

2.13.09 Meeting Summary
Conference Room 250, 724 Columbia Street NW, Olympia

FOREST PRACTICES BOARD POLICY WORKING GROUP
WASHINGTON STATE NORTHERN SPOTTED OWL

Members Present

Ken Berg	USFWS
Shawn Cantrell	Seattle Audubon
Mark Doumit	WFPA
Kevin Godbout	Weyerhaeuser
Chris Lipton	Longview Timber
Robert Meier	Rayonier
Bridget Moran	WDFW, FPB
Vic Musselman	WFFA
Miguel Perez-Gibson	Audubon
Tom Robinson	WSAC
Paula Swedeen	Seattle Audubon
Chuck Turley	DNR

Absent

Don Halabisky Sierra Club

Also Present

Lois Schwennesen	Facilitator
Nina Carter	Former Group member
Martha Wehling	Attorney General's Office
Cindy Mitchell	WFPA
Carolyn Dobbs	Evergreen College
Kara Whittaker	WA Forest Law Center

This is a summary of the fourth meeting of the Forest Practice Board's Policy Working Group (Group). The Group welcomed Miguel Perez-Gibson, who is replacing Nina Carter as one of the Audubon representatives. Nina has been appointed to the State Growth Management Hearings Board and will not be able to continue to serve in the Group. Nina was thanked for her leadership, vision, and active role in getting this group set on a collaborative course to make a difference.

HB 1484 and SB 5401

The Group shared information on the small economic impacts and potential tax consequences (about 50 cents/acre annual tax receipts loss) of this legislation that the Group collectively supports.

Open Meetings Rules

As an entity of the Forest Practices Board (FPB), the Group must comply with public records and communications requirements. Martha Wehling of the Attorney General's Office described the rules and requirements and answered questions.

Current Regulations and Procedures

Chuck Turley reviewed the November 2004 Report to the FPB by Dan Silver and explained what was/was not followed up on relative to each report recommendation. Few of the recommendations have been implemented. The Group wants to move forward and not re-walk paths already taken. The Group discussed recommendations that may merit a second look, current procedures and current protocols.

The FPB Interim Rules on northern spotted owl site centers that involve a Northern Spotted Owl Conservation Advisory Group were discussed. The Rules' intent is that unoccupied circles that wouldn't provide additional habitat for the owl be provided relief. Two small applications have been received (roughly 5 acres and 40 acres) and are awaiting WDFW review before the advisory group can consider them. Concern was expressed about the waiting period for the applicants, and possible confusion about the process.

Shawn Cantrell summarized the discussion with a call for a clear, fast process to make habitat decisions in the short term and provide encouragement and incentives to landowners in the long term. Bob Meier added that the process should aim towards giving certainty the landowner can someday harvest again.

Kevin Godbout suggested the Group stay focused and specific, building on past work and picking up tangible, real things the Group can accomplish to advance the ball in the short term, and suggested the group specify which next step tasks should have priority funding in the future. Paula Swedeen concurred and recommended starting with the rules: Can the Group figure out how to implement the existing rules better to assist landowners? Then on top of improving implementation, add economic incentives.

Current System Incentives and Disincentives

Summary points that emerged during a wide ranging discussion (consensus not requested):

- Vic Musselman explained that fear drives the small woodland owner. Most will protect the northern spotted owl, but if they are asked to give up their land or harvest, they need economic incentive for doing that. An incentive may be a lighter hand on management or more flexibility in carrying out rules. Landowners prefer outright sale instead of leasing so they do not have to pay property taxes and carry expenses on land they can't use.
- Nina Carter observed that the SEPA trigger is the governing protection to mitigate adverse impacts. Forest Practices 1, 2, and 3 are not subject to SEPA. Class 4 applications are denied if there is a significant impact and mitigation is not sufficient. Yet the SEPA rule is vague and we need to understand how it works on the ground, whether it achieves its intent, and why forest practices avoid it.
- Kevin Godbout stated that Habitat Conservation Plans (HCPs) do not enhance property value due to the huge transaction costs and number of commitments that must be made. These are encumbrances that prevent a reliable flow of revenue from the land. LLPs and HCPs are encumbrances and risk management tools to manage liabilities, not protect the owl. There is no assurance that economic value will be recovered.
- Bob Meier added that with an HCP it is not possible to know how much timber can be harvested. HCPs don't work if a business needs capital appreciation. The risk of the unknown deters buyers.
- Shawn Cantrell noted many people feel HCPs are where owls go to die, so something is not working. What alternatives exist to circle management?
- Chris Lipton stated the rules on the books offer little flexibility in how to enforce them or meet their intent. His company has thinned land that expert Joe Buchanan said created better owl habitat than would have been created under an HCP.
- Bridget Moran agreed that circle management is not working. Consider a landscape approach that allows for a shifting mosaic of habitat inside a Spotted Owl Special Emphasis Areas (SOSEA) with economic incentives for one owner to keep and grow it.
- Paula Swedeen stated that foraging habitat can be a shifting mosaic, but nest sites pose problems. Owls tend to use their nest sites over and over again.
- Tom Robinson noted that the public resource is wildlife, not necessarily habitat. The state could not make the case that habitat itself was a public resource and ended up buying the property.

Compact discs containing the following background material from the August 9, 2005 FPB meeting were distributed to Group members to inform their future discussions and actions:

- **Context of the Forest Practices Spotted Owl Rules** – Cindy Mitchell, Washington Forest Protection Association; Heath Packard, Audubon Washington. How the state rules were developed within the larger context of Federal lands management and Habitat Conservation Plans.
- **Recent Spotted Owl Habitat Changes on Federal Lands** – Joe Lint, U.S. Bureau of Land Management. How northern spotted owl habitat changed during the first 10 years of the NW Forest Plan, 1994-2003, with emphasis on WA State.
- **Recent Spotted Owl Habitat Changes on Nonfederal Lands in Washington** – John Pierce, WDFW. How northern spotted owl habitat has changed since the Forest Practices Spotted Owl Rules were implemented, 1996-2004.
- **Spotted Owl Demographics** – Robert Anthony, Oregon Cooperative Fish & Wildlife Research Unit. Northern spotted owl productivity, survival, and rates of population change, with emphasis on WA State.
- **Federal Northern Spotted Owl Status Review & Barred Owl Interactions** – Steven Courtney, Sustainable Ecosystems Institute. Comprehensive synthesis of available information, summary of June 2005 conference in Arcata, California.

Spotted Owl Presence and Regulatory Overlays

Cindy Mitchell of WFPA briefed the Policy Group on the 2005 presentation to the FPB: “*Context of the Forest Practices Spotted Owl Rules*” made by Heath Packard, Audubon Washington and herself. The owl map (source: Joe Buchanan 2004) shows owl presence in November 2004 on and outside of Federal lands. Cindy noted that, taking into account land regulated through various State and Federal processes, land controls cover about 13 out of 18 million acres in Western Washington. WFPA has an interactive map on its website that provides additional opportunities to see and assess the locations currently affected by some sort of measure(s) for northern spotted owl conservation.

Discussion raised the following topics which will be further explored during future meetings:

- What are landowners already doing that helps owls? Can the Group identify and support existing helpful practices?
- Limited financing has delayed an updated habitat map. Can the Group start some pilot projects to test various incentives now, while updated northern spotted owl demographic and habitat information is being compiled?
- Does the Group have to wait for new maps - can it focus resources and pilot projects using statistical estimates of where habitat would be expected?
- Can threatened and endangered species in WA benefit from the Federal funding pipeline with improved detail on budget, staffing and priority? (A subgroup was created to work with WDFW on current biennium budget and priorities, and to develop proposed Group recommendations to fund future long term studies).
- What ideas must be dropped or scaled back so that the Group can accomplish what can practically be done this year?
- Focus on known economic deterrents (ex: SOSEAs tell landowners not to invest there due to greater risk and lower economic value) and develop incentives or regulatory repairs to correct the deterrents?
- This is a creative design team. Let the Group look at solutions beyond tweaking existing regulations and processes. If the slate was wiped clean, what would a regulatory and incentive based system look like?

Possible East Side and West Side Pilot Projects

The Group created subgroups to work towards choosing some pilot areas to try fresh approaches built around what individual landowners need, recognizing a solution must fit government need to protect the public resource as well.

Ken Berg stated he was open to a “starting over” approach, after first talking through possible outcomes if this approach doesn’t work six months down the road. He would rather look at real landowners with real owl conservation needs on real landscapes with real economic needs, and suggests focusing on landscapes between the Federal lands and talk to those landowners about what an incentive is to them.

Mark Doumit supported the pilot approach while continuing to consider incentives for strategic lands statewide. He stressed that the Group is trying to help a small percentage of key habitat, and each member of the Group has agreed to step up and help.

Shawn Cantrell asked the subgroups to consider what the new order would look like. Does the forest products caucus have a template? If there are fatal flaws in circle management (although some seem to work), what is the different paradigm and/or different structure? If every HCP is different, some may work in specific contexts. Chris Lipton suggested a field trip to view marked areas of thinning to support both owls and landowners. Vic Musselman stated there are economic models, including DNR’s bio-energy bill, to make it doable. While there is no market now, near and long term there may be offset and biomass markets. Paula Swedeen added that pilot projects could work on streamlining the approval process.

The group discussed additional information needed to determine where to apply what kinds of incentives, to prepare site – specific pilot project or test cases on the east side and the west side, to develop an understanding of incentives tools available and their applicability to the specific conditions for private landowners in WA and to the Group’s Charter, and to prepare for a two day session in late April to make some initial Group decisions.

Upcoming Meeting Topics and Schedule

See Attachment A: The work schedule and assignments developed for upcoming meetings.

Meeting Adjourned

Attachment A
2.13.09 Meeting Summary

MARCH 6

Ken and Bridget: **Public/Private Lands Interface.**
Ideas on an approach to identify opportunities for strategic land contributions (most important places for non public lands to contribute to owl biology). What factors would define a specific subset of Non-Federal lands which would most assist the owls, and preliminary ideas on how the strategic lands could be prioritized.

Incentive Tools Panel **Incentives: First Overview - Conservancy and Land Trust**
What tools are used currently here, by whom; what has been tried elsewhere, what factors appear to be keys to success, preliminary list of short/long term “best bet” tools. Panelists: Tom Tuchmann, US Forest Capital; Cherie Kearney, Columbia Land Trust; Michelle Connor, Cascade Land Conservancy; and John Barnstein, Pacific Forest Trust.

Bob & Team **East/West Side Design Team Reports**
Chris &Team Preliminary Discussion: Where are the good places to test ideas (pilot areas), and what might a “clean slate” approach look like?

MARCH 24

Vic, Chris & Team **Economics of Habitat Conservation: What facts best link to the Policy Team mission?**
What economic information is wanted in a future presentation? Cost differentials between 40 vs. 80 year rotations? Economic perspective on easements vs. acquisitions vs. other? Interests and motivations to partner vs. sell vs. easements? Cost / benefit analyses? Effect of the financial crisis on behavior and options?

Paula **Payment for Ecosystem Services**
Offset markets and other incentive tools.

Bob & Team **East/West Side Design Team Reports**
Chris &Team Proposed test case approaches, suggestions for test sites

APRIL 10

Eric Forsman

Owl Presence, Needs and Trends

State of the research on northern spotted owls, possible factors/data that could be screening tools to prioritize strategic land contributions.

**Ken, Bridget
Shawn**

Barred Owl Management Options (Kent Livezey, Scott Gremel)

Barred owl removal theory and interaction with northern spotted owl (competition, food availability, territory, etc). Experimental removal: What range might be affected and how long may removal persist? Is action on the barred owl needed for incentives to succeed? Audubon views.

**Bob & Team
Chris &Team**

East/West Side Design Team Reports and Policy Discussion

Consider inviting forest managers to join discussion

Tour of Potential West Side Pilot Area(s): How should the PWG prepare (research, reading, dress code, timeframe)

All

Starting Points for Upcoming Work Session

Strategic lands: What statewide prioritization criteria shall we consider April 28/29 to select target high priority lands?

Incentives: What incentive techniques appear to be most applicable to WA, for detailed consideration April 28/29?

APRIL 28-29

TWO DAY WORK SESSION in Olympia, including evening session 5/28. Preliminary goals:

- a) Agree on screening tools and process that will determine where to target incentives
- b) Agree on “best bets” incentive tools, based on agreed on criteria such as habitat, other science, least logistical/political problems, other
- c) Sketch tentative list of regulatory fixes to accompany incentives
- d) Field Trip to west side pilot area(s)