, and increase markets for Oregon-grown wood products. At the federal level, the U.S. Department of Agriculture is sponsoring the national Tall Wood Building Prize Competition to encourage architects to consider greater wood use.

In promoting the use of wood to create stronger domestic and international markets, the state of Oregon can serve as a catalyst to help add value to manufactured wood products and provide the incentive to increase investment in public and private forests. Locally, several state agencies and universities are doing some of this work. However, to be globally competitive with other forest-producing regions, the state needs a strong, consistent and coordinated marketing program that supports Oregon forest landowners and producers by overcoming barriers to domestic and international markets and fostering stronger demand. The state can expand and strengthen the market for the native tree species grown, and the products made, in the Pacific Northwest – especially new, innovative wood products such as laminated veneer lumber, glue-laminated beams and CLT that can be manufactured using smaller timber harvested from federal forest restoration projects. These materials re-create the load-bearing capacity of heavy timber by laminating together smaller pieces. They are widely recognized for their longevity, durability, seismic qualities and beauty. CLT is being used in Europe and Canada, but U.S. building codes and lack of marketplace familiarity are hindering domestic CLT use.

The Oregon Forest Resources Institute was created by the Oregon Legislature in 1991. It is modeled after the state’s 23 grower-supported commodity commissions. Funded primarily by a tax on timber harvests, OFRI is governed by a citizen board. The general authority of the institute is to “increase public understanding of the practice of forestry and *the use and benefits of forest products.*” While the Institute’s historic emphasis has been on advancing public understanding of forestry, there is now increasing interest among state and forest sector leaders for it to take on a stronger role in promoting forest products (please see Appendix A – Letters of support from stakeholders).

OFRI is uniquely positioned to fill a statewide marketing role. The Institute has an excellent communications record; it has an advanced understanding of Oregon’s forest sector; it maintains strong relationships with the Oregon State University College of Forestry, federal and state agencies and various forest sector associations; and it is developing connections with the customer base, including architects, engineers, developers and builders. OFRI’s proposed strategies to expand wood products markets are to:

- promote the benefits of wood as a cost-effective and environmentally preferred green building material to the design/build communities
- develop credible, professional and science-based print and electronic materials that position Oregon wood products as a preferred green building material
- underscore Oregon’s sustainable forest practices and high environmental standards throughout all marketing materials, events and other initiatives
- advocate for Oregon as the intellectual capital of North America for forest restoration, forest management, and wood products innovation and manufacturing
- expand opportunities for Oregon manufacturers to export finished goods abroad

Since 2012, OFRI has done much to promote wood products as a preferred green building alternative. These efforts include:

- supporting expansion of the USDA check-off program, WoodWorks, into Oregon
- providing start-up funding for WoodWorks' inaugural Wood Solutions Fair in Portland in 2012, and supporting subsequent fairs in 2013 and 2014
- promoting federal forest restoration and green building as part of the Oregon Business Plan and the Oregon Leadership Summit
- co-sponsoring, with the Washington Forest Protection Association, production of educational videos on building with wood, featuring architect Michael Green
- helping organize Oregon Forest Products Week by drafting the proclamation for Gov. John Kitzhaber and participating in planning the week's events
- responding to the Governor's Executive Order 12-16 on green building
- supporting Portland State University's 2014 Symposium on Sustainable Structures
- publishing print and electronic support materials to position wood products as a green-building product

In addition, the Institute has been at the forefront of efforts to increase the pace and scale of restoration in the state's national forests, especially those in eastern Oregon. These efforts include:

- working with other state agencies and non-governmental organizations to produce the National Forest Health Economic Assessment, an independent study published in 2012 that examined the economic impact of doubling the rate of restoration activity in the state's dry-side national forests
- with The Nature Conservancy, publishing a four-page summary of the Assessment, used in presentations at the 2012 Oregon Leadership Summit, sponsored by the Oregon Business Plan
- advocating for a stronger state role in federal forest management, resulting in the inclusion of funds in the state budget to assist Oregon collaboratives with capacity-building and technical assistance, and providing funds for state implementation
- educating policymakers, opinion leaders and others about the importance of forest restoration and local collaboration by publishing "Waging Peace" (Appendix C), delivered to members of the Oregon congressional delegation and the Obama administration as part of the 2013 Oregon Business Plan visit to Washington, D.C., and by producing a video version shown at the 2015 Oregon Leadership Summit
- since 2010, participating as a founding member of the Federal Forest Working Group, a statewide collaborative seeking to increase the pace and scale of federal forest restoration efforts

As a result of its past activity and the relationships built the last several years, OFRI is uniquely qualified to step into a leadership role to market Oregon wood products. With backing by the Governor's Office, the Oregon manufacturing community, Oregon State University College of Forestry and others, it is a natural step for OFRI to take on a larger role promoting the use of Oregon wood products and the benefits they provide.

F. Program of Work

To overcome barriers to market, increase demand for innovative wood products and coordinate statewide wood-products marketing efforts, Oregon needs an agency to lead a Forest Products Marketing Program. The Oregon Forest Resources Institute, a statewide agency charged with increasing public understanding of the practice of forestry and the use and benefits of wood products, is uniquely positioned to fill this marketing role.

The goal of the forest products marketing program will be to create and strengthen demand for traditional and innovative wood products among the Pacific Northwest and international architectural, design and engineering communities. It is expected that this increased demand will result in increased investment in mill infrastructure to produce these products, which in turn will create demand for commercial-grade sawlogs harvested from Oregon's federal forests, including small-diameter logs harvested as part of the U.S. Forest Service's emphasis on restoring forest health and fire resiliency, especially in Oregon's dry-side forests.

Specific objectives will include:

- networking with stakeholders, such as state and federal agencies, the OSU College of Forestry, the Oregon Forest Industries Council Manufacturing Committee, trade associations, WoodWorks and others, to identify opportunities and gaps in current marketing efforts
- working specifically with Business Oregon (Oregon Economic Development Department), the Oregon Department of Forestry and non-governmental organizations to understand current state efforts to expand international markets for finished wood products, and determining how OFRI might assist such efforts
- meeting with the Oregon Building Codes Division to identify barriers to building tall wood structures greater than five stories, and mapping a strategy to overcome those barriers
- conducting market research among members of the design/building communities to understand what their information needs are regarding the use of wood products in commercial structures
- using the research to develop and implement a marketing communications plan that meets the information needs of architects, designers, engineers, developers, specifiers and others responsible for structural and aesthetic building design decisions

While the research will drive decisions on media choice, messaging and timing, potential networking, education, communication and outreach activities could include:

Networking

- Network with the Governor's Office, Business Oregon, Oregon Department of Forestry, Oregon State University College of Forestry, Oregon Wood Innovation Center and others to coordinate the state of Oregon's efforts to promote the forest products manufacturing sector
- Facilitate efforts to revise Oregon's Uniform Building Code so that it encourages – not merely allows – the use of innovative wood products in commercial buildings
- Use OFRI's contacts within the forest sector to assist Business Oregon with its international forest-products marketing efforts

- Network with Oregon architects, engineers, developers and others to make them aware of the efforts of the Oregon Wood Innovation Center, WoodWorks and other groups to underscore the economic and environmental benefits of using wood

Education and Training

- Publish environmental product declarations (EPDs) for Oregon wood species
- Work with WoodWorks and others to develop training on construction techniques that use new building materials or building designs (e.g., structural roundwood, cross-laminated timber, or light frames on concrete or CLT podiums)
- Organize forestry and mill tours for architects, engineers, developers and visiting foreign customers to communicate Oregon’s sustainable forest management on private, state and federal forests

Communications

- Develop print and video materials specifically targeted to the design and build communities that discuss sustainable forest management in Oregon
- Develop a website specifically about forest products produced in Oregon – lumber, panels, engineered wood, landscaping materials, etc.
- Produce YouTube videos about innovative Oregon wood products and design

Events and Outreach

- Lead, coordinate and expand the annual Oregon Forest Products Week
- Manage a “Governor’s Award” for wood design – a contest for architects similar to the “Best Use of Idaho Wood” award: <http://www.idahoforests.org/archoverview.htm>

Media

- Publicize both innovative and traditional uses of wood products, in traditional and non-traditional media

As a result of these efforts and others over the course of two years, more Oregonians will have increased confidence that private, state and federal forestland within the state is being managed responsibly and sustainably. Members of the design and build communities will have increased comfort specifying and using wood products for both structural and aesthetic applications in commercial building. And Oregon manufacturers will be more familiar with how to access international markets, particularly in Asia.

The program will be monitored by the OFRI Board of Directors, a 13-member voluntary citizen board representing the forest sector and the general public. The executive director will make quarterly reports to the board on the program’s progress. In addition, OFRI will provide annual progress reports to the USDA Forest Service, Wood Education and Resource Center, that will provide an overview of accomplishments of the goals and objectives of the program. And finally, OFRI will provide to the WERC both a Final Summary Report and a Final Accomplishment Report.

Timeline

Activity	Responsible Party	Time Frame
Finalize position description for forest products marketing director; receive state approvals	OFRI	March 1, 2015
Announce WERC award	USDA Forest Service	April 7, 2015
Approve final OFRI budget	OFRI Board of Directors	April 17, 2015
Announce position opening	OFRI	April 20, 2015
Begin interviews	OFRI	May 18, 2015
Select final candidate for forest products marketing director position	OFRI	June 1, 2015
Conduct market research among members of the design/building communities	OFRI, Davis Hibbits Midghall	June 2015
Forest Products Marketing Program director begins	Director, FPMP	July 1, 2015
Networking – meetings with state agencies, OSU College of Forestry, WoodWorks, OFIC, OWIC, Oregon Building Codes Division, etc.	Executive Director, Forest Products Marketing Director	July-August 2015
Use results from market research and networking to develop Year 1 marketing communications plan and present to OFRI Board on Oct. 1, 2015	Executive Director, Forest Products Marketing Director,	September 2015
Implement Year 1 marketing communications plan	Forest Products Marketing Director	October 2015 – June 2016
Meet with the Oregon Building Codes Division to identify barriers to building tall wood structures greater than five stories, and map a strategy to overcome barriers	Forest Products Marketing Director	Q4 2015
Meet with stakeholders to identify opportunities and gaps in current marketing efforts	Forest Products Marketing Director	Q1 2016
Work with Business Oregon, ODF and others to understand state efforts to expand international markets for finished wood products, and determine how OFRI can assist such efforts	Forest Products Marketing Director	Q1 2016
Provide annual progress reports to the USDA Forest Service, Wood Education and Resource Center	Forest Products Marketing Director	March 31, 2016
Use results from first year and input from stakeholders to develop Year 2 marketing communications plan	Forest Products Marketing Director	June 1, 2016
Implement Year 2 marketing communications plan	Forest Products Marketing Director	July 2016 – June 2017
Find resources – private, state, federal – to continue forest products marketing program in FY 2017-18	Executive Director	April 2017
Provide a Final Summary Report and a Final Accomplishment Report to the USDA Forest Service, Wood Education and Resource Center	Forest Products Marketing Director	By July 31, 2017

G. Qualifications of Staff, Organization, and Partners

The Oregon Forest Resources Institute was created by the Oregon Legislature in 1991. It is modeled after the state's 23 grower-supported commodity commissions, with a mission of increasing public understanding of the practice of forestry and the use and benefits of forest products. It is funded primarily by a harvest tax and is governed by a 13-member board.

The work of the Institute comprises three main areas: public education, K-12 education and landowner education. With 7.5 FTE, the Institute relies on contractors to do much of its work. For example, for public education the Institute has contracts with firms specializing in public opinion polling, advertising, website design, and publication and video production. In the K-12 area, the Institute has a contract with the Oregon Natural Resources Education Program at Oregon State University. For landowner education, the Institute teams with OSU Extension Services and the Oregon Small Woodlands Association, among others. For a representative selection of OFRI's communications work, please see Appendix C.

OFRI is familiar with federal grants, including reporting and monitoring. It has participated in consortia that have won four USFS Western State & Private Grants. These include:

- 2010 – \$300,000. OFRI's role was to establish the Partnership for Forestry Education, develop a strategic plan, develop the KnowYourForest.org website, print the Forest Protection Laws Illustrated Manual, and develop a Family Forest Opportunity Guide
- 2012 – \$300,000. OFRI's role was to develop and deliver a Wildlife in Managed Forests Program, and develop and deliver three Pacific Northwest Leadership Academies
- 2014 – \$300,000 to work with OSU and ODF to establish a pilot Private Forestlands Collaborative in Eastern Oregon.
- 2015 – \$75,000 to work with OSU and ODF to develop videos and an e-book for family forest landowners, and to strengthen the content of KnowYourForest.org.

Paul Barnum, Executive Director: Paul joined the Oregon Forest Resources Institute in August 2008. He has an extensive background in natural resources education, communications, marketing and public affairs in both the public and private sectors. For 15 years, he was with Weyerhaeuser as a director of communications, where he oversaw the company's national advertising program and publication of its annual Sustainability Report. Prior to joining OFRI, he was with Russell Investments, an international financial services company based in Seattle. Paul earned his master's degree in journalism from the University of Oregon and is a past vice president of the UO Alumni Association. He is a past president of SOLVE (formerly SOLV, Stop Oregon Litter and Vandalism) and a former chairman of OFRI. Currently, he serves as a member of the state Federal Forest Working Group and the Oregon Business Plan Steering Committee. He is co-chair of Gov. Kitzhaber's Rural Implementation Team.

New Position, Director of Forest Products Marketing: Please see Appendix B for a complete position description. This is a new position that will be located at OFRI's Portland office. The director will have at minimum a bachelor's degree in wood science, renewable materials, architecture or engineering, plus five years' experience in marketing, communication and sales. He or she will have extensive knowledge of wood products and Oregon's forest products manufacturing sector. The key duties will be to promote the benefits of wood as a cost-effective and environmentally preferred green building material to the design/build communities; develop

credible, professional and science-based print and electronic materials that position Oregon wood products as a preferred green building material; and underscore Oregon's sustainable forest practices and high environmental standards throughout all marketing materials, events and other initiatives.

Mike Cloughesy, Director of Forestry: Mike joined the Oregon Forest Resources Institute in 2003. He is responsible for developing and implementing OFRI's forestry education programs for landowners and the general public, and serves as a liaison with the forestry and forest science communities. Prior to joining OFRI, Mike was the director of outreach education at Oregon State University College of Forestry, the assistant leader of the OSU Forestry Extension Program, and a professor of forest resources. He has extensive experience as an Extension forester in Lane and Douglas counties and is the author or co-author of dozens of publications, book chapters and journal articles about forest management. He holds a bachelor's degree in forestry from Iowa State University and a master's degree in forest science from OSU.

Kathy Storm, Manager of Business Operations: Kathy Storm is manager of business operations, responsible for OFRI's day-to-day operations including financial management, human resources and procurement. Her efforts annually earn OFRI the state's Gold Star Certificate for accurate and timely fiscal information. Before joining OFRI in 2003, she worked for the Oregon Department of Forestry. Kathy and her husband are small woodland owners, so keeping Oregon's forests healthy is important to her. Kathy holds an associate's degree in Legal Secretary from Portland Community College and has completed numerous professional development classes through the State of Oregon Department of Administrative Services.

H. Project Outcomes, Annual Progress Reports, and Final Reports

Project Outcomes: There are many variables that influence forest products markets, including interest rates, builder and consumer confidence, demand for new homes, etc. Provided those variables remaining static, we expect that a statewide Forest Products Marketing program would have a measurable, positive impact. Measures would include a 5 percent increase in Oregon softwood lumber production in Year 1 (from an estimated 5.25 million board feet in 2014 to 5.5 million board feet in 2015) and a 10 percent increase in year 2 (from 5.5 million board feet in 2015 to 6.0 million board feet in 2016); an overall increase in the Portland Metropolitan area of the number of commercial five-story structures using light-frame construction, or up to seven stories using a combination of a concrete podium and light-frame construction; and approval of wood structures anywhere in Oregon in excess of seven stories using mass timber construction.

Annual Progress Reports: The marketing program's implementation and effectiveness will be monitored by the OFRI Board of Directors. The executive director will make quarterly reports to the board on the program's progress. On March 30, 2016, and March 30, 2017, OFRI will provide annual progress reports to the USDA Forest Service, Wood Education and Resource Center, that will give an overview of accomplishment of the program's goals and objectives.

Final Report: At the conclusion of its 2016-17 fiscal year, and no later than July 31, 2017, OFRI will provide to the WERC both a Final Summary Report and a Final Accomplishment Report.

I. Budget Summary and Justification in Support of SF-424A:**a. Budget Table**

<i>Categories</i>	I Forest Service Share	II Cooperator's Share	III Total
1. Personnel	117,000	95,500	212,500
2. Fringe benefits	47,429	31,619	79,048
3. Travel	3,840	2,560	6,400
4. Equipment		6,519	6,519
5. Supplies/Materials	900	600	1,500
6. Contractual (identify below)	74,500	25,500	100,000
7. Construction	NA	NA	
8. Other (identify below)	5,959	3,973	9,932
9. Direct charges	249,628	166,271	415,899
10. Indirect charges			
11. Total	249,628	166,271	415,899
12. Percentage of Total	60.0%	40.0%	100%

Explanation and details for Category 6 (Contractual):

OFRI relies on contractors for much of its communications and marketing work. The Institute contracts with firms specializing in public opinion polling, advertising, website design, and publication and video production. Printing is overseen by Oregon State Printing, which puts out projects for bid and selects a state-approved printer. During Year One and Year Two, we anticipate contracting for research, writing, design, printing and other services. These will be identified once a director of Forest Products Marketing is hired.

Explanation and details for Category 8 (Other):

The Other category includes annual amounts for monthly charges for mobile devices, Internet service provider, and office space.

b. Cooperator Contributions Table (not including U.S. Forest Service contributions)

	Cooperator	Cash	Materials	In-Kind Services	Total
	Oregon Forest Resources Institute	161,698	4,573	0	166,271
Totals		161,698	4,573		166,271