October 20, 2011

TO: Chair Moran and members of the Forest Practices Board

FROM: Andy Hayes and Lauren Burnes, DNR on behalf of the Northern Spotted Owl Implementation Team

SUBJECT: Update on Activities of the Northern Spotted Owl Implementation Team (NSOIT)

Since our last update to the Board, the team has met twice and has two additional meetings scheduled in December and January. At our most recent October 20th meeting, the team focused on developing a preliminary process and technical questions to discuss jointly with the technical team in December. The result of those discussions will be an updated guidance document that clarifies the process, functioning and desired outcomes from the technical team.

Since the last time the Chair reported to you, the team:

- Met with Brian Woodbridge, NSO habitat modeling team lead for USFWS
- Selected technical team members
- Researched funding opportunities for the Eastside Pilot Project

Brian Woodbridge of USFWS presented to the NSOIT details on the habitat modeling tools developed by USFWS to examine landscape-level NSO habitat dynamics; and how the NSOIT technical team may use it to inform their examination of spatial and temporal allocations of conservation efforts on nonfederal lands using best available science. Brian was able to answer some initial questions the Team had about the capabilities of their models and their ability to assist the technical team with some targeted analysis. We will work with the newly identified technical team (more below) in December to define key questions that we can cooperate with the USFWS team to help answer. We are planning a second meeting with Brian in January to discuss our cooperation further.

We are pleased to report that after a comprehensive selection process, we are finalizing the membership on our technical team. A technical team of 8 people will be formed, consisting of 6 biologists with expertise on northern spotted owls in Washington State, and 2 ecological economists with expertise in market and quasi-market transactions of ecosystem services. Biologists will represent federal government (2 representatives), state government, tribes, industry, and conservation interests. The economists are chosen solely based on their expertise and qualifications. Biologist membership includes: USFWS (Representative TBD); Elaine Rybak, USFS; Joe Buchanan, WDFW; Tony Melchiors, Weyerhaeuser; Tribes, (Representative TBD); and Kara Whittaker, Washington Forest Law Center. The economists who have agreed to participate include Sarah Kruse and James Pittman. Given the positive response we received from the candidates we contacted to participate in this process, the NSOIT is considering utilizing two additional economists to assist the technical team.

An initial joint meeting with the NSOIT and the technical team is tentatively scheduled for mid-December to discuss the specific questions we would like them to answer. This will be followed by a meeting in January with Brian Woodbridge to discuss how his USFWS modeling team can assist the technical team with their models. The technical team's work will likely continue through winter and into spring, though the length required for their analysis will depend on the analytical questions they are asked to answer by the NSOIT (which are yet to be determined). We would like to express our sincere appreciation for the technical team members' willingness to volunteer their time and expertise by assisting the NSOIT with this important work; it is critical to our team's ability to identify strategic conservation opportunities.

In addition, the NSOIT is redoubling its effort to develop pilot projects to demonstrate thinning in NSO habitat. Initial attempts to develop both a westside and an eastside project failed, largely due to the inability to find project funding. Specifically, we have revisited the eastside pilot project, which focuses on developing prescriptions for thinning in overstocked owl habitat with the goal of restoring habitat quality and improving forest health. This project was the subject of the pilot rule passed by the Board on February 10, 2010, and would take place on lands owned and managed by Longview Timber. We have identified possible grant opportunities (e.g., Section 6) that are anticipated to become available in late 2012. This will give us time to focus our efforts on convening a project team to assist with planning, writing prescriptions for thinning, and developing a reliable cost estimate needed to apply for funding the pilot project on the ground. In the meantime, we will continue to search for funding for project planning.

Lastly, we were able to secure a grant from USFWS for NSO Recovery Plan implementation that will provide the team with funding for an additional staff member to support the team. This has allowed us to hire Lauren part-time, who was previously serving as a volunteer intern. Moving forward, the NSOIT will now be able to maintain its current level of staff support (Andy and Lauren) and create steady forward momentum.

We will be available to answer any questions you may have.

October 2011

NORTHERN SPOTTED OWL IMPLEMETATION TEAM
WORK PLAN

On February 10, 2010 the Forest Practices Board (Board) accepted the consensus recommendations of the Northern Spotted Owl Policy Working Group, and directed DNR to form an Implementation Team (NSOIT) of five members: DNR, WDFW, industry, conservation caucus, and a land trust group.

The Board also directed the NSOIT to develop a work plan, including prioritization, and directed the team to coordinate with the federal agencies with regard to the Barred Owl control experiments.

In addition, the Board directed the NSOIT to formally convene a technical team to assess spatial and temporal allocation of conservation efforts on nonfederal lands using best available science.

While the Board has been provided regular status updates of the NSOIT's work items, the following represents the group's formal prioritized work plan, and is intended to provide information relative to the status and next steps of each recommendation. Information in the work plan will be modified as progress is made on existing tasks, when new tasks are identified, etc.

Item	Status	Next Steps
Endorse a Voluntary Incentives Program For Landowners to Achieve Conservation Goals	This is the current focus of the NSOIT. Bettina Von Hagan (EcoTrust) & Cindy Mitchell (WFPA) interviewed an expert in the field of forest incentives (Becca Madsen, Biodiversity Program Manager at Ecosystem Marketplace, Washington, D.C.) and have provided background material to the NSOIT on various ecosystem service markets around the world. They also included links to suggested reading as well as contacts for the various markets. House Bill 2541 was passed in 2010, and will dovetail with efforts of the NSOIT. DNR is required to develop landowner conservation proposals, including both markets and conservation easements, which support forest landowners by December 31, 2011. In the development of the proposals, the DNR must consult with the Board, Indian tribes, small forest landowners, conservation groups, industrial foresters, and state, federal, and local government. The proposed initiatives, if any, must be presented to the Governor, the Legislature, the Commission of Public Lands, and the Board. The DNR must also offer to present its findings to the Washington congressional delegation, local governments, and appropriate agencies of the federal government. Paula Swedeen attended the World Resources Institute/American Forest Foundation Conference in Madison, WI at the end of June and led a discussion session on incentives for owl conservation. Participants gave the following recommendations: 1) Develop a state-level "Conservation Stamp" program similar to the federal Duck Stamp program that is used for wetlands conservation. Commission artists to design stamps, sell them with hunting licenses and at recreational good stores, legislatively protect the proceeds so they are used for buying easements on owl habitat/restoration areas; 2) Raise funds from development impact fees; 3)Take advantage of overlap of funds from other ecosystem service priorities such as source drinking water protection areas and watersheds important for salmon; 4) prioritize funds in next Farm Bill (all acknowledged challenges in current federal budget climate). Mark Nechodem, Special Assistant to Secretary Vilsack	1. Have a discussion on which market(s) and/or framework would work best for NSO habitat in WA, and to 2. Develop a list of questions relative to NSO habitat markets possibilities for future conference calls w/ experts. 3. Pending NSOIT follow-up: recommend to FPB inclusion of NSO habitat outside of SOSEAs for RHOSP.

	agreed that targeting funds from the Farm Bill like the Healthy Forest Reserve Program, was a good idea, and he would help us advocate for it. The Encumbered State Forest Land Transfer program, enabled in 2009, provides the necessary tools for the state to maintain long-term working forests and trust revenue to small rural counties. It does so by acquiring productive working forest lands to replace State Forest lands encumbered by harvest restrictions due to Endangered Species Act-listed species, thereby maintaining the corpus of the State Forest trusts. Encumbered habitat lands have to meet two requirements. They have to (a) be located in counties with a population less than 25,000, and (b) be encumbered with timber harvest deferrals that are associated with federal ESA-listed wildlife species and greater than 30 years in length. Lastly, when transferred, lands that meet these criteria must be appraised at fair market value without consideration of management or regulatory encumbrances associated with the listed species' habitat. Once transferred using the Trust Land Transfer program, lands are placed in Natural Resources Conservation Areas. DNR submitted a report to the Legislature in October 2010 detailing implementation of the program, including an estimate of its overall cost. DNR then submitted to the 2011 Legislature a FY 11-13 funding proposal of $2 million to begin implementation of the program. The proposal, funded in the capital budget, will allow DNR to transfer three small encumbered properties, one each in Pacific, Wahkiakum and Skamania counties. While the timber value will go to the beneficiaries of the trusts, the land value identified in the appraisal will go to a revolving fund to be used for the purchase of new unencumbered forested trust lands to be managed for the long term benefit of those beneficiaries.	
Support an Action Program: Outreach to Owners Of Specific Lands Inside And Outside Of SOSEAs	The NSOIT has disused this item, which is intended to conduct outreach to specific landowners who may wish to secure important NSO habitat that is currently not protected.	Work on this will be enhanced after the team convenes and obtains results from the Board-mandated technical team, which will assess the spatial and temporal strategic allocation of conservation efforts on nonfederal lands. See the last item on this work

		plan. Develop communication strategy, including possible outreach materials for distribution once mechanisms are in place. Cindy (WFPA) has expressed interest in assisting the NSOIT with the outreach program once this component is ready to be addressed.
Promote Barred Owl Control Experiments and Research	The U.S. Fish and Wildlife Service is the lead agency on Barred Owl control experiments, and the NSOIT is coordinating with the Service on the progress of these experiments, through the Barred Owl Working Group operating within the context of the Northern Spotted Owl Recovery Planning process.	Update from the Barred Owl working group is enclosed below. *
Continue the Current Decertification Process for owls Sites During a Transition Period	This item has been accomplished. The Forest Practices Board adopted a permanent rule in May 2010 which establishes a three-member, multi-stakeholder Spotted Owl Conservation Advisory Group that makes a determination on whether owl site centers and surrounding habitat is important to the Northern Spotted Owl while the Forest Practices Board determines a long-term strategy for spotted owl habitat conservation. The Advisory Group makes their determination after the Department of Fish and Wildlife determines that surveys for Northern Spotted Owls have met survey protocols that indicate the absence of spotted owls.	Membership was updated last May. Members are Bridget Moran, Marty Vaughn and Kara Whittaker. To date, the Conservation Advisory Group has not been convened.
Initiate Two Washington Pilot Projects for Thinning and Habitat	1. A FPB Pilot Rule was adopted to allow one pilot project with Longview Timber in the Entiat SOSEA. Pilot project would explore whether thinning in highly stocked suitable owl habitat will improve habitat quality and is operationally and economically feasible. Efforts to secure funding to conduct the thinning project have not been successful. 2. A Section 6 grant application was submitted to thin and defer Westside forest with the goal of accelerating NSO habitat development. This application was not funded.	Andy and Lauren are now available to help coordinate and find grants to facilitate work on this. Non-profits (Pacific Forest Trust and Seattle Audubon) are working to advance owl-related Section 6 projects with landowners for the 2012 funding cycle.

Support Identification and Design of a Flagship Incentive Project	The concept is to test incentives options on a landscape scale, possibly w/ multiple landowners, in order to achieve significant conservation value and competitive, economically sustainable forest management.	Investigate and possibly find areas of opportunity to learn from or collaborate with other efforts, i.e., Tapash Collaborative, Oregon Safe Harbor Agreement, etc. Further efforts are contingent on information obtained from incentive pilots, funding, etc. A pilot under the auspices of ESHB 2541 in the Nisqually River Basin is in early planning stages. Landowners and other participants in the pilot are interested in having a component focusing on owls, in addition to murelets, water, and possibly carbon.
Approve Measures of Success	"Measures of Success" were recommended to the FPB, which accepted the final report of the Northern Spotted Owl Policy Working Group.	Re-assess previously proposed "Measures of Success," determine if they provide the proper metrics. Consider updating and reporting FPB.
Convene a Technical Team to Assess Spatial and Temporal Allocation of Conservation Efforts on Nonfederal Lands Using Best Available Science	The technical team component of our work plan will commence now that the Final Northern Spotted Owl Recovery Plan has been released, which contains critical modeling intended to assess the importance of different scenarios of blocks of land to be managed for the Northern Spotted Owl. During the NSOIT meeting last August, Brian Woodbridge gave a presentation on how modeling information can be useful for WA State. The NSOIT Technical Team selection process is being finalized and members have been invited to meet with the NSOIT in December.	The NSOIT will meet with technical team members in early December to define key questions that we can cooperate with the USFWS team to answer. We are also planning a future conference call with Brian Woodbridge to discuss how his USFWS modeling team can assist the NSOIT technical team process.

***Barred Owl Working Group (BOWG) Update:**

The USFWS is working on the EIS and the Barred Owl Working Group has been briefed on progress with the draft EIS. The EIS will contain a range of alternatives with a variety of scenarios, allowing USFWS to evaluate the effects of a variety of approaches and develop a final decision based on a variety of alternative components.

The BOWG has previously recommended an experimental design involving 3 current demography study areas (including the Cle Elum study area in WA and two sites in OR). This will continue to be evaluated in the EIS process, along with other alternatives. The general experimental design would involve dividing each study site into control (no

removal) and treatment (Barred Owl removal) areas. The analysis would involve comparing spotted owl population responses between the control and treatment areas. The Cle Elum study area is largely on federal lands. All alternatives will receive serious consideration, though some have complications, such as difficult access, small sample sizes, or substantially less robust analysis methods.

There is not a lot of activity on this issue outside the USFWS EIS work. If NSOIT would like more information we can contact Jim Thrailkill (Chair of the BOWG) or Robin Brown (USFWS lead on the EIS).

Other Processes the NSOIT is tracking that might be relevant and fruitful:

WWRP appraisal process

Funding