2019 ANNUAL REPORT
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Before I reflect on the accomplishments and challenges both in our past and in our future, I want to state it has been an honor and a pleasure to be sitting in the role of Board Chair. Working with all of our members for the betterment of the state’s forests is extremely rewarding, especially in an era when forest management is in the forefront. As the state struggles with wildfires and drought-caused mortality, Calforests' member forests are shining examples of how the rest of the state should be managing their forests for wildfire resiliency, carbon sequestration, and the sustainable flow of forest products.

Last year was yet again a busy year for us as many in Sacramento look to Calforests for answers on how to better manage the state’s forests. We educated many legislators on how projects were conducted under Timber Harvest Plans and the Forest Fire Prevention Exemptions aid our forests in being wildfire resilient. They learned how shaded fuel breaks kept the Camp Fire from being an even larger disaster than it was. By my count, we met with over 35 legislators or staff, sharing pictures of success stories and how barriers to expand the scale of this important work can be reduced or eliminated. Through the Calforests PAC, we met with 35 legislators to reinforce this message. And I would be remiss if I did not mention the work of The Forest Foundation in conducting the forest tours each year. Seeing sound forest management on the ground makes greater strides in educating policymakers than anything we can say in a meeting room.

Two Calforests-sponsored bills were signed by the Governor in 2019 and two were turned in to two year bills. AB 1160, which extends the life of an SYP from 10 to 20 years, and SB 632, which requires the Board of Forestry to complete its review of the EIR for the Vegetation Treatment Plan by Feb. 1, 2020, were both signed. SB 515 was turned into a two year bill with Calforests looking to allow additional fuel sources for BioRAM facilities and potentially transportation subsidies. AB 1151 is also a two year bill which limits liabilities after wildfires to those that are quantifiable and reasonable. On the regulatory front, Calforests will be pursuing revisions to candidate species listings and continue efforts to streamline the permit process, to name a couple priorities.

I look forward to working with all Calforests members in the coming year. It is an exciting time to be part of the solution for healthy forests and a healthy forest industry. From more buildings constructed of mass timber to more use of Good Neighbor Authority agreements, it will make for an exciting year.

John Andersen
Record temperatures across the globe. Unrelenting fires in Australia, sea level rise flooding St. Mark’s Square in Venice. The evidence mounts that climate change is having an environmental impact on our planet.

There is no question that our industry plays a critical role in combating and protecting us from climate change. Our trees and our timber products sequester carbon. Our sustainable timber harvest practices enhance watershed health and provide critical habitat for multiple species. Global scientists are calling for the planting of more trees, but simply planting more trees is not an answer. The timber practices employed by the members of the California Forestry Association are the answer.

The policy and political landscape in which the California Forestry Association operates has shifted in the last couple of years. The mega wildfires that have ravished California have brought attention to our forested lands. Californians want to know what to do to protect communities and assure public safety. At Calforests we have been well positioned to engage in the conversation. During this past year we joined in significant dialogue with the Bay Area Council (one of the largest business groups in the San Francisco region), California Forward and the California Economic Summit, the Environmental Defense Fund, and The Nature Conservancy. We have been featured in news reports in key publications including the Wall Street Journal. And our advice has been sought by the administration of Governor Newsom and key members of the State Legislature. As this Annual Report will demonstrate, our voice is being heard and we are increasingly being viewed as a vital part of the solution to California’s climate change and wildfire problems.

Forest management is being embraced with the state calling for the treating of 500,000 acres of timberland each year for the foreseeable future. Key to implementation of these goals will be the ability to assure appropriate infrastructure including workforce development, equipment, and processing capacity. It is somewhat ironic that the environmental goals of California once called for a downsizing of our industry and now those goals call for a growth in our industry. I continually remind those in the public sector that industry can respond only when there is assurance of material supply and assurance of markets to sell product.

I have always thought that the concept that the environment and the economy are at odds is a false dichotomy. With the right environmental goals there can also be economic success. Our industry functions in a difficult economic environment, but we remain stewards of the land and a great hope for our climate future. We are the answer.

Rich Gordon
THE SACRAMENTO BEE

“There’s too much vegetation for a Mediterranean climate where fire is a natural phenomenon that helps thin things out,” said Rich Gordon, president of the California Forestry Association. “It’s going to take decades of investment and activity to return our forests to the correct condition.” November 2019

CALMATTERS

Rich Gordon, California Forestry Association: California’s biomass market is ripe for expansion and offers an environmentally responsible way to reduce forest fuel loads, fight climate change and produce renewable energy. Without leadership, however, a crucial opportunity will be lost. September 2019

The Christian Science Monitor

The California Forestry Association represents the state’s timber industry and belongs to the Tahoe initiative. Rich Gordon, the group’s president and chief executive officer, suggests that the magnitude of megafires has pushed environmentalists and loggers to find common cause. “California was sitting on a ticking time bomb with our forests,” he says. “But we didn’t really know how big the bomb was.” August 2019

Los Angeles Times

The California Forestry Assn., a collection of forest owners, mills and others with ties to the industry, agrees with Wood and the other lawmakers. Rich Gordon, president of the association, said there’s not enough money to treat all of California’s forest lands, which cover one-third of the state. But Newsom should dedicate more funding to create fuel breaks around vulnerable communities and defensible space near homes, he said. July 2019

COMSTOCK’S MAGAZINE

“I always like to point out if you buy lumber from California, you’re buying the most environmentally friendly lumber in the world,” [Rich] Gordon says. June 2019
Board of Forestry and Fire Protection

The Board of Forestry and Fire Protection (Board) passed several rules packages and were highly focused on fire prevention and post fire recovery. This involved exemptions and emergency notices, as well as planning issues that involve safety elements of county general plans and fire safe regulations. Issues of most importance to the membership included the following:

- **Emergency Exemption Amendments**: This action was initiated to provide implementation for Senate Bill (SB) 901 (2018). That law, in which Calforests played a major role, required that the initial adoption of regulations pursuant to the bill were to be adopted as emergency regulations. The amendments provided an opportunity to overhaul several of the Board’s existing regulatory exemptions. This included the addition of the new Small Timberland Owner exemption, intended to provide regulatory relief for small, nonindustrial landowners. Additional amendments included conditional allowances for the construction of up to 600 feet of temporary road under the Forest Fire Prevention Exemption. Calforests staff participated in all of the workshops and hearings for this effort. The amendments were adopted as emergency regulations in January 2019 and became permanent upon filing in February 2019, consistent with SB 901.

- **Emergency Fuel Hazard Reduction Amendments**: This action for the Emergency Notice for Hazard Fuel Reduction provided rules to encourage greater use of the Notice and to improve the effectiveness of hazardous fuel removals by landowners in strategic areas. This was a major point of emphasis for Calforests, and staff was actively engaged. The rules were adopted as emergency regulations in August 2019. The Board later re-adopted these emergency regulations and is currently engaged in the process of permanent rulemaking on this topic.

- **Stocking and Silvicultural Amendments**: Stocking standards for replanting following harvest or disturbance have been in place for several decades. As a result of findings provided by the William Main supported group, and endorsed by Calforests, the issue came before the Board. Seedling survival has improved dramatically, and stressors facing forests, such as diseases, drought, insects, and fire, have increased in frequency and severity since the standards were originally adopted. The 2019 amendments lowered the required stocking of seedlings on a district by district basis in order to address various forest health and ecological goals. Having been adopted by the Board in September 2019, and approved by the Office of Administrative Law in November, these regulations went into effect on January 1, 2020.

- **California Statewide Vegetation Treatment Program**: On December 30, 2019, the Board certified a Program Environmental Impact Report (PEIR) and approved the California Statewide Vegetation Treatment Program (CalVTP), a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting program. This CalVTP and PEIR will streamline California Environmental Quality Act (CEQA) compliance for CAL FIRE and other state and local public agencies’ vegetation management projects. The CalVTP PEIR is intended for vegetation management activities that lower the risk of catastrophic wildfires on nonfederal lands by managing vegetation to modify or reduce hazardous fuels. Again, this action was a major point of emphasis for Calforests, and staff provided support for the effort.
• **Review of Forest Practice Northern Spotted Owl (NSO) Rules:** In 2019 the U.S. Fish and Wildlife Service engaged in revising attachments to the No-Take Guidelines for NSO and also worked on developing a Safe Harbor Agreement for NSO. CAL FIRE and the California Department of Fish and Wildlife are also working on the development of a Spotted Owl Resource Plan for a geographically distinct portion of Northern California. Upon the completion of these projects, the Board will continue discussions on NSO and contemplate updating regulations to reference new management opportunities.

• **Basal Area Stocking Standards:** As part of the Board’s review of stocking standards, additional issues identified include, among others, the issue of flexibility in addressing treating stands of shade tolerant species to introduce more shade intolerant ones to provide more diversity and resilience in the stands affected. The item continues to be discussed within Committee, and Calforests staff is coordinating this effort.

• **Issues Pertaining to Conversion of Timberland:** Existing Board regulations are inconsistent with PRC § 4621 as it applies to conversion of timberland. CAL FIRE has requested that the Board bring the current definition of conversion into conformance with state law to recognize all timberland conversions regardless of zoning status. Another issue includes the definition pertaining to “Crop of Trees, Available for, and Capable of.”, a longstanding issue that has been repeatedly in front of the Board, but the issue presents a myriad of complications. Calforests is monitoring this work.

• **Maximum Sustained Production (MSP):** The Board intends to review performance of existing MSP rules since Board adoption in the early 1990’s. The Management Committee may consider forming a technical working group to consider changes to existing MSP rules to provide more concrete standards for the MSP demonstration.

**Natural Resources Agency**
Calforests has continued to work with the agency regarding progress on issues related to AB 1492. This includes Caltrees, the electronic plan submission system, as well as opportunities to provide more efficient plan review.

**Wildlife Issues**
The Fish and Game Commission determined that listing for the Foothill Yellow-Legged frog is partially warranted. The report of the Department of Fish and Wildlife did not have much discussion of the effect of timber harvest and seemed to focus on building development and dams as primary drivers. The findings for this species are pending. Calforests staff participated in the re-consideration by the U.S. Fish and Wildlife Service of the fisher listing and provided input. Currently, Calforests staff is exploring methods to improve Marbled Murrelet protocols and evaluation.

**By George Gentry, Senior Vice President**
Forest Service and California
There was substantial progress by the Forest Service, California Region (R5) to increase economic supply of timber, which promotes fuels reduction accomplishment. Since 2011, R5 has accomplished 168,000 acres/year (mechanical thinning, prescribed burning and mastication). In 2018, R5 accomplished 221,000 acres; in 2019, the number was 215,667 acres. The target for Fiscal Year 2020 is 235,200 acres. R5 increased timber sold through mechanical thinning from 254 million board feet (mmbf) in 2017 to 355 mmbf in 2018 and 376 mmbf in 2019. The R5 target for Fiscal Year 2020 is 400 mmbf. Mechanical thinning acres should increase from the 2019 accomplishment of about 89,915 acres to over 95,000 acres in 2020.

Calforests has advocated for more Master Stewardship Agreements (MSAs), which allow R5 to use MSA cooperators to do, and be reimbursed for, fuels reduction and fire prevention projects on the National Forests. El Dorado County/Eldorado National Forest is the most recent to sign on to an MSA. We are also encouraging other rural counties to sign on to MSA's with their local National Forest. Calforests also continues to advocate for National Forests to allow for projects on steep slopes. Steep slopes make up about 25% of suitable forest lands in National Forests.

CALIFORNIA FARMER Program
This program provides an incentive for the agricultural and forestry sectors to retire older equipment for new or newer equipment for emissions reductions. Though 80% of the funding goes to the San Joaquin Air District, the forest sector received awards of $135,000 each for equipment replacement to five forestry applicants in Northern and Central California. The application window is open until March 1, 2020.

Forest Service and the Federal Timber Purchasers Committee (FTPC)
Calforests continues to work through the national Federal Timber Purchaser’s Committee to offer advice to the Forest Service in their efforts toward “Forest Service Modernization”. The effort to promote prescriptive designation in lieu of tree marking and allowing regions to continue to use current appraisal processes are significant improvements.

Federal Forest Resource Coalition (FFRC)
Robert Hoover is the new California Board member on FFRC, replacing Mark Bosetti who has retired. Steve Brink is also an FFRC Board member. FFRC advocates annually for increases in the Federal Interior Appropriations Bill to increase Forest Service wood supply, fuels reduction, and roads budget line items. For Fiscal Year 2020, all three budget line items were increased $5 million, $15 million and $9 million, respectively. The Secure Rural Schools and Community Self-Determination Act of 2000 was also extended for 2 years (through 2020).

By Steve Brink, Vice President of Public Resources
The California Legislature reconvened in 2019 for the start of a two-year session. It was another year with high interest in environmental and forestry related bills given the continuing presence of wildfire in California including the Camp Fire – perhaps the most disastrous fire in California history.

Within this context the California Forestry Association took the ambitious step of sponsoring four bills, two of which were signed into law and two of which were carried forward to 2020 for further consideration.

- AB 1160 (Dahle) was signed into law by Governor Newsom. This bill extends the operational time frame for Sustained Yield Plans from ten to twenty years.
- SB 632 (Galgiani) called for the Board of Forestry to adopt the Vegetation Treatment Program Environmental Impact Report no later than February 1, 2020. The Governor signed this Calforests bill into law.
- AB 1151 (Daly) is a bill to put limits on damages that can be claimed by a public agency following a fire that begins on private property. The bill was held for further consideration in 2020 in order to engage in discussions with consumer attorneys and the insurance industry.
- SB 515 (Caballero) as originally introduced would have expanded the definition of high hazard fuel sources for biomass. The bill moved out of the Senate but stalled in the Assembly Utilities and Energy Committee. At the request of Calforests, the bill was held and will remain available in 2020 should discussions on the utilization of biomass gain traction.

Calforests also played defense on several key bills. SB 69 (Wiener) was a marine protection bill that also included language giving the Water Boards more control over timber harvest approvals. After lengthy negotiations we were successful in having that language removed from the bill. AB 5 (Gonzalez) codified the definition of independent contractor from the Dynamex court decision. Senator Dahle attempted to secure amendments to exempt Licensed Timber Operators and Registered Professional Foresters from the bill, but his effort failed. The bill was signed into law setting the stage for Calforests and others to attempt to get these amendments in future legislation.

**Political Action Committee**

The Calforests Political Action Committee (PAC) exists to support the campaigns of candidates for the State Legislature. During 2019 the PAC contributed a total of $55,700 to 50 candidates. Our approach is to host small events with these legislators and candidates in order to develop working relationships. During 2019 we hosted 19 events.

**Litigation**

With the endorsement of the Board of Directors, the California Forestry Association will enter into litigation or join as an amicus to a case. During 2019 Calforests was not directly involved in any litigation. We did work with others to provide feedback on the proposed listing of the fisher by Fish and Wildlife and we supported the effort to secure final approval of the Dogwood Timber Harvest Plan.
The California Forestry Association generated $1,756,525 in income in 2019. As is typical with trade associations, the bulk of the revenue came from membership dues (88% of all revenue). The next highest source of revenue came from fees and sponsorships related to the association’s Annual Meeting (5%). Calforests collects and disburses assessments (4% of income) for six member companies who participate in the Federal Forest Resource Coalition. Finally, the Political Action Committee reimburses Calforests for expenses related to fundraising events hosted by the PAC (less than 1% of income).

During 2019 the California Forestry Association spent a total of $1,696,820. Personnel costs (61%) were the largest single expenditure category which is typical for an advocacy organization. A portion of membership dues are transferred annually to support the Political Action Committee and during 2019 there were also expenses related to legal advice on legislation related to fire liability damage caps. These PAC/legislation costs accounted for 7% of total expenditures. Contractual expenses (6%) included support for the Federal Labor Management Council and retainers with attorneys for compliance with reporting on lobbying activities.

The difference between revenue and expense was $59,705. This amount will be transferred to reserves. Reserves will then be equivalent to just over two-months of operating expenses.

*The annual audit of the California Forestry Association is available separately by request.*
The Forest Foundation is an independent educational 501(c)(3) nonprofit that shares office space and collaborates with the California Forestry Association. During 2019, the Foundation hired a new Executive Director, Jann Taber, and a Memorandum of Understanding was signed detailing the levels of support that the two organizations will provide to each other.

The Foundation provides support for the Calforests legislative agenda by hosting educational tours for members of the State Legislature. A tour in the spring of 2019 was held in the Mt. Shasta area and included a tour of the biomass and sawmill facility at Sierra Pacific Industries in Anderson. Members of the legislature also saw salvage logging being conducted following the Carr Fire and discussed reforestation efforts. A summer tour was held in Humboldt County where legislators had an opportunity to see the timber operations of Green Diamond Resources Company.

The Forest Foundation issues a separate Annual Report which describes its communication and education efforts. In addition to working on programs to educate school children about sustainable forestry, the Foundation is the steward of the California Forest Center at Cal Expo in Sacramento, which is a one-acre demonstration forest that gets over 40,000 visitors during the State Fair and during spring and fall school tours.

Recognizing that the timber industry has an aging workforce and that the forest management goals of California call for a new generation of forestry workers, the California Forestry Association and its members are investing in the future. Calforests has established a summer internship program which is now in its second year. In 2019 two students from Cal Poly San Luis Obispo – Matthew Crockett and Taylor Plasch – spent the summer learning about the ways in which regulation and legislation impact timber operations in California. In collaboration with The Forest Foundation and Calforests' member companies, the David Bischel Forestry Scholarship Program has been established. Over the next five years a minimum of $45,000 will be given to students earning forestry degrees from Humboldt State, UC Berkeley, and Cal Poly. Finally, Calforests' member companies are supporting local training programs including FIRST SEAT (Forest Industry Real-World Skills Training and Sustaining Employment and Applying Technology) at Shasta College which trains students on specialized logging equipment and exposes them to career opportunities in the logging industry.
The California Forestry Association (Calforests) is the leading advocate for the 25,000 workers, including scientists and professional foresters, as well as the land managers and landowners that collectively make up the state’s forest products industry. Our mission is to enhance forest health and safety by assuring an adequate and sustainable supply of forest products.

Calforests’ guiding principles – a commitment to science, innovation, integrity, respect, and cooperation – drive our belief that forestry professionals have a responsibility to maintain and enhance forests in order to ensure their health and productivity for generations to come.

Over the course of the last two decades, our members have successfully transformed their business operations with the express goal of employing environmentally sound policies and the sustainable use of renewable resources. Annually, our members plant millions of trees, because healthy forests provide the state with clean water and air, thriving wildlife habitats and sustainable locally grown wood products. Maintaining our forests is an economic driver in many areas and the forest management practices that are used to do so represent the best way to safeguard our communities from catastrophic wildfires.

**Calforests Staff**

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President and CEO

George Gentry  
Senior Vice President

Kirstin Kolpichke  
Vice President of  
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American Wood Fibers (Cal Wood Shavings)
Anawalt Lumber Company
Associated California Loggers
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Black Fox Timber Management Group
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California Farm Bureau Federation
California Women in Timber
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Cascade Resource Consultants, LLC
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Del Logging
EKI Environment and Water, Inc.
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Fontana Wood Preserving
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J.W. Bamford Inc.
Jefferson Resource Company
Jim Armstrong, Inc.
Jim Owstrowski Forestry
Joe Thornton Logging
Kansas Asphalt
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David A. Bischel passed away on April 25, 2019.

With his passing our industry lost a leader who had made an incredible difference over two decades. Dave graduated from UC Berkeley with a degree in forestry and secured licensing as a Registered Professional Forester. He began his career as a field forester for the Fibreboard Corporation in the Truckee area. He later became the forestry manager for the Southern Pacific Land Company in the Mount Shasta area. With the forests and the land in his blood Dave came to Sacramento to support our industry on a broader scale. He was first the Executive Officer for the Foresters Licensing program and later became the Executive Officer of the California Board of Forestry and Fire Protection. In this role Dave worked with the Board during the development of significant changes to the Forest Practice Rules focused on water quality and the protection of fish and wildlife.

When the California Forestry Association faced a crisis in leadership as Gil Murray, the Association’s President and CEO, was murdered by the Unabomber, Dave was tapped by the industry to step in and lead Calforests. Dave served as Calforests President and CEO for twenty-two years, retiring in 2017. During his tenure the association achieved success with new timber harvest exemptions (including the Forest Fire Prevention exemption) and the passage of AB 1492 which brought new revenue to California in return for a promise of timber harvest permit streamlining. That legislation was passed at the last hour of the last day of a legislative session demonstrating Dave’s tenacity.

Dave Bischel was a gentleman who earned the respect of his peers. He was also a strong family man who was actively involved in his community. He served on a local school board and was a volunteer Board member with several non-profits. He and his wife, Jill, bought a second home at Donner Pass where Dave loved to spend time. As life is a circle, it is no irony that this home was a stone’s throw from the Truckee area where he began his career.

To honor Dave, the California Forestry Association and The Forest Foundation have partnered to develop the David A. Bischel Forestry Scholarship Program and this spring a Ponderosa Pine will be planted in the State Capitol Park in his memory.