



November 13, 2023

Dear State Land Board,

OSU was invited by the State Land Board over four years ago to explore the possibility of an Elliott State Research Forest. An immense amount of hard work, planning, and progress has been made by many towards bringing the vision to life. It is with great disappointment that I share the unfortunate news that, at this juncture, I am not prepared to make a recommendation to Oregon State University's Board of Trustees that they authorize OSU to participate in the management of the Elliott State Research Forest (ESRF). Regretfully, I find the current trajectory of the planning process is on a course that will fail to deliver the public good anticipated and falls well short of the 'world class research forest' envisioned by the State, OSU, Tribal Nations, and other stakeholders who have been engaged in the planning process.

My conclusion was reached through the consideration of multiple factors, including the recent public opposition to the Habitat Conservation Plan (HCP) and forest management plan (FMP) by the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians (CTCLUSI). Although the CTCLUSI had previously shared support for the OSU ESRF Research Proposal, they recently expressed significant concerns regarding the limitations and constraints placed on the management of the overall forest and the acreage dedicated to reserves in the research design. To my understanding, their perspective is that the proposed management approach does not adequately support the inclusion of Indigenous Knowledge and cultural practices or allow the CTCLUSI to have a meaningful role in forest stewardship. The CTCLUSI have asked OSU to defer any action and enter into further consultation with their representatives and the Department of State Lands (DSL).

Similarly, despite previous support for the OSU ESRF Proposal, OSU has recently received feedback as part of the public comment period on the FMP draft from community and industry stakeholders calling for the development of a different plan. This recently voiced opposition from multiple stakeholder groups with varying perspectives has forced OSU to step back and consider whether the cumulative effect of compromises, which were reasonable as individual decisions made in collaboration with DSL, have brought us to a plan that does not reflect the key principles of the ESRF vision.

In addition, from an operational perspective, OSU continues to have significant concerns with the State's intent to limit variations in annual harvest volumes in the ESRF, and to

move forward with a carbon project on the ESRF. The October 13, 2023, email from the State Land Board Assistants (LBA) to DSL, OSU, and the ESRFA Prospective Board of Directors, made clear that harvests on the ESRF would be subject to a set annual timber volume with minimal year-to-year variation. As OSU has already expressed, the notion that the research forest managers could maintain a near static timber volume in annual harvest within the research goals and management commitments of the ESRF fails to (1) support the health and resiliency of the forest, (2) recognize the dynamic nature of both forest ecosystems and adaptive management, and (3) support the integrity of a functional, replicated research design as described in the ESRF Research Proposal. Further, the proposed research forest was predicated on the realization that forest management would be modified over time as knowledge is gained and understanding is built through research, observation, and collaboration.

The LBA and DSL have also made clear that an early carbon project will occur on the ESRF (two examples include the October 13, 2023, email from the LBA, and the discussion at the October 10, 2023, State Land Board Meeting on conditioning approval of the FMP with a carbon sale). OSU has been steadfast in its opposition to monetizing the carbon within the ESRF in the early stages for the clear and simple reason that the sale of the forest's carbon would limit or interfere with the ability of OSU to conduct meaningful research that is critical to addressing important sustainable management questions. These restrictions are specifically related to carbon sequestration, carbon storage maximization, and the development of new models for offsetting carbon through the voluntary market. Such research would not be possible if large tracts of the forest are rendered unavailable because they've been set aside under long-term (40- or 100-year) commitments through carbon markets that are currently the subject of academic and public scrutiny. OSU does believe entering the carbon market as part of the overarching research strategy may be an appropriate source of revenue for the forest in the long-term; however, doing so should follow—not precede—careful consideration and discussion between the ESRFA and OSU. Entering the market prematurely precludes a deliberate, research-informed approach that can inform sustainable management practices in Oregon and beyond.

Finally, while financial self-sufficiency and revenue generation are not the primary concerns leading to my decision, they are essential, and the above factors do impact the ability for the ESRF to support itself. Key among the financial concerns is the need for startup funding for the initial years of operation when harvest revenue will be minimal. The OSU Research Forest Proposal made clear that startup funds were required to make the implementation of the forest plan a success. With the operational date of ESRF in less than two months, no clear path to fully supporting the startup needs of the forest exists and this fact jeopardizes not only the early phase of establishing the research platform but also fulfilling the monitoring requirements of the HCP.

Again, I am disappointed to have to share this difficult decision with you. While compromise has been an essential element in moving the ESRF so close to existence, it appears the cumulative effect of those compromises has eroded the research viability of the forest and, with it, the ability to serve the public good. Several partners and

stakeholders now stand in opposition, and OSU is no longer able to participate as we had hoped.

There remains great potential in the Elliott as envisioned in Senate Bill 1546. Though I am not ready at this time to make a recommendation to the OSU Board of Trustees to authorize participation in the ESRF, OSU remains ready to engage in the work of recalibrating the proposed ESRF plan in a manner that fulfills the vision and supports the ultimate success of OSU research and the ESRF.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jayathi Y. Murthy".

Jayathi Y. Murthy

CC:

Geoff Huntington, Senior Natural Resources Advisor, State of Oregon

Dmitiri Palmateer – Deputy Treasurer, State of Oregon

Jessica Ventura, Chief of Legislative and Policy Affairs, Oregon Secretary of State's Office

Vicki Walker, Director, Department of State Lands