

RECOMMENDATIONS

The Future of Washington Forests Project was intended by the Legislature to consist of two inter-related components: A series of technical studies by researchers at the University of Washington, College of Forest Resources; and a set of policy recommendations to the Legislature. The study findings were intended to provide the factual foundation upon which policy recommendations would be based. Because the Future of Washington Forests Project had its origin in the College of Forest Resources' Northwest Environmental Forum's 2004 discussion session on protecting Washington's working forests, the Forum's subsequent annual gatherings were used as the general setting for collaborative discussions – among a broad spectrum of stakeholders – about potential policy recommendations. The Future of Washington Forests Project, just underway, was previewed to the 2005 Forum. The November 2006 Forum was entirely dedicated to policy dialogue based on the Future of Washington Forests Project and preliminary study findings.

Prior to the 2006 Forum, the University of Washington's College of Forest Resources and the Washington State Department of Natural Resources jointly convened the Future of Washington Forests Roundtable discussions on October 30-31 at the Center for Urban Horticulture at the University of Washington. The Roundtable was a dual purpose event at which UW study leads presented current study findings to a technically sophisticated audience and received useful feedback, and the invited audience members discussed and framed up key policy questions suggested by findings, as a prelude to broader discussion at the Forum. The Roundtable attracted 65 invited attendees representing industry, landowner, community, government, and citizen group views. Streaming video of the study presentations was recorded (www.nwenvironmentalforum.org), and an eight-page Roundtable discussion summary was prepared and circulated. See Appendix D for a list of Roundtable attendees.

The 3rd Northwest Environmental Forum convened in Blaine, Washington on November 20-21, 2006 to discuss the Future of Washington Forests Project materials and issues. Nearly 90 participants included leaders of forest companies, small landowner organizations, environmental advocacy groups, Native American tribes, land conservation trusts, and government agencies, as well as key legislative and university staff. Study leads presented newly updated research summaries. The full group discussed and prioritized the major policy issues grouped in a series of topic areas. Representative multi-stakeholder discussion groups took up each topic area and its issues and policy ideas and, after sustained deliberation, brought a series of policy recommendations back to the full Forum. The full Forum heard each of the discussion groups' presentations. Then Forum attendees indicated their general level of support for each policy recommendation, with participants indicating full support, partial support, or reservations. No tabulations of positions of individual participants were recorded. Instead, the level of support by the group as a whole was approximately noted. Therefore, this should be understood to represent general support for policy at-



tention to the issues considered, not necessarily formal approval of specific actions. Among those indicating a position (not all Forum participants were in attendance during this session,) expressions of strong support ranged from 44 percent to 100 percent, with 19 of 28 items considered receiving strong support from at least 85 percent of the Forum, and 11 of the items receiving strong support from at least 90 percent of the Forum. By any standard, that is a high level of support from such a diverse group on such meaty issues, and is a testament to the strong technical quality of the Project studies, to the collaborative intent and hard work of Forum participants, and to the quality of the Forum itself. See Appendix D for a list of Forum participants. For more information about both the Roundtable and the Forum, go to www.nwenvironmentalforum.org.

Following both the Roundtable and the Forum, an email distribution to approximately 1,000 recipients was sent, containing summary project materials and links to all project materials, including technical studies. Comments were solicited in both of these broad mailings.

The policy ideas receiving majority strong support from the Forum are listed first in the recommendation sections below, followed by other policy ideas that were supported, discussed or mentioned at the Forum, at the Roundtable, or in the study reports.

In general, the recommendations below are intended to address the 14 key issues derived from the study findings summarized in the Summary of Major Findings, page 71. For convenience, the key issues have been generally grouped into the major topic areas considered by the Roundtable and the Forum.

These major topic areas are:

- A. **The forest health crisis in eastern Washington**
- B. **Productivity and competitiveness of Washington's timber supply**
- C. **Investment in timber processing facilities**
- D. **Forest biodiversity and landowner management practices**
- E. **Forest land losses on the urban fringe**
- F. **Emerging markets – carbon, biofuels, and other**



CROSS-CUTTING
ISSUES INCLUDE
THE GREAT NEED
FOR IMPROVED
TECHNOLOGY
INNOVATIONS AND
INVESTMENTS, AND
THE NEED FOR
COLLABORATION
TO ATTAIN THE
PROPOSED GOALS.



The Forest Health Crisis in Eastern Washington

Key Issues: How can the state encourage economically viable thinning of unhealthy forests to make them more resilient in the face of insect pests and disease, and more resistant to severe fires?

Forum Recommendations:

1. The legislature should acknowledge the problem and the critical need for thinning and/or controlled burning treatments of unhealthy forests on all ownerships, recognizing the cost, safety, ecological, climate, and economic benefits.
2. The legislature should extend DNR's authority for contracted harvesting for forest health treatments on state trust lands.
3. All parties should learn from the successful forest health programs of the Yakama and Colville tribes.
4. The legislature should fund DNR's budget proposal to implement pilot projects, contribute to national forest planning, collect data, develop analytical tools, and conduct outreach and education with private landowners.

**ALL PARTIES SHOULD
RECOGNIZE THE
DESIRABILITY OF A
HEALTHY FOREST
INDUSTRY IN
WASHINGTON.**

Other ideas:

Enact the recommendations of the Forest Health Strategy Work Group, including technical, informational, and regulatory measures.

Work toward a collaborative solution to allow and implement forest health thinning on national forests. The legislature could consider a memorial to Congress.

Provide incentives to retain and/or re-create sawmill capacity in the East Cascade region to provide a financial motivation for forest health thinning on private land.

Stimulate bioenergy/biofuel pilot projects (as recommended under "Emerging Markets" below), as another way to provide financial reward for forest health thinning.

Consider using public funds to stimulate forest health treatments, linked to the expectation of saving future fire-fighting costs due to the reduction of future fires as a result of the forest health treatments.

Productivity and Competitiveness of Washington's Timber Supply

Key Issues: To the extent that the major harvest declines of the past 15 years were unintended, what policy decisions can help stop further declines and possibly reverse the trend?

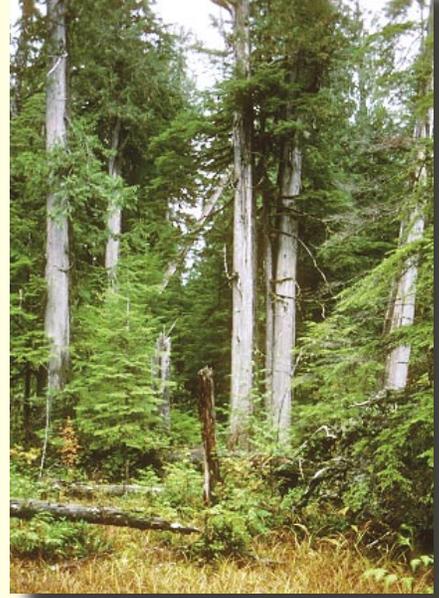
How can all components of the state's timber supply be kept more stable?

Can the state reduce the unintended costs borne by forest landowners, while continuing to provide protection to streams?

What can the state do to secure the potential stabilizing of and the potential future increase in timber supply, while reducing the downward influences of forest conversion and increased eastern Washington mortality?

Forum Recommendations:

1. All parties should recognize the desirability of a healthy forest industry in Washington.
2. The state needs all current sources of timber supply – federal, state trust land, large private, small private, and tribal. The needed supply will come from each landowner category practicing the forest stewardship most suited to them.
3. Timber supply from owners of small forest parcels should be enhanced by a variety of policy measures, including regulatory flexibility, consistent with the Forest Practices Adaptive Management process, in the form of long-term (15-year) permits and alternate plans (especially for streamside buffers), better use of estate tax exemptions, purchase of conservation easements, increased legislative funding for the Forest Riparian Easement Program, legislative funding of DNR's



request to strengthen its Small Forest Landowner Office, and strengthening of appropriate technical and financial assistance roles for other agencies.

4. The state should seek to regain an appropriate timber supply from national forests, while avoiding old growth and roadless areas, by a combination of measures including using the existing DNR-USFS Memorandum of Understanding for eastern Washington, exploring large scale stewardship contracts, using current authority for tribal management of certain federal forest lands or other mechanisms, ensuring independent oversight.

5. Authorize a study to understand the tax and regulatory inefficiencies of Washington, relative to other states.

6. Avoid further expansion of the regulatory system, seek regulatory efficiencies, and avoid new market barriers.

Other Ideas:

The legislature should approve DNR's request to raise maximum authority for its management fee for state trust lands from 25 percent to 30 percent of gross revenues from those lands.

Find additional ways to increase administrative flexibility in implementing forest practices regulations to achieve the intended economic and ecological outcomes, and avoid redundancy.

Increase public education about the environmental benefits secured by the current regulatory system.

Provide increased funding to the University of Washington's College of Forest Resources to generate innovation, research, and knowledge transfer useful for forest landowners and others. Explore a "right to practice forestry"

law similar to "right to farm" laws, combined with long-term landowners' commitments to practice forestry.

Explore a "Washington Wood" product branding system geared, if possible, to local markets and emphasizing the maturity and benefits of Washington's forest regulatory laws.

Avoid creating new market barriers.

Investment in Timber Processing Facilities

Key Issues: Can state policy recognize serious infrastructure needs in timber-dependent rural areas while acknowledging an increasingly healthy lumber production sector?

Should the state attempt to influence the evolutionary restructuring in the timber processing industry?

Should Washington's forest policy emphasize support for the dominant domestic lumber market for housing, or emphasize peripheral domestic or export markets that are in decline and/or could possibly grow in the future?

Forum Recommendations:

1. Policy makers should recognize that a healthy network of mills and other processing facilities forms the core of Washington's forest industry, generating the economic basis for sustainable forest management.
2. Because a stable timber supply is the key to investments in processing facilities, the recommendations on timber supply stability above are re-emphasized.
3. Processing facilities that would use wood from forests to create energy sources and biofuel should be evaluated and built. (See Emerging Markets)

Other ideas:

The legislature should consider incentives for mills to remain or locate in critical rural areas, including the East Cascades.

The legislature should explore feasibility issues as well as taxes for siting new mills and modernizing existing mills.

The legislature should support education and training for the skilled workforce needed for the future of timber processing facilities.

Regulatory biases against manufacturing and mill construction should be reduced.

Forest Biodiversity, Regulations, and Landowner Management Practices

Key Issues: What mechanisms could the state use to encourage thinning on over-crowded second-growth forests on all ownerships to improve habitat?

Does the state have sufficient interest in the intensive forest management practices of large private landowners to seek to influence those choices?

Forum Recommendations:

1. To achieve overall biodiversity benefits, the legislature should consider providing incentives, such as tax incentives, to landowners for undertaking management practices such as thinning or extending the age of final harvest, where not economically advantageous to the landowner. This could be done on a pilot basis, especially targeting small private landowners.
2. As in recommendation #3 under “Productivity and Competitiveness of Washington Timber Supply” above, regulatory flexibility in riparian areas with dense, over-crowded forests should be explored to encourage thinning to achieve biodiversity benefits, consistent with the Forest Practices Adaptive Management process. Critical elements are: templates for alternative management practices; longer term permits; a simplified regulatory process; and re-evaluation of the metrics and strategies for measuring and achieving success.
3. The University of Washington’s College of Forest Resources should conduct a full-scale examination of landowner disincentives, including regulatory disincentives, and potential ways to enhance biodiversity through economic and tax incentives.
4. The state and federal governments, with interested stakeholders, should work to find ways to bring about timber harvest on national forests, which would promote biodiversity improvements over time.

Other ideas:

Incentives and pilot programs should be developed to promote bioenergy and biofuel technology as a means of creating a market for small-diameter material from thinning that improves biodiversity benefits (see also “Emerging Markets”).

Incentives and pilot programs should be developed to promote sawmills geared to large-diameter logs that would be produced from forests grown to a greater age before harvest to recreate older forest habitat conditions.

DNR should manage its Olympic Experimental State Forest as a research and demonstration area for biodiversity-promoting management.

The Forest Practices Board should complete its landscape-level wildlife assessment critical gap analysis.



Forest Land Losses on the Urban Fringe

Key Issues: What effective incentives can be brought to bear that will protect and retain working forests at and beyond the urbanizing fringe, while accommodating inevitable growth and providing a high quality of life for state residents?

Does changing ownership pose particular challenges for Washington’s forest land, and if so, how should the state respond?

Forum Recommendations:

1. The legislature should fully fund existing successful programs, such as the Washington Wildlife and Recreation Program (at \$100 million for FY 07-09), the Forest Riparian Easement Program (at \$13.8 million for FY 07-09), Family Forest Fish Passage Program (at least \$6 million for FY 07-09), and similar programs.
2. The legislature should authorize and fund development of new tools, such as: a) previously created “transfer of development rights” projects; b) “purchase of development rights”; c) DNR’s budget proposal for the Small Forest Landowner Program; and d) recognition and reward for the “ecosystem services” that come from working forest lands.
3. Implementation of the Growth Management Act should become more attuned to the realities of parcelization and working forest conversion, including atten-

tion to the concept of “rural villages.” State-county dialogue is needed.

4. The legislature should fund the Family Forest Landowner Database proposal and similar proposals to improve geographic information systems, and analytical capability to contribute useful information on parcelization and conversion.

Other ideas:

Regulatory streamlining can have benefits in slowing working forest land conversions, as well as biodiversity and economic benefits. This could include development of a group Habitat Conservation Plan, and targeted exemptions for the six-year conversion moratorium on forest practices permits.

Consider “right to practice forestry” laws, in concert with full or partial development rights transactions.

Differentiate between immediate conversion pressure with high development values and longer term conversion potential.

Create incentives for development rights receiving areas in transfer programs.

**THE STATE SHOULD
CREATE A FOREST
BIOFUEL FEASIBILITY
STUDY, TAKING
ADVANTAGE OF THE
NEW ENERGY
FREEDOM INITIATIVE
AND OTHER FEDERAL
AND STATE FUNDING.**



Emerging Markets

Key Issues: How can the state stimulate development of new markets that are compatible or complementary to the forest products market?

Forum Recommendations:

1. The state should create a forest biofuel feasibility study, taking advantage of the new Energy Freedom Initiative and other federal and state funding, linked to the need for market incentives for forest thinning for forest health and biodiversity.
2. Steps should be taken to increase the supply of alder from Washington forests to meet the current demand of the hardwood market.

Other ideas:

The state is encouraged to pursue the establishment and funding of the necessary market infrastructure for a Washington-specific carbon credit trading system that emphasizes voluntary forest industry participation through real incentives for active working forests. Creative approaches to measuring storage should be explored, that accurately consider the stream of forest products and displacement of more energy-intensive building materials. Applicability to wildfire prevention in eastern Washington should be emphasized.

A “Washington Wood” branding program, by Community Trade and Economic Development, could capitalize on market recognition of management practices that promote biodiversity, including the state’s federally-approved Habitat Conservation Plan for private forests.

Biodiversity mitigation banks should be explored.

Recreation should be promoted on state and private forest land, by dealing effectively with landowner concerns about liability.

Cross-cutting issues that have been recognized as critical by Forum participants

1. The Need for Improved Information

The theme of data adequacy came up repeatedly during Forum and Roundtable discussions. The promise of LiDAR and similar new means of remote sensing technologies to provide more accurate forest inventory and habitat information was discussed in the context of inadequate and untimely information for the study research. Funding for such applications was supported by the Forum.

Higher education can take some responsibility for developing and disseminating better information that would explain scientific uncertainties, assist in policy discussions, and add value to public education, if funding is available to advance technologies such as the Washington State Legislature has supported in the past.

2. The Need for Collaboration

Throughout the Forum and Roundtable, multi-stakeholder collaboration was repeatedly referred to as the most viable means of reaching durable decisions on complex issues related to sustainable working forests. Cooperation among the diverse participants was necessary to find actual solutions, and a shared sense of urgency around multiple goals was a critical factor. This is significantly different from negotiations or mediations that are driven by legal uncertainty or threats. In this case, the only threat was to a mutual vision of Washington's sustainable forests and forest industries.



Conclusion

The vision underlying these Forum recommendations is one of a diverse, healthy and sustainable mosaic of protected and working forests continuing to surround and define our cities and towns, while contributing to a healthy and distinctive Washington economy, and ensuring ecological services such as clean water and

air and rich biodiversity. Quality urban and rural development retains the nearby parklands necessary for a healthy lifestyle connected to nature, and not-too-distant protected forests offer refuge to both native wildlife and human visitors. Active stewardship of much of our second-growth forestland is recognized as the best way to sustain this range of benefits, and that stewardship, by a diverse range of forest landowners, is encouraged by state policy. This promising vision is possible for Washington's forests. But this report has presented many of the challenges and issues that could steer us away from it. The many researchers, forest managers, and citizens who have participated in the Future of Washington Forests Project offer the findings and recommendations summarized in this report and contained in other Project publications as the road, the vehicle, the map, and the compass to guide us toward our preferred future vision for Washington forests.

THE VISION UNDERLYING THESE FORUM RECOMMENDATIONS IS ONE OF A DIVERSE, HEALTHY AND SUSTAINABLE MOSAIC OF PROTECTED AND WORKING FORESTS CONTINUING TO SURROUND AND DEFINE OUR CITIES AND TOWNS, WHILE CONTRIBUTING TO A HEALTHY AND DISTINCTIVE WASHINGTON ECONOMY, AND ENSURING ECOLOGICAL SERVICES SUCH AS CLEAN WATER AND AIR AND RICH BIODIVERSITY. THIS PROMISING VISION IS POSSIBLE FOR WASHINGTON'S FORESTS.





APPENDICES

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Appendix A Engrossed Substitute Senate Bill 6090, Section 308

(11) \$250,000 of the general fund--state appropriation for fiscal year 2006, \$250,000 of the general fund--state appropriation for fiscal year 2007, and \$500,000 of the resource management cost account--state appropriation are provided solely for a report on the future of Washington forests. The purpose of the report is to examine economic, recreational, and environmental trends influencing the forest products industry and secondary manufacturing sectors in Washington state. The department shall contract with the University of Washington college of forestry resources. The college shall consult with the University of Washington economics department for the section on investment returns from granted lands. The report shall contain the following parts:

(a) An update of the 1992 timber supply study for Washington state that was conducted by the University of Washington. The update may be accomplished by reviewing the most recent similar data available in existing reports, examining a sample of the original 1992 study sample of lands, and through other existing data sources that may reveal relevant trends and changes since 1992.

(b) An independent assessment of the economic contribution of the forest products industry, and secondary manufacturing sectors, to the state. This assessment will also examine some of the macroeconomic trends likely to affect the industry in the future.

(c) A comparison of the competitive position of Washington's forest products industry globally, and with other leading forest products states, or regions, of the United States. This evaluation should compare the relative tax burden for growing and harvesting timber between the states or regions and the relative cost of adhering to regulations, and identify the competitive advantages of each state or region.

(d) An assessment of the trends and dynamics that commercial and residential development play in the conversion of the state's forests to nonforestry uses. The assessment will involve gathering relevant data, reviewing that data, and analyzing the relationship between development and the conversion of forest land uses.

(e) Recommendations on: (i) Policy changes that would enhance the competitive position of Washington's forest products industry in Washington state; (ii) policy changes that would, to the extent possible, ensure that a productive forest land base continues to be managed for forest products, recreation, and environmental and other public benefits into the future; and (iii) policy changes that would enhance the recreational opportunities on working forest lands in the state.

(f) Based on the information derived from (a) through (d) of this subsection, an assessment of the expected rate of return from state granted lands. This section of the reports shall also review reports prepared by the department over the past ten years that describe the investment returns from granted lands. The review of these previous reports shall compare and critique the methodology and indicators used to report investment returns. The review shall recommend appropriate measures of investment returns from granted lands.

(g) Analyze and recommend policies and programs to assist Cascade foothills area landowners and communities in developing and implementing innovative approaches to retaining traditional forestry while at the same time accommodating new uses that strengthen the economic and natural benefits from forest lands. For the purposes of this section, the Cascade foothills area generally encompasses the nonurbanized lands within the Cascade mountain range and drainages lying between three hundred and three thousand feet above mean sea level, and located within Whatcom, Skagit, Snohomish, King, Pierce, Thurston, and Lewis counties.

Appendix B Crosswalk Between Legislation and Report Sections

LEGISLATIVE PROVISIO	PAGE	REPORT SECTION
A. Updated timber supply study	16	Washington's forests, ownerships, condition and productivity
	20	Timber harvest
	33	Major factors affecting future timber supply
	44	Modeling future timber supply and effects of data source inadequacies
	46	Future forest conditions
	25	Processing facilities
B. Assessment of economic contribution of the forest products industry	27	Economic contribution to state and local economies
	41	Major factors affecting investments in processing facilities
	23	Markets for Washington forest products
C. Competitive position of Washington forest products industry, in comparison with other US states or regions	40	Major factors affecting future market demand for Washington products
	46	Interactions with other markets
D. Conversion of forests to residential and commercial development	59	Forest land conversion in Washington State
E. Recommendations on (i) enhancing competitive position (ii) ensure productive forest management (iii) recreational opportunities	77	Recommendations
F. Rate of return from state granted lands	89	See Appendix C
G. Innovative approaches to retain traditional forestry in the Cascade foothills	59	Forest land conversion in Washington State
	81	Recommendations: Forest Land Losses on the Urban Fringe

Appendix C State Granted Lands Return on Investment Study

The legislative direction for the Future of Washington Forests project, while primarily directed generally at all of Washington's forest lands, requested one study specifically aimed at state-owned trust forest lands. The text of this direction is as follows:

“Based on the information derived from (a) through (d) of this subsection [timber supply, competitive positions, economic contribution, and land conversion studies], [the report shall contain] an assessment of the expected rate of return from state granted lands. This section of the report shall also review reports prepared by the department [of natural resources] over the past ten years that describe the investment returns from granted lands. The review of these previous reports shall compare and critique the methodology and indicators used to report investment returns. The review shall recommend appropriate measures of investment returns from granted lands.”

The College of Forest Resources, with Department of Natural Resources concurrence, placed priority on the studies dealing with all forest lands, due to their broader public and legislative interest. The state granted lands return on investment study will be completed and presented to the legislature along with the rest of the final study reports prior to the June 30, 2007 project deadline. Dr. John Perez-Garcia is principally responsible for this study. Although significant preliminary work has been completed for this study, meaningful analysis and results are not ready for inclusion in this summary report to the 2007 legislative session.

Washington State is steward and trustee of about three-million acres of trust lands, about two million of which are forested. The largest trust benefits the state's K-12 common schools, while other trust lands benefit universities, counties, and other public institutions. These trust lands are dedicated by law to production of a perpetual stream of revenue to the named beneficiaries, while maintaining the value of the trust land base, adhering to applicable laws, and providing additional multiple uses from these lands for Washington citizens. The primary source of trust revenue from forested trust lands comes from the long-term sustainable harvest of timber, although other resources from these lands also generate revenue. The department makes investments in these lands in the form of replanting forests, silvicultural activities to influence forest growth, maintenance of a road network for access to the lands, and planning and analysis related to a sustainable forest management program. Forest growth and market and land use trends also add to the asset value of these trust lands. The department also engages in land transactions – including buying, selling and exchanging lands – to optimally arrange its ownership of forested trust lands.

The study will review the asset management report prepared for the Department of Natural Resources in 1995 by Deloitte and Touche, and the department's 2003 Report to the Legislature on improving investment returns. The study will look at multiple methods of calculating and evaluating forested trust land asset value, the appreciation of that value over time, the investments made in trust lands, the trust income realized over time, and the resulting rate of return. Methods will include, for example, a hypothetical sales comparison approach, and an income capitalization approach.

Finally, the study will evaluate recent return rates and discuss the utility of performance targets as a means of evaluating returns from granted lands over time and guiding trust land asset management.

Appendix D Combined Attendance at Roundtable and Forum

NAME	*O	**N	POSITION, AFFILIATION AND DEPARTMENT/DIVISION
Bob Rose	•	•	Conservation Advisor
Will Hamilton	•	•	Consultant, American Forest Resource Council
Heath Packard		•	Policy Director, Audubon Washington, Policy and Finance Office
Michelle Connor	•	•	VP, Cascade Agenda Program, Cascade Land Conservancy
Ryan Dicks		•	VP, Conservation Transactions, Cascade Land Conservancy
Gene Duvernoy	•		President, Cascade Land Conservancy
John St. Pierre	•		Natural Resource Director, Colville Confederated Tribes
Rick Brazell	•		Supervisor, Colville National Forest
Matt Stevenson	•		CommEn Space
Mitch Friedman	•	•	Executive Director, Conservation Northwest
Lisa McShane		•	Community Relations Director, Conservation Northwest
Bettina von Hagen	•		VP, Ecotrust, Nat. Cap. Fund/Forestry Prog.
Steve Stinson	•	•	Executive Director, Family Forest Foundation
Kevin Boling		•	General Manager, Inland Division, Forest Capital Partners
Matt Donegan	•		Co-President, Forest Capital Partners
Brian Kernohan		•	Manager of Wildlife & Forest Stewardship, Forest Capital Partners
Chris Fountain	•	•	Managing Director, Forest Legacy Investments
Bill Turner		•	Director, Forest Legacy Investments
Pete Constable		•	Principal, Forestpark Lands
Randy Johnson		•	President, Green Crow Corporation
Doug St. John		•	Director of Client Services, Green Crow Management Services
John Gorman		•	Corporate Forester, Green Diamond Resource Company
Colin Moseley	•	•	Chairman, Green Diamond Resource Company
Dennis Creel	•		Timberlands Manager, Hancock Timber Resource Group
John Davis	•		Acquisitions Manager, Hancock Timber Resource Group
Court Washburn		•	Managing Dir./Chief Investment Officer, Hancock Timber Resource Group
Janet Wainwright		•	President, Janet Wainwright Public Relations
Jonni Trettevick	•	•	Forest Manager, Makah Indian Tribe, Forestry Department
Norm Schaaf	•	•	VP, Timberlands, Merrill & Ring
Toby Murray		•	President, Murray Pacific Corporation
M. Perez-Gibson		•	Consultant, NACA'N (Audubon Washington)
Jim Anderson	•		Executive Advisor, Northwest Indian Fisheries Commission
Denise Pranger		•	Executive Director, Northwest Natural Resource Group
Jim Nyberg	•		Land-Use Consultant/President, Nyberg & Associates
Bud Hover	•	•	County Commissioner, Okanogan County
Dave Nunes	•	•	President & CFO, Olympic Resource Management
Court Stanley	•	•	President, Port Blakely Tree Farms, Timber Division
Will Stelle	•		Partner, Preston Gates & Ellis LLP
Gary Morishima	•		Technical Advisor, Quinalt Management Center
Jim Rinehart	•	•	Principal, R&A Investment Forestry
Shawn Cantrell		•	Executive Director, Seattle Audubon
Regan Heineke		•	Intern, Senator Dan Swecker's Office
Tom Nelson	•	•	Hamilton District Manager, Sierra Pacific Industries
Kendra Smith		•	Natural Resource Lands Policy Coord., Skagit County
Jim Stevens	•		Forest Economist, The Campbell Group
Jack Hurd		•	Director, Forest Trade and Policy, The Nature Conservancy, Global Forest Partnership
Bill Robinson		•	State Government Relations, The Nature Conservancy
David Weekes		•	Washington State Director, The Nature Conservancy
John Rose		•	Chairman, The Nature Conservancy of Washington
Kevin Raymond		•	Washington Policy Representative, The Pacific Forest Trust
Roger Hoesterey	•	•	VP/NW & Rocky Mt. Reg. Dir., The Trust For Public Land
David Syre		•	CEO, Trillium Corporation
Terry Grinaker	•		Forest Manager, Tulalip Tribes
Tom Mentele		•	Director of Development, UW, College of Forest Resources
Regan Smith		•	M.S. Candidate, UW, Ecosystem Ecology and Cons. Lab
David Thorud	•		University of Washington
Greg Ettl		•	Director, UW Ctr. for Sust. Forestry at Pack Forest
Bruce Bare	•	•	Dean & Professor, UW College of Forest Resources
Brian Boyle	•	•	Forum Leader, Northwest Environmental Forum

*O - ATTENDED OCTOBER ROUNDTABLE **N - ATTENDED NOVEMBER FORUM

NAME	*O	**N	POSITION, AFFILIATION AND DEPARTMENT/DIVISION
Gordon Bradley	•		Professor, UW College of Forest Resources
Ivan Eastin	•	•	Professor & Dir., Ctr. for International Trade in Forest Products, UW College of Forest Resources
Bob Edmonds	•	•	Associate Dean & Professor, UW College of Forest Resources
Ara Erickson	•	•	Forestry Research Consultant, Rural Technology Initiative, UW College of Forest Resources
Bruce Lippke	•	•	Director, Rural Technology Initiative, UW College of Forest Resources
Lindsay Malone		•	Graduate Student, UW College of Forest Resources
Larry Mason	•	•	Project Coordinator, Rural Technology Initiative, UW College of Forest Resources
Matt McLaughlin		•	Internet Information Specialist, UW College of Forest Resources, Rural Tech. Initiative
John Perez-Garcia	•	•	Professor, Center for International Trade in Forest Products
Alicia Sullivan		•	Graduate Student, UW College of Forest Resources
Mark Swanson		•	Doctoral Candidate, UW College of Forest Resources
Sandra Hines		•	Media Relations Officer, UW Dept of News & Information
John Calhoun		•	Director, UW Olympic Natural Resources Center
Ellen Matheny	•	•	Director, Education & Outreach, UW Olympic Natural Resources Center
Jamie Barbour	•	•	Program Manager, USDA Forest Serv. Pacific NW Research Sta.
Lynn Helbrecht		•	Manager, Washington Biodiversity Council, Interagency Comm. For Outdood Rec.
Bill Pickell	•		CEO, Washington Contract Loggers Association
Joe Ryan	•		President, Washington Environmental Council
Rick Dunning		•	Executive Director, Washington Farm Forestry Association
Sherry Fox	•		Forest & Fish Policy Coordinator, Washington Farm Forestry Association
Peter Goldman		•	Director, Washington Forest Law Center
Mark Doumit		•	Executive Director, Washington Forest Protection Association
John Ehrenreich	•	•	Director of Forest Taxation, Washington Forest Protection Association
Debora Munguia		•	Director of Governmental Relations, Washington Forest Protection Association
Josh Weiss		•	Director of Environmental Affairs, Washington Forest Protection Association
Sue Mauermann	•	•	Deputy Director, WA State Dept. of Comm., Trade and Econ. Dev.
Bonnie Bunning		•	Exec. Dir., Policy and Admin., Washington State Dept. of Natural Resources
Vicki Christiansen		•	Exec. Dir. of Regulatory Programs, Washington State Dept. of Natural Resources
Andrea Grimes	•		Washington State Dept. of Natural Resources
Patty Henson	•	•	Director of Communications, WA State Dept. of Natural Resources, Exec. Mgmt.
Barb MacGregor	•	•	Public Information Officer, Washington State Dept. of Natural Resources
Craig Partridge	•	•	Policy Director, Washington State Dept. of Natural Resources
Karen Ripley	•		Forest Entomologist, Resource Protection Division, WA State Dept. of Natural Resources
Doug Sutherland	•	•	Commissioner of Public Lands, WA State Dept. of Natural Resources, Office of the Comm. of Public Lands
Mark Longrie		•	Forest Operations Manager, WA State Dept. of Revenue, Forest Tax Div.
Karen Terwilleger	•		Counsel, WA State House of Rep. Democratic Caucus
John Charba	•		Policy Analyst, WA State House of Rep. Republican Caucus
Jim Cahill	•		Sr. Budget Asst. to the Gov., WA State Office of Financial Mgmt., Natural Resources Budget Dept.,
John Mankowski	•		Exec. Policy Advisor, Natural Resources, WA State Office of the Governor
Anita Boyum	•	•	WSSDA Trust Lands Chair, WA State School Directors Association
Kirstan Arestad		•	Analyst, Washington State Senate, Ways and Means Committee
Ken Jacobsen		•	Senator, Washington State Senate, D, 46th Distict
Brian Sims		•	Capital Budget Coordinator, Washington State Senate
Jack Brummel	•		Coordinator/ Counsel, Washington State Senate - International Trade & Economic Development Committee
Curt Gavigan	•	•	Counsel, Washington State Senate - Natural Resources, Ocean & Recreation Committee
Kim Johnson	•	•	Staff Coord. & Counsel, WA State Senate - Natural Resources, Ocean & Recreation Committee
Gary Wilburn	•	•	Senior Counsel, Washington State Senate Democratic Caucus
Evan Sheffels	•		Counsel, WA State Senate Rep. Caucus, Ag, Nat. Res., Environment, Land Use, Energy & Water
Keith Blatner		•	Chair, Natural Resource Sciences, Washington State University
Bob Tichy	•		Senior Research Engineer, WMEL, Washington State University
Scott Swanson		•	Manager, West Fork Timber Company
Dave Sweitzer	•	•	Secretary/Manager (WHA), Exec. Dir. (WHC), West. Hardwood Assoc./WA Hardwood Comm.
Bruce Beckett		•	Director, Western Region Public Affairs, Weyerhaeuser Company
Bruce Glass	•	•	Manager, Special Projects, Weyerhaeuser Company, Markets & Economic Research
Kevin Godbout	•	•	Dir., Ext. & Reg. Affairs, Weyerhaeuser Co., Timberlands Sust. Forestry
Maurice Williamson	•	•	President, Williamson Consulting
Phil Rigdon	•	•	Deputy Director of Natural Resources, Yakama Nation

*O - ATTENDED OCTOBER ROUNDTABLE **N - ATTENDED NOVEMBER FORUM

Appendix E Public Comments and Responses

Comment from Miguel Perez-Gibson, NACA'N – January 10, 2007

I am responding to the requests for feedback on results of the Forum. My concern is that from reading the materials it leads the reader to believe that there was 100% agreement and consensus on positions taken by the Forum. Each participant at the Forum no doubt came away with different impressions about the major points discussed and what was agreed on or not agreed on. I think some of the statements in the report are shared by many, some not, and some yes but only with additional context. I think it would be much more accurate to say that “these topics were discussed at the Forum” as opposed to stating that the “the Forum agreed”. It is a matter of emphasis, nuance, and context. It can be misleading.

I believe the benefit of the Forum was that we brought together an unlikely cast of characters where lively and thought-provoking discussions could take place, and where I believe many of us would characterize the discussions differently than:

- 1) The students who took notes and turned those into overheads or
- 2) The writers who condensed the materials in to the summary.

For example, as I look at the section on Bio-Diversity [*in the College of Forest Resources' December, 2006 "Forum Proceedings"*] which states:

“Forest Biodiversity and Regulations

The costs of encouraging ‘biodiversity pathways’ to enhance wildlife habitat on private land severely restrict economic returns. [*I don't agree -This statement ignores the conversation that we had around ecosystem services, carbon credits, that could incentivize bio-diversity pathways and create new markets and new paths for economic returns-not even mentioned.*] Disincentives outweigh incentives, given current practices and markets. Some stream buffer regulations are having unintended consequences that may contribute to accelerated land conversion, in particular on smaller ownerships that are predominantly in lowlands close to urban areas.

The Forum proposed that the College be funded to conduct a full-scale examination of these disincentives, along with projects to create ‘old forest’ conditions in densely-stocked riparian areas, as well as an examination of economic and tax incentives to enhance biodiversity. [*There is an omission of the discussion around current requirements of Forests and Fish to achieve a desired future condition of Natural Stand conditions at age 140 – we already have a mechanism, CMER and Adaptive Management to study these issues.*] The Forum also proposed that a long-term plan that could be an alternate to traditional regulations could be an incentive, especially for smaller landowners, to achieve biodiversity pathways, lower their costs, and keep their land in forestry.” [*While I support the long term plan concept for small landowners, I can't say that “the Forum” proposed that a long term planetc.*]

Finally, I think the title itself, “Forest Biodiversity and Regulations” reflects a bias.

As stated in the Appendices [*to the College's "Forum Proceedings"*] include power point presentations made by the students who took notes from the discussions. I don't think nearly enough of the context was captured. For instance, one of the issues brought up by landowners was that growing trees under a bio-diversity pathway regime (larger diameter trees) did not make sense for them given the lack of mills which are and will be on line to manufacture lumber from large trees. To my mind that was the problem we were trying to address, as opposed to how do we increase harvest on US Forest Service lands of large trees. Nuance and context are extremely important in these types of discussions. There are many different ways to address the manufacturing sector infrastructure issue.

My request is:

- 1) The information in the report to the legislature does not represent findings from the Forum as items that were agreed to, but as items that were honestly and forthrightly discussed, with an eye to problem solving and thinking outside the box
- 2) I request that the Appendices which include the student notes from the small group discussions be removed. I believe they are misleading. As you recall this was done rather hurriedly during the last hour or so of the forum, without a real opportunity to reflect and discuss their findings.

Finally, I want to say that I enjoyed the Forum, the opportunity to break bread with folks from opposite camps, share ideas and try to brainstorm solutions. I believe that is the benefit of a "Forum". However, when those conversations are framed as findings that were agreed to by all present, it jeopardizes interest in future conversations. Thanks for considering these comments.

Miguel Perez-Gibson

Response to Miguel Perez-Gibson Comments

1. We agree that the Forum results should not be characterized as 100 percent agreement on specific recommendations. We also believe that merely saying the "topics were discussed" doesn't fairly capture the degree of convergence that occurred. This legislative report characterized the Forum results as follows:

"The full Forum heard each of the discussion groups' recommendations. Then Forum attendees indicated their general level of support for each policy recommendation, with participants indicating full support, partial support, or reservations. No tabulations of positions of individual participants were recorded. Instead, the level of support by the group as a whole was approximately noted. Therefore this should be understood to represent general support for policy attention to the issues considered, not necessarily formal approval of specific actions."

2. Biodiversity Recommendation #1 captures the idea of providing economic incentives to promote biodiversity thinning, as mentioned in the comment.
3. Biodiversity Recommendation #2, regarding encouraging thinning in dense riparian stands, links that consideration to the Forest Practices Adaptive Management process.
4. Biodiversity Recommendation #4, in this legislative report does not discuss increasing harvest of large trees from national forests. Instead it recommends that "state and federal governments, with interested stakeholders, should work to find ways to bring about timber harvest on national forests, which would promote biodiversity improvements over time." In addition, under "Other ideas" (not Forum recommendations), mention is made of the potential for "sawmills geared to large-diameter logs that would be produced from forests grown to a greater age before harvest to recreate older forest habitat conditions."
5. The appendices to the College of Forest Resources; December, 2006 "Forum Proceedings" are not included in this legislative report.

Comment from Olympic Forest Coalition

Protecting and restoring our Olympic forests and aquatic ecosystems

January 15, 2007

Craig Partridge

Policy Director

Washington State Department of Natural Resources

1111 Washington St. SE

PO Box 47001

Olympia, WA 98504-7001

RE: Future of Washington's Working Forest Land Base Project

FROM: Olympic Forest Coalition, Bonnie Phillips, Executive Director

The Olympic Forest Coalition (OFCO) is a grassroots, non-profit group working on the Olympic Peninsula. The mission of the Olympic Forest Coalition is to protect and restore forest and aquatic ecosystems on the public land of the Olympic Peninsula.

We are pleased to be able to comment on the Future of Washington Forests Project, particularly as we were not part of the development of those recommendations.

In general we wonder what degree of consensus on the long list of specific recommendations found in the full report was reached by such a large and diverse group as those gathered in November 2006. As stated in the comments from Miguel Perez-Gibson dated January 10, it is important for the Legislature to have a clear understanding that many topics were discussed from many points of view and drop the general statement "the group was able to largely agree".

OFCO strongly supports retaining forest lands in Washington State; however, we have serious questions about some of the recommendations. Our comments are limited to the Appendix on the Work Group titled Biodiversity Pathways, which was renamed in the Summary to Forest Biodiversity and Regulations, a significant change. Our comments will deal with each section from that working group, as outlined in the full report.

Incentives for Biodiversity

Tax incentives for provision of non-market services can be an important method of increasing those services, but should not be used to compensate owners for basic protection of the public resources of water and fish, which belong to the whole population. In fact water and fish have significant market value to their public owners, and the restoration of those services, if they are damaged, can be extremely expensive.

Opportunity for pilot projects such as ecosystem services and mitigation banking seems to be a fruitful way to explore improving and providing such services. However, it is not clear from the notes what a pilot project on ecosystem services would mean, what it could cover, etc.

Riparian Management Issues

Riparian protections fall under the authority of the State/Federal HCP, which contains a rigorous adaptive management process, where issues of desired future condition, and metrics for measuring achievement of the desired future condition must be considered and developed before being presented to the Forest Practices Board for action. Application and permitting processes are also under this system. Both small and large landowners have had a strong and important role in the development, and implementation of this system starting in 1985. Landowners can and should be bringing these issues into the Forest and Fish/HCP/Adaptive Management/Forest Practices Board system, if the issues are important for the retention of their lands in forestry. Non-regulatory incentives would also be appropriately developed in the Forest and Fish structure.

Many years of effort have gone into developing the Forest and Fish/HCP/Adaptive Management/Forest Practices Board system. OFCO continues to believe that all parties have an interest in making this system work well and quickly. This system is the primary venue to manage and improve the protection of public resources and the economic viability of all sectors of the timber industry in Washington.

Dense Riparian Stands

Changes in the riparian management requirements and the methods to achieve them for dense riparian stands are again fully under the Forest and Fish/HCP/Adaptive Management/Forest Practices system. They would need to follow the Adaptive Management system, not look to new venues or methods.

Increased Support for Landscape-Level Wildlife Analysis

- **Critical gap analysis program – Conservation priorities at large scale.** This program is being carried out by the State Department of Fish and Wildlife under the direction of the Forest Practices Board. The scales of analysis need to be scientifically valid and should remain under the control of that process. It is important that the scales for conservation priorities should not be primarily developed to shift burdens from one segment of the industry to another, but to meet the scientific analysis of the program.
- **Landscape-level Wildlife Assessment:** need to broaden and financially support this state program. It is certainly important to finally move toward some protection of wildlife beyond those species listed as threatened and endangered. OFCO supports the current program and would also like to see it adequately funded, and providing results in a timely manner.

Reduction of Disincentives

- **Powerful set of disincentives.** The disincentives need to be clearly defined and then brought to the Forest and Fish/HCP/Forest Practices system. Then any appropriate actions can be identified and implementation started.
- **Recommend white paper by RTI** – Since OFCO does not understand what RTI stands for, it is impossible to comment.

Federal Timber Issues

Federal timber supply, and dependent infrastructure, is the “800 lb. gorilla in the room”. Although it may not be the intention of the Working Group, the information available to the public for comment makes it sound like national forests are to be treated like “working forests” and thus need to provide much more logging than is currently available under the Northwest Forest Plan.

Because our focus is the Olympic National Forest, and our collaboration includes environmental organizations which focus on the Mt. Baker-Snoqualmie and the Gifford Pinchot National Forests, our comments relate specifically to these areas.

National forests should not be thought of as the “800 lb. gorilla in the room.” Rather, they should be thought of in their major role of clean water and storm proofing against flood damage.

In 1992, then forest supervisor on the Mt. Baker-Snoqualmie National Forest (MBSNF) publicly went on record of wanting to end commercial logging on this forest. His reasons were twofold: (1) It was a recreation forest and the amount of timber that would ever come off the forest would not make any difference to timber communities; and (2) The huge damage to the aquatic system required a long-term healing to occur.

This was a similar approach taken by the Olympic National Forest. After the Northwest Forest Plan went into effect, the timber cut levels in the Plan were set for ca. 10 mmbf for the ONF and ca. 15-20 for the MBS. When Forest Supervisors were allowed to adjust that number shortly after the Plan went into effect, the MBSNF's level went down to 7 mmbf. Interestingly, during the first ten years of the Plan, both Forest Supervisors stated that they were not being asked by the timber industry for more logging. It has been only recently, as the result of the Bush administration's effort to turn their back on environmental laws (when the cases go to court, the Forest Service almost always loses) and push the Region to increase the cut level.

Release of federal timber, specifically large-diameter material. The Northwest Forest Plan (NWFP) was put into effect after many years of controversy and successful litigation on the part of environmental organizations. After the Record of Decision was signed in 1994, the NWFP was again litigated--and this time Judge William Dwyer upheld the Plan. However, he warned that this plan was "barely legal"; he was especially concerned with the Aquatic Conservation Strategy (ACS). Since that time, the Bush administration further weakened the ACS; the lawsuit against the administration is awaiting final judgment after the Magistrate's recommendation that the environmental plaintiffs' case be upheld.

There were sections of the NWFP that were also controversial; particularly, thinning in Late Successional Reserves. According to Dr. Jerry Franklin, the team of scientists thought about NOT including thinning but bowed to a political compromise. Although the NWFP was a forward thinking plan, it, of course, was wrought with political compromises.

The controversy over thinning to enhance biodiversity has not decreased. A big part of the problem is that there has been very little research done on national forests in Washington state; research extrapolated from different sections of the country have very little credence. OFCO Executive Director, Bonnie Phillips, had an opportunity to ask scientists who have done studies in Oregon and Northern California (during the scientific panel meetings for review of the Northern Spotted Owl) how far their studies could be extrapolated. Their reply was not far at all.

Nevertheless those studies continue to be used by the timber industry to push for more thinning in the name of biodiversity

Thinning of overstocked stands independent of age to accelerate development of functional habitat. There is little, if any, evidence that thinning after a certain age (approximately 50-60 years) has any benefit for biodiversity. One of the huge problems, rarely discussed among those who have joined the "thinning is good, anywhere and everywhere" bandwagon, is the fact that thinning requires more new road miles. Although the backlog of road maintenance, need for culvert replacement and the need to decommission a large portion of road miles on national forests is totally out of control (according to the Regional Office of the USFWS in Portland, national forests in Washington State are so behind dealing with the road system that it will take 100 years to get caught up--and, each winter more and more roads continue to fail.)

The real "800 lb. gorilla" is roads. To get to this desired timber in an economic fashion, roads must be constructed, with all their concomitant damages. The use of so-called "temporary" roads makes little or no difference, as most aquatic and soil damage occurs during the first five years of a road's life (as per Jon Rhodes, hydrologist). If the FS were to fully respond to this panel's apparent desires, they likely would violate not only several federal statutes (ESA, NFMA, etc.), but would run afoul of the MOU with the Dept. of Ecology regarding the FS's commitment to meet the Clean Water Act by reducing the extent of their road system.

Climate change predictions continue to forecast more frequent and severe storms. These storms tend to hit our national forests, creating damage both throughout the national forest system but also creating flooding for downstream neighbors.

Federal timber issue - memorial to Congress via State Legislature. To renew the struggle over the management of Federal Forests in the context of protecting the viability of private, especially small private, landowners seems very inappropriate, and we ask that this section, at least, if not all Appendices, be deleted from the Report to the Legislature.

Response to Olympic Forest Coalition Comments

1. We fundamentally agree with most of these comments. Specific OFCO comments refer to Appendix C of the College of Forest Resources' December, 2006 publication "Forum Proceedings."
2. This legislative summary report is cautious about characterizing the nature of the agreement at the November, 2006 Northwest Environmental Forum. While clearly not consensus on detailed courses of action, what occurred can be validly seen as substantial agreement on priority issues and the general direction for solutions. (See also the response to comment by Miguel Perez-Gibson)
3. On the topic of riparian management, we agree with the need for careful problem definition and study, and adherence to established institutional mechanisms for regulatory change. See "Biodiversity" recommendation #2 for an explicit reference to the Forest Practices Adaptive Management process.
4. We agree with the importance of completing the Forest Practices-based landscape-level wildlife assessment. We expect funding for this to be included in the FY 07-09 operating budget.
5. Regarding timber issues on federal lands, we agree with the necessity to proceed only very carefully and only with broad involvement and a scientific foundation, and with specific attention to road system management. At the Forum, the main area of agreement related to including federal lands in eastern Washington as a necessary part of solutions to the forest health crisis and response to climate change.

Comment from Eric Burr

Sent: Sunday, January 21, 2007

To: PARTRIDGE, CRAIG

Subject: Future of Washington Forests U of W project

Craig - Here in the Methow Valley we see small band saw mills, both portable and set up on a fixed base in the center of an area with the potential for plenty of short haul log supply. Rick Leduc's operation in Mazama, for instance, is using logs from the extensive new recreation home ownerships that require thinning. These new owners are increasingly aware of the need to thin, thanks to the efforts of NGO's such as our local conservancy. This type of operation seems to have the potential to help and perhaps should be figured in to the overall analysis. - Eric Burr - retired National Park Ranger

Response to Eric Burr Comments

Thank you for your suggestion. We will forward it on to the appropriate researcher at UW College of Forest Resources.

