

MINUTES

Sustainable Business Initiative
Roundtable #10—Growing the Local Sustainable Forest Products Industry
Fire Station #1—Eugene, Oregon

January 26, 2005
1:30 p.m.

PRESENT: Twila Jacobsen, Mike Barnes, Dick Black, Roger Rutan, Kat Walsh, Colin Applegate Crocker, Dan Schneider, Charley Coury, Ryan Temple, Kent Goodyear, Terry Campbell, Marcus Wright, Brian Jaspro, T. J. Forrester, Seth Sam Filippo, Michael Corregan, Andi Hopper, Andrew Jones, Cindy Heistuman, participants; Rusty Rexius, David Funk, Sustainable Business Initiative Task Force co-chairs; Bob Doppelt, Ray Neff, Sarah Mazze, Melissa Cohn, UO Resource Innovations; Deb Noble, Lynn Feeken, Josh Bruce, Sustainable Business Initiative Task Force members; Mayor Kitty Piercy; Charles Biggs, Kathy Ging, Bob Cassidy, observers.

1. Welcome and Introductions

Mr. Funk called the meeting to order and welcomed those present. Mr. Rexius overviewed the mayor's Sustainable Business Initiative (SBI), noting that the effort was focused on job growth and retention in sustainable economic sectors. He said the SBI Task Force was currently in the discovery phase of its work, and for that reason was holding a series of roundtables to gather information.

Mayor Piercy welcomed those present and thanked them for coming.

Those present introduced themselves and briefly described their professional backgrounds.

2. Discussion

Mr. Doppelt defined sustainable forest products as recycled wood, certified wood, and wood from stewardship contracting, thinning, etc. He asked that for the present, participants ignore the certification issue. He referred those present to a proposal developed by Mike Barnes of Cascadia Forest Products, and suggested that be a starting point for discussion.

Mr. Temple from Sustainable Northwest and Terry Campbell of Forest Products Solutions were present to discuss the status of and trends in the sustainable forestry industry.

Mr. Campbell made the following points:

- Certified wood products are here to stay—the market is growing rapidly
- There are 90 forest certification programs worldwide—three in the United States
- Several state governments have had their forests certified—e.g., Minnesota, etc.
- Initially “big box” stores looked to certified woods in response to environmental pressure
- Certified wood products are shifting from commercial to residential where more potential exists
- Trends in government—Seattle purchasing policy—graduated percentage increase in FSC products—five, ten, 15, etc., to 25 percent over 25 years—King County undertaking similar effort—other governments have refused to buy exotic or noncertified wood
- Corporate trends—focus on paper more than wood products

- There is a growing amount of material available—the void is distribution—Oregon as a center for distribution?

Mr. Temple made the following points:

- Businesses we work with feel isolated and are seeking to connect with others—unsure of their market position—is green the only thing?
- 60 members, one-quarter FSE certified and all are committed to jobs, forests—all have different focuses and we appreciate what all are trying to do
- Sustainable Northwest helps companies plug into distribution systems
- Our members need convenience for consumers, distribution systems, small communities for collective product offerings
- Growing sector—much opportunity exists, as well as the opportunity to make connections—that’s a disconnect that needs to be resolved
- Your location is an asset
- There are local opportunities in terms of product groups: 1) appearance grade; 2) solid wood; and 3) highly engineered products
- Market expectations will be a challenge because people will pay more—uniformity and reliability will help
- “Green story” is the icing on the cake
- If distribution center approach is chosen, will need capitalization—there needs to be a place where the wood comes in—who capitalizes inventory and bears the costs?

Mr. Temple indicated his willingness to be a resource for the task force process.

At Mr. Doppelt’s request, Mr. Barnes overviewed his proposal, an executive summary of which was distributed to participants. Mr. Barnes’ vision was to make Eugene a center for the sale, value-added remanufacturing, and distribution of sustainable wood products. Mr. Barnes suggested that the City of Eugene could do more to use local wood products in government buildings, and could find a way for industry to employ the railroad yards as a distribution center.

Mr. Doppelt tested Mr. Barnes’ ideas with the participants, asking what they thought about an effort to make Eugene a major distribution point and center for large scale manufacturing.

- Great idea if run properly—sustainable woods are not being used in public buildings, and it would be a good public relations move for the City to do so, and demand would also grow
- Without a market and education, how can we increase demand? With education, people will “latch on”
- Disconnect between supply and demand—it’s hard to find some materials
- Chicken and egg issue—need incremental growth until tipping point, when demand becomes obvious to lumber yards
- If we can demonstrate demand, distribution will come on line—perhaps we could collectively research demand to demonstrate where it exists
- Education is a key area where the ball gets dropped—the message does not get upstream
- All Weyerhaeuser products SFI-certified—there is lots of certified framing lumber but people are not aware of that—the same is true of softwood plywood—there is lots in the market today
- SFI versus SFE—too much financial data required for SFE
- All of our buyers ask where products come from—in the past, only price was an issue for consumers—would love to have people request certified wood products
- People have preferences, e.g., LEED, EA—that single focus is frustrating and a problem—think any certification is better than none

- How can we attach the price to the true cost of certified wood? We need to educate about long-range thinking, and how to attach pricing to that issue

Mr. Doppelt said he was hearing concern about how to grow demand, and asked what an education program about the benefits of certified wood would look like.

- Put a stamp on lumber saying where it came from. I find that just calling buyers and telling them what was available generated interest
- Have a stamp indicating that wood is local
- The upcoming home show was a good opportunity for education
- Education is tough when the subject is so big—consider what’s out there already—there’s a trade association for every specialty—hook into one of those and get a champion—they could share in education

Mr. Doppelt asked who could provide an education program.

- Chamber of Commerce?
- More societal education of consumers is needed—people buy what consumers want
- What benefit certification, e.g., LEEDS—if there was some way to defer or reduce costs, such as through reduced development charges, that would help encourage the use of certified materials
- There could be plaques awarded by government, or tax credits for reduced energy or water use
- The LEED certification is very expensive and elitist—the costs escalate and must come down if consumers were to pay for them
- Note the role of the public sector in pushing the LEED standard—most are public sector projects, such as the library. However, when the project ran low on money the City economized by using southern poplar on the rotunda ceilings—if all public agencies started pushing the LEED certification, the private sector would be transformed—costs would begin to come down, and certified products would be more competitively priced

Mr. Doppelt asked if participants would recommend that the City build as many LEED projects as possible.

- No
- As a taxpayer, question the cost
- That instead of tax breaks—FSC certified
- Instead of legislating, create demand—want to look outside Eugene for markets as well—let businesses do the marketing
- People will try to use FSC products but building contractors will resist it without specific expectations because of the added costs—they can spec it, but that does not guarantee certified products will be used
- If you want to be inclusive, welcome all accreditation programs and accredited green buildings
- Note only one project certification available now—LEEDS
- Green Globes will have a place in the market, but not yet
- LEED does not recognize SFI, which lumber companies object to

Mr. Doppelt asked if the City of Eugene should set a higher standard for buildings while someone else decided the nature of the certification.

- Establish a point system for bids, e.g., use of local woods would get extra points

Mr. Doppelt asked if there was a local trade association talking about sustainable wood products and if not, would such an association be helpful. There was general consensus such as association would be

beneficial but most participants expressed concern about attending more meetings than those they were already committed to. There was also concern expressed about trade secrets.

- Suggest partnering with another entity, such as Jerry's or Rainbow Construction to make sure that building suppliers have the desired product lines in stock
- Suggest start with builder/consumer partnerships
- Note that there is a Portland group getting together to discuss similar concerns, with a focus on residential construction

Mr. Jaspro indicated willingness to be a conduit for education and marketing. He envisioned an effort that included education, marketing, signage, brochures, and clinics.

- Everyone goes to the store—start at the grassroots level
- Focus locally—put the certifications out without a value judgment and let consumers make the choice—that's the inclusive approach and doesn't make a value judgment

Mr. Rutan suggested that it would be comparatively easy to put together a package describing the various certifications for distribution by the City, and volunteered to contribute to that effort. Mr. Doppelt suggested that a simple, easy-to-understand fact sheet would be useful.

Mr. Doppelt asked for reactions to Mr. Barnes' suggestion for the use of the railroad yards. There was some skepticism voiced about the availability of the yards in the near-term.

- Eugene is already a major distribution center. We need to be more inclusive of companies not present at the meeting—many manufacturers, and some use sustainable wood products and some do not
- Source of wood is an issue—could use a sort yard where salvage and certified wood could be directed to the end users
- Many certified forests exist—more challenging on the hardwoods side
- Although relatively small scale, the urban forest is mostly hardwoods not managed by anyone—it's a huge resource that is going to waste—could be used at sorting site or in marketing package
- Suggest host a conference on sustainable forest products on an annual basis—opportunity for education and product display

Mr. Doppelt noted general support for the idea of a conference and asked who could host it. Mr. Rexius said the Convention and Visitors Association of Lane County was working on a sustainability conference and perhaps the effort could be wrapped up in that.

Mr. Doppelt asked for ideas for growing the supply and demand of sustainable forest products.

- Talk to the residential developers given the amount of wood being used in such construction—Lane County Homebuilders Association is the most direct contact
- Tax shifting, give permit priority to sustainable development
- Full cost accounting
- Businesses based solely on post recovery wood could be a good business opportunity—e.g., pallets, desks, furniture
- Some businesses employing post-recovery wood now—Lane County is very motivated to keep wood out of the landfill—there's an opportunity, but the County is in control

Mr. Funk asked what City assistance, if any, would be useful.

- Help with marketing

- Priority permit processes to enhance demand
- Eugene and its citizens must open their wallets if they believe in being green, they have to demonstrate politically and privately—we respond to what our customers want. If Eugene wants to be green, it should lead and not hold back
- Learn from others’ experience—e.g., Seattle and San Francisco
- Consider a focus on paper products
- Don’t want a plaque—want economic incentives to participate—be inclusive with a full range of options depending on dollars available
- Reduce property taxes for green buildings—that would pay for people to shoot for the best

Mr. Doppelt determined there was interest among about half the participants in a follow-up meeting and indicated he would poll for another meeting date.

Mr. Doppelt solicited comments from the observers.

- Suggest you have a demo or virtual house open year round, and consider how to incorporate remodeling jobs into a green program
- Recommend B. J. Harris as a resource and recommend Rick Barnett’s “Prescriptions for a Healthy Home”

Mayor Piercy thanked those present for their attendance.

Mr. Funk adjourned the meeting at 3:30 p.m.

(Recorded by Kimberly Young)