

3.06.09 Meeting Summary
Natural Resource Building Room 172, 1111 Washington St. E, Olympia, WA

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
Don Halabisky	Sierra Club
Chris Lipton	Longview Timber
Bob Meier	Rayonier
Bridget Moran	WDFW, FPB
Vic Musselman	WFFA
Miguel Perez-Gibson	Audubon
Tom Robinson	WSAC
Paula Swedeen	Seattle Audubon
Chuck Turley	DNR

Also Present

Lois Schwennesen	Facilitator
Martha Wehling	Attorney General's Office
Cindy Mitchell	WFPA
Kara Whittaker	WA Forest Law Center
Jeff Kozma	Yakima Nation
Emily Livengood	Seattle Audubon
Jennifer Cook	Schwennesen & Assoc.

This is a summary of the fifth meeting of the Forest Practice Board's Policy Working Group (Group). The group welcomed Don Halabisky, representing the Sierra Club, who summarized his education and career in new product development and innovation at Weyerhaeuser.

Open Meeting Rules

Concern was expressed about the volume of digital information being circulated among the Group, and the possible need for each member to maintain complete files. Martha Wehling of the Attorney General's Office clarified that the server belonging to Lois Schwennesen was sufficient to satisfy Freedom of Information Act (FOIA) compliance for mass circulated materials. Individual Group members only need to maintain these files if they forward them or alter them in any way. The conservation caucus conferred with Martha Wehling and confirmed that meetings among themselves and notes taken during those meetings were not discoverable under FOIA.

Proposed Letter to Congressional Delegation

Paula Swedeen distributed a draft letter to the WA State Congressional Delegation. Its purpose is to request that stimulus funds and funds that may become available through future Federal legislation, be targeted towards biomass energy - specifically towards a milling infrastructure and a sustainable supply of feedstock in rural WA. The Group agreed to develop the draft further for signatures. The Group also discussed a more detailed second letter targeted to specific delegates who are on committees with influence. The Group agreed that speed is of the essence, and the first letter would be finalized between meetings for signatures on March 24 at the latest. Counties, other interested environmental groups and timber companies will be contacted immediately and be invited to sign a second letter.

Public/Private Lands Interface

Bridget Moran and Ken Berg presented six areas for potential focus for strategic land contributions:

West side		East side	
Hoh-Clearwater	(WSCA-09)	North Blewitt	(WSCA-06)
Finney Block	(WSCA-06)	Entiat	(WSCA-07)
Mineral Block	(WSCA-04)	White Salmon	(WSCA-02)

These areas were chosen with assistance from a panel of biologists as areas well suited to the long term goals of the Group. They are all working forest areas contiguous to Federal lands. The east side and west side design teams were encouraged to establish pilot projects in these areas that customize and match incentive programs to the specific needs of the landowner involved.

The conservation caucus supported working within these areas, and also expressed an interest in revisiting the assessment of forest lands in the event there may be other important areas of opportunity, as circumstances may have changed in the 15 years since the Spotted Owl Special Emphasis Areas (SOSEAs) were identified. Others felt that such a broad reassessment better fit the mission of the Federal Recovery Team, not the State Policy Group. This will be discussed further at the next meeting.

Panel on Incentives and Tools

Tom Tuchmann	President, US Forest Capital	503-220-8103
Cherie Kearney	Forestry Initiative Dir., Columbia Land Trust	360-696-0131
Michelle Connor	Sr. Vice Pres., Policy, Cascade Land Conservancy	206-905-6899
John Bernstein	Vice Pres., Conservation, Pacific Forest Trust	415-561-0700

Tom Tuchmann outlined five categories of incentives that can be effective:

1. Financial Incentives, in which public or conservation entities purchase land, or interest in land, for the purposes of conservation (ex: conservation equity or Section 6 ESA funds)
2. Ecosystem Services, such as Transfer of Development Rights, in which a landowner is financially compensated for changing land management practices for conservation goals.
3. Financial Assistance, such as a forest incentives program or Forest Stewardship program, in which political support is obtained to use public funds to implement stewardship plans.
4. Fee Sales/Disposition, in which a landowner is matched with a conservation buyer who realizes a conservation gain. Often conservation entities facilitate the sale by assisting with financing.
5. Tax Relief and Incentives, which require political support and a public benefit.
6. Regulatory Relief Incentives, in which a landowner, in exchange for compliance with stewardship programs, is permitted non-compliance in another aspect of land management.

Tom also referenced non-financial incentives related to education or marketing, such as knowledge-based incentives, in which stewardship education programs are subsidized or offered free. Marketing incentives refer to approaches such as stewardship certification programs.

Cherie Kearney focuses her work on keeping working forests in production and managing land for species conservation. She stressed that success often requires blending diverse sources of funding, such as mitigation funds (FERC re-licensing), Section 6 ESA funds, public funding or tax breaks, local government or community entities leasing easements from landowners.

Michelle Connor encouraged the forest and conservation community to engage in conversation with planning communities to prevent unintended consequences of zoning decisions, such as undermining the market for Transfer of Development Rights (TDRs), and consideration of tools such as up-zoning of conservation lands to give more value to the landowner. She focused on seeking out policy based financing, such as using zoning tradeoffs and TDRs to access State budgeted infrastructure funds; pursuing ecosystem service benefits (revenue stream issues, but take a look at the USDA farm bill) and Climate Benefit Districts (which allow local urban districts to offset their climate impacts).

John Bernstein works primarily with market-based incentives. His example was the selling of carbon offsets in the Van Eck Forest Tract, a working forest conservation easement. California has established a standard in carbon accounting and certification. The Van Eck landowners received an average \$450K/year in carbon income (this amount is reduced under current financial conditions). He also referenced the concept of added value for “charismatic carbon” which could emphasize habitat related value. Carbon offsets are not widely available in WA due to lack of buyers; conservation easements are still the better way to go at this time.

Discussion with the Panelists

During a spirited discussion with the Group, the following suggestions were made:

- A. Look for additional funds to put into existing programs, such as the Stimulus Bill, Section 319 (the Clean Water Act), Section 6 ESA, WWRC funds for forestry, conservation futures funds (opt-in tax not used much in rural counties).
- B. Make the northern spotted owl a funding category or priority for existing funding sources (salmon recovery, forest legacy, endangered species).
- C. Develop tools for temporary bridge funding to hold land in transition between a private seller and a stewardship buyer (tax exempt bonds, private foundations, private corporations, conservation districts)
- D. Work with local land use planners, forest planners and conservation people to educate about each other’s goals and correct disincentives for tools such as TDRs.
- E. Support mill construction on the east side. Lack of mill capacity reduces revenue projections. Consider private/public co-ownership or public financing.
- F. Promote co-ownership of forest lands with the private side owning/managing the productive areas and public or conservation entities owning/managing environmentally sensitive areas (ex: Seneca sawmills, Roseburg OR).
- G. Champion newer, and/or non-financial options such as infrastructure prioritization and Climate Benefit Districts, 1031 land exchanges to preserve working forests.
- H. Focus on tools that don’t require money during the current financial state, such as tax policy, regulatory relief, and cost reduction for regulatory compliance

Summary of discussion about keys to Policy Group success:

- Focus on specific problems on specific lands, find open minded landowners,
- Target multiple species values and functions,
- Address time (2+ years) factors to complete actions,
- Find sources of quick bridge financing to hold key parcels until alternatives are found.
- Stay aware of the keys to landowner participation: reduce costs, increase revenue, find new opportunities to use products.

Tentative policy decision (to be acted on next meeting): To be effective in keeping ownership in private hands and to keep managing land for forestry purposes, the Group will not limit incentives

only for northern spotted owl habitat but will approach incentives for all old growth habitat species.

Ken Berg suggested the WA Biodiversity Council summary is the best current source for a full roadmap of tools and master list of funding sources. Lois Schwennesen will obtain this for the Group, as well as the draft Seneca land exchange project information. DOE also has an online list of incentives.

West Side/East Side Design Team Reports

Bob Meier presented a report from the west side design team. The following discussion of team recommendations identifying potential sites for a pilot project, applicable criteria, and overall goals of a pilot project program. There was general agreement that the pilot projects should provide valuable research opportunities, should focus on the specific and unique needs of the landowner(s), should address barred owl population management, and the incentives should be clearly identified including the cost of habitat modifications.

After a conservation caucus recess Shawn Cantrell reported that they strongly supported the pilot project approach, and that they were also very interested in a separate and parallel state wide screening process to identify other potential areas to apply incentives and lessons learned from the pilot projects. The conservation caucus also expressed concerns that State and Federal agencies may have a more limited view of the scope of the Group's charge. The caucus agreed to bring a screening proposal to the next meeting, with a purpose statement that takes into account the interests of other members of the group.

Meeting Topics and Upcoming Schedule

The following agenda items were added to the topics scheduled for upcoming meetings:

- Ken Berg and Chuck Turley will schedule an appropriate time for a briefing on the Port Blakely agreement, an example of a landowner incentive package or pilot project.
- Kevin Godbout will organize a briefing from Weyerhaeuser about the SW WA Telemetry study, which also may serve as an example of an existing pilot project.
- The east side/west side design teams will narrow down their choices and propose specific sites for pilot projects on March 24, and describe the selection criteria used.
- The conservation caucus will present a draft statewide screening proposal for identifying candidate lands for conservation actions beyond the pilot areas and current SOSEAs.

Meeting Adjourned