

The Future of Washington Forests

A Model for Public Policy Development

- Legislature funded study in 2005 on *The Future of Washington Forests* by University of Washington, College of Forest Resources, and Washington State Department of Natural Resources (DNR).
- Purpose: Provide policy-grounded academic studies with information-rich stakeholder dialogue to form relevant proposals for public policy change.
- Report documents a new model for public policy development created through this collaboration, and summarizes policy recommendations about protecting the working forest land base for multiple benefits and for strengthening Washington's forest industry.
- Published in 2007, the UW College of Forest Resource's 100th and DNR's 50th anniversaries.

Communities of Interest

Strongly held values plus available scientific understanding shape the dialogue of large, diverse communities about the future of our forests, as well as accentuate the tensions among different values.

- Forest landowners: Family, industry, institution, public
- Woods and mill workers
- Environmental advocates
- People living in/near forests
- Recreationists
- Scientists
- Indian tribes
- Government agencies: Federal, state, local
- Land trusts
- Public schools/children

Values of Washington's Forests

- Homes to diverse flora/fauna
- Clean, quality water
- Family-wage jobs
- Lumber for our homes
- Paper and other products
- Tribal culture
- Diverse ownership: Family, industry, institution, public
- Competition in global markets
- Displacement/development
- Recreation for young and old
- Funds for building schools
- Breathing in and storing carbon dioxide
- Effects of climate change
- Tax revenue
- Potential for "organic" forestry
- Source of inspiration and beauty
- Community building

A New Vision of Washington's Forests is Crystallizing

- Acknowledges strong environmental regulation of logging and large areas of protected forests, especially in federal lands blanketing the encircling mountain slopes.
- Sees sustainable "working" forests filling much of the spaces between our suburbs and those protected forests beyond.
- Anticipates a partnership among government, community and industry to keep working forest lands profitable for a diversity of owners over the long term, continuing to supply lumber, jobs and taxes while providing the financial means to actively improve forest health for our air, water, fish and wildlife, and recreation.
- Inevitable development occurs but is more clearly contained in defined areas, leaving more forest land intact.

Our Relationship with Our Forests Continues to Change

- Some rural regions remain timber dependent.
- New businesses and industries have overtaken the economic dominance of timber in many areas.
- Timber products supply commodity markets driven by demand for housing.
- Washington forest products compete globally with products from as near as British Columbia to as far as Southeast Asia.
- Globally and locally, concern about forest sustainability is evident, even among consumers of wood and paper.
- Decades of fire control didn't necessarily produce healthy forests. To restore forest health, we see a movement toward thinning and other active management strategies, as well as habitat restoration, e.g., along salmon streams and wetlands.
- State and local governments have moved toward managing the spread of human development, and property owners in turn have moved to secure their property rights.
- Federal and state tax law changes have impacted forest land ownership, and some very large private holdings have moved from industrial owners with mills to feed to institutional owners driven by expectations of direct financial return.
- A new generation of motorized recreationists comes to enjoy the forests, sometimes finding new gates on forest roads.
- Among family owners of small holdings, retirements create options of continuing to grow trees—or growing houses instead.

Today's Basis for the Economic Health of Washington's Forest-related Industries

- Amount of land in timber production
- Growth, mortality, and loss of use of these lands
- Management costs, e.g., taxes, regulatory compliance
- Strength of domestic/international markets for products
- Perceived risks due to markets and regulations
- Production costs
- Attractive investments in alternative uses of capital and land
- Varying objectives of diverse types of owners
- Availability of quality timber/products from Washington's commercial forests and from global, national and regional markets

The Future of Washington Forests

Brief Summary of Findings

1. Washington's forests show great diversity, but land available for commercial timber harvest has decreased.
2. Timber harvest declined by 40% in the past 15 years on all ownerships.
3. About 61% of the timber harvest produces lumber primarily for North America's housing industry.
4. Mills provide jobs and economic incentive for active forest management. Older, rural mills have closed; modern mills are in urban areas.
5. Industry recovering (increased production, jobs and taxes; \$16 billion economic contribution in 2004; 25% and rising share of manufacturing jobs) but affected by cyclical swings in U.S. housing market.
6. Compared to other states, taxes and regulations are high and are burdens for family owners of small forests.
7. Industrial landowners are actively managing plantations rather than thinning, with better economic results but decreased biodiversity.
8. Old growth is largely off-limits to logging, but much of abundant second growth (especially on federal and state-owned lands) is overcrowded, unhealthy and needs thinning.
9. Exceptionally hot, dry summers, over-crowded forests, and insect infestations are developing a forest health crisis in Eastern Washington, leaving forests susceptible to severe wildfires.
10. Markets could emerge for wood-based biofuel and carbon storage credits--incentives to improve forest health and keep land in forestry.
11. Since late 1980s, about 17% of commercial forests (and their benefits) have been lost to development or agriculture. Urban area development value may be 15-20 times greater than commercial forest value.
12. Washington's timber supply is projected to stabilize at about 3.5 billion board feet per year in next 20 years; then, could rise higher unless the rate of land use conversion continues.
13. Stable timber supply is most-cited influence on new investments in sawmills and other processing facilities.
14. Large private forest ownership is shifting from integrated manufacturers to large institutional investors and real estate investment trusts.

Brief Summary of Major Recommendations for Policy Strategies

1. Confront the Forest Health Crisis in Eastern Washington
2. Improving the Productivity and Competitiveness of Washington's Timber Supply
3. Encourage Investment in New Processing Facilities
4. Improve Forest Biodiversity through Incentives and Regulatory Flexibility to Improve Management Practices
5. Reduce Forest Land Losses on the Urban Fringe
6. Encourage Emerging Markets
7. Additional Cross-Cutting Themes
 - There is a great need for improved information on Washington's forests, such as from LiDAR inventory methods, and for appropriate use of scientific information to improve policy dialogue.
 - Multi-stakeholder collaborative problem-solving holds great promise as a viable means of reaching durable decisions on complex issues related to sustainable working forests.