

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the William J. Clinton
Presidential Library Staff.**

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Communications

Series/Staff Member: General Files

Subseries:

OA/ID Number: 14293

FolderID:

Folder Title:

Forest / Resources #23 [AFL-CIO]

Stack:

S

Row:

90

Section:

6

Shelf:

8

Position:

3

AFPA News

A News Release from the American Forest & Paper Association

FOR IMMEDIATE RELEASE:
July 1, 1993

CONTACT: Barry Polsky
202/463-2467

The following statement was issued today by Mark Rey, AFPA vice president for Forest Resources, on President Clinton's announced solution to the timber crisis in the Pacific Northwest and northern California:

"The Clinton administration has spent 90 days developing a solution to the crisis that will leave us exactly where we were when it began: in court-ordered gridlock, with no timber being sold for the foreseeable future.

"One has to seriously question why we went through the sham of a Forest Conference last April and the three months of fruitless negotiations that followed. At the close of the conference, the President promised a "balanced solution." He failed on both ends of this promise. Today's announcement is neither "balanced" nor a "solution."

"Option 9 amounts to economic and social destruction for the rural areas of the region. The average annual harvest level of 1.2 billion board feet is a 75 percent reduction from the historic levels of the 1980's, and will bring with it 85,000 direct and indirect job losses in the region and tens of thousands more in construction across the United States.

"There will be higher lumber prices, a slow-down in home purchases due to greater costs, and a stalled economic recovery. All this to protect a species that scientists cannot agree is threatened.

"Only when human needs are given equal concern with those of wildlife will a balanced solution to this crisis emerge. The forest products industry will work with Congress and the administration, if it is willing, to see that such a balance is achieved."

###

WESTERN COUNCIL OF INDUSTRIAL WORKERS

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

503/228-0235
FAX 503/228-0245

BLUE MOUNTAIN
CENTRAL CALIFORNIA
CENTRAL OREGON
CENTRAL WASHINGTON
COOS BAY AREA

CLAND EMPIRE
NORTHERN CALIFORNIA
PORTLAND COAST COLUMBIA
PUGET SOUND
WILLAMETTE VALLEY

721 S.W. OAK STREET

PORTLAND, OREGON 97205

FOR IMMEDIATE RELEASE:
June 18, 1993



CONTACTS:

Mike Draper
Jeff Joseph

503/228-0235
202/452-9431

RUMORED FOREST MANAGEMENT RECOMMENDATIONS UNACCEPTABLE, SAYS LABOR LEADER

Mike Draper, executive secretary of the Western Council of Industrial Workers, issued the following statement today in response to reports concerning federal forest management recommendations presented to President Bill Clinton by administration officials:

← 2
"The harvest levels that have been recommended to President Clinton as reported in the media are unacceptable to the 30,000 members of the Western Council of Industrial Workers and to forest products-related workers throughout the nation.

"The reported level of annual harvest, 1.2 billion board feet, is not 'high' to the approximately 85,000 men and women who would lose their jobs if this recommendation is implemented. Nor is it high to the 75 percent of the American public who said it would be unacceptable to risk even 10,000 jobs to save the spotted owl, in a survey we sponsored two weeks ago.

"Throughout the process of attempting to develop a solution to the federal forest management crisis, we have continually called for a balanced solution that will protect forests and families. The reported recommended level of harvest does not mesh with our idea of balance.

"The environmental community's rabid response to this recommendation only underscores their intransigence and their lack of concern about forest products workers, our families and our communities. They will not be happy until all forests are locked up from harvest and all our members are unemployed.

★ "President Clinton promised a balanced solution to the crisis -- We urge him to keep this promise and commit our help as he prepares to review various forest management recommendations. We trust he'll consider what we've been saying all along -- it is not right for working men and women to take all the risks in order to protect forests and owls.

"We pledge to continue to work with the administration to reach a truly balanced solution."

The Western Council of Industrial Workers, headquartered in Portland, Oregon, represents 30,000 men and women in the forest products industry.



**NORTHWEST FOREST
RESOURCE COUNCIL***

1500 S.W. First Avenue, Suite 770 • Portland, Oregon 97201 • (503) 222-9505

Chairman
John C. Hampton

**Vice Chairman/Legal
Committee Chairman**
Bob Ragon

**Finance Committee
Chairman**
Bud Johnson

**Public Relations/
Political Action
Committee Chairman**
Cathy Baldwin

**Technical Committee
Chairman**
Charles H. Burley

**Wildlife Committee
Chairman**
R. Kirk Ewart

FOR IMMEDIATE RELEASE
July 1, 1993

CONTACT: Chris West
503/222-9505

NORTHWEST INDUSTRY DENOUNCES TIMBER PLAN

PORTLAND, ORE. - Forest products producers from throughout the Pacific Northwest denounced the Clinton administration's response to the timber supply crisis as woefully inadequate for meeting the needs of the people and the economy of the region.

"With the announcement of Option 9, this administration has categorically failed its obligation and its promise, made here on April 2, to help the people of this region with a fair and balanced plan," said Jim Geisinger, President of the Northwest Forestry Association, a Portland-based trade group.

Geisinger explained that Option 9 produces less timber than a bill sponsored by radical preservation groups last year. "A solution that yields a 75% reduction in timber harvests from historic levels and will lead to 85,000 direct and indirect job losses obviously isn't 'balanced'," he said.

✱ "By its action today, the administration has not only condemned tens of thousands to long-term unemployment but has created the conditions for another jump in lumber prices that can only hurt the already feeble economic recovery," added Geisinger.

✱ Worse, said Geisinger, the administration has labored mightily to produce a mouse. After a forest summit that raised expectations for a productive solution that will keep the issue out of the courts, the administration has drafted a plan that assures that the issue will remain in the courts, where it will be subject to further litigation.

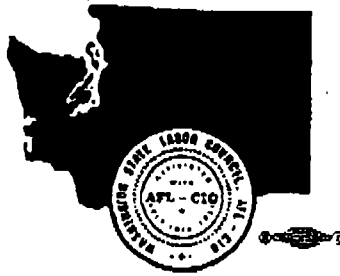
#

*Representing

Associated Oregon Loggers
Columbia River Plywood Cooperatives
Douglas Timber Operators

Northwest Independent Forest
Manufacturers Association
Oregon Forest Industries Council

Washington Citizens for World Trade
Washington Contract Loggers Association
Western Wood Products Association



Washington State Labor Council, AFL-CIO

RICK S. BENDER, *President* • AL BRISBOIS, *Secretary-Treasurer*

314 FIRST AVENUE WEST

SEATTLE, WASHINGTON 98119

TELEPHONE: (206) 281-8901

FAX: (206) 285-5805

TOLL FREE IN WASHINGTON STATE: 1-800-542-0904

June 28, 1993

Dear Brother/Sister:

I am writing to ask your help on a matter of great urgency. This week, President Clinton is expected to announce his plan to address the northern spotted owl/timber jobs debate. Even though all nine options developed by the administration's forest task force staff are wholly inadequate in protecting timber workers, the President is expected to choose a plan called "Option 9," which organized labor completely opposes.

Option 9 reduces federal timber harvests by 80 percent of historic levels and would eliminate 85,000 direct and indirect forest products jobs in the Pacific Northwest.

In a plan that accompanies Option 9, retraining issues are inadequately addressed and unrealistically funded — mocking President Clinton's promise to timber workers 10 months ago of a "no net job loss" plan.

Most of the jobs created under the forest plans would be part-time, seasonal, low-wage and/or low-skill jobs that cannot replace the jobs of timber workers.

In addition, Congressional leaders such as House Speaker Tom Foley have rejected Option 9 as an unrealistic solution. And any plan implemented administratively will undoubtedly lead to more administrative appeals and court injunctions, making a horrible situation worse.

This plan is worse than the inaction created during the Reagan and Bush administrations because it will not allow any opportunity to harvest any federal timber -- due to the certainty of court litigation.

Washington workers deserve a better chance to build a stable future. Without a balanced Northwest forest management plan, our already fragile state economy will face further demise.

Please contact the attached list of congressional members to urge their opposition to any proposals, such as Option 9, which would devastate Northwest timber workers.

We are in a critical period of crisis. Please make these calls immediately. Thank you in advance for your cooperation.

In solidarity,

Rick S. Bender
President

**STATEMENT OF JAY POWER,
AFL-CIO LEGISLATIVE REPRESENTATIVE,
JULY 1, 1993**

"Good afternoon. Welcome to the AFL-CIO. My name is Jay Power and I am here today on behalf of the AFL-CIO which represents 14 million working Americans. I am joined by Mike Draper, executive secretary of the Western Council of Industrial Workers; Jim Geisinger, president of the Northwest Forestry Association; Mark Rey, vice president of the American Forest and Paper Association; and Tommy Thompson, first vice president of the National Association of Home Builders.

"The AFL-CIO wishes to express our extreme disappointment with the plan announced today by the President.

"President Clinton's plan will hit the Pacific Northwest like a battery of misguided Tomahawk cruise missiles -- the aftershock of that plan will rattle roofs, shake walls and shatter windows across the country.

"At ground zero, President Clinton's decision to adopt Option 9 will drastically reduce harvest levels and force tens of thousands of forest products workers into unemployment.

"But, forest products workers are not the only working Americans jeopardized by the Administration's plan. Its reverberations will reach timber-dependent counties which rely on federal timber receipts to fund essential public services. These payments will drop immediately once Option 9 is implemented. The results will be devastating.

"Option 9 also threatens transportation workers who carry lumber and finished wood products, the working people who package goods in pulp and paper products, the state, county and municipal employees, and the men and women who construct our homes and buildings throughout the country.

"Organized labor encouraged the President throughout his deliberations to stick by his campaign pledge and solve the crisis with a balanced plan. His plan, he said, would include consideration of the human and economic dimensions while protecting wildlife and forests. President Clinton's plan fails this test.

"The AFL-CIO is disappointed in the Administration's decision to back a forest management plan that causes such unnecessary hardship to so many people. Option 9 ignores the human element.

"The President's promise to develop a proposal that will not cause a net job loss in the region is compromised by this forest management plan.

"The plan's economic assistance and retraining elements are woefully inadequate and emphasize seasonal, low-skill, low-wage jobs.

-- more --

"At a time when forest products workers will be hit the hardest by this disastrous plan, the least the administration can do is provide them with an economic package that realistically eases their pain and suffering.

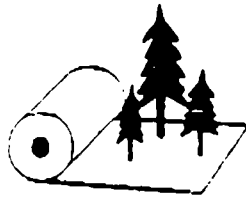
"I want to say briefly to the proud men and women of the forest products industry who we are honored to represent in Washington, that the AFL-CIO does not accept that this fight is over. Organized labor will continue this crucial fight for dignity and fairness for as long as it takes for justice to carry the day.

"The AFL-CIO will work with Speaker Foley and our friends in the Pacific Northwest delegation toward establishing a solution that will help, not hinder, workers whose livelihoods will be destroyed by Option 9. In addition, we hope the Administration will favor an economic and dislocation program that will provide immediate, short-term relief to ensure forest products workers are not next on the extinction list.

"Thank you."



AWPPW



UPIU



Pulp & Paperworkers' Resource Council

June 25, 1993

The Honorable William J. Clinton
The White House
1600 Pennsylvania Ave.
Washington, DC 200

Dear Mr. President:

We understand you may soon announce your Pacific Northwest forest management plan to resolve the spotted owl/jobs issue soon. However, if you choose the so-called "Option 9" plan, we will all be assured of suffering economic and social costs far beyond the pain we have felt already throughout the region.

When you visited the Northwest less than a year ago, you acknowledged that timber-dependent workers and communities desperately needed help from the court-imposed lock-up of federal forests. You said if you were elected President you would find a balanced solution that protected a reasonable amount of jobs in our region.

And at the Portland Forest Conference almost three months ago, you promised you would not forget "the human and economic dimensions of this problem."

Thousands of timber workers, our families and communities have depended on you to select a balanced plan. But Option 9 falls gravely short of "balance."

Option 9 will bring a certain end to at least 85,000 direct and indirect forest products jobs by reducing federal timber harvests by 80 percent of historic levels. The retraining plans accompanying this option also are inadequate and will force hardworking men and women to work at low-wage, low-skill and temporary jobs.

Mr. President, it's not too late to make good on your promises. Don't sentence more hardworking Americans to the unemployment lines in the Northwest. We urge you to quickly consider alternatives to Option 9, which are less devastating to workers.

Our welfare is in your hands.

Sincerely,

Matt Russell
Chairman
Pulp and Paper Workers Resource Council



America Needs Parity!

American Agriculture Movement, Inc.

100 Maryland Ave., N.E., Suite 500A, Box 69, Washington, D.C. 20002
(202) 544-5750

June 25, 1993

The Honorable William J. Clinton
White House
1600 Pennsylvania Ave, NW
Washington, D.C.

Dear President Clinton:

We understand you are very close to choosing a federal forest management plan -- the so-called "Option 9" -- to resolve the conflict in the Pacific Northwest and northern California. We are writing to express our opposition to this proposal and urge you to develop a forest management plan that will be less devastating to the rural families and communities of the region.

Throughout this debate, we have called for a resolution that will protect our environment while recognizing the economic needs and concerns of rural timber workers and their communities. Your pledge at the Forest Conference to craft a balanced solution to the crisis reflected our concerns. But it is clear Option 9 does not create this balance.

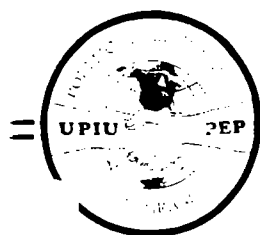
This proposal would reduce timber harvests on federal lands in the region by 80 percent from historic levels, resulting in the loss of more than 85,000 jobs. The dramatic decline in harvest levels also will reduce funds allotted to county governments from federal timber receipts. These funds help support essential public services in communities throughout the region.

Rural families in the Pacific Northwest already are facing extreme economic difficulties. Option 9 would saw off the last limb on which the livelihoods of the tens of thousands who live in timber dependent communities are balanced.

Our members have long believed in your sense of fairness. We call on you to restore some fairness to the Pacific Northwest by preparing a new proposal that provides a truly balanced resolution to this crisis while upholding the sanctity of private property rights.

Sincerely,


David McCarty
National President



UNITED PAPERWORKERS INTERNATIONAL UNION

POLITICAL EDUCATION PROGRAM



WAYNE E. GLENN
President

WILLIAM P. STOUT
PEP Director

JAMES H. DUNN
Secretary-Treasurer

FOR IMMEDIATE RELEASE:
June 29, 1993

CONTACT:
Willie Stout 615/834-8590

PAPER UNION LEADER DECLARES PROPOSED FOREST MANAGEMENT PLAN "CERTAIN DEATH" FOR 85,000 TIMBER-DEPENDENT JOBS IF APPROVED

Organized Labor Urges President to Consider Other Plans

(Nashville, TN) -- The following statement was released today by Wayne Glenn, President of the United Paperworkers International Union (UPIU), in response to President Clinton's forthcoming announcement regarding a Pacific Northwest forest management plan:

"As one of several unions representing workers whose jobs depend on a stable timber supply, today we announce our extreme disappointment concerning rumors being circulated that President Clinton is expected to choose a devastating solution to the Northwest forest debate.

"The so-called 'Option 9' would be certain death for the jobs of 85,000 timber-related workers throughout the Northwest because the plan reduces federal harvests by 80 percent of historical levels.

"Without timber from the Northwest, every business sector dependent upon wood will be tremendously impacted -- from the paper industry to the housing industry.

"We are disappointed in this proposal because we supported the President's promise to protect jobs and spotted owls, but Option 9 only protects owls. People are clearly left out of the equation.

"Perhaps even more disappointing than the selection of Option 9, is the economic assistance and community support package prepared by the administration. This plan, if implemented, will be a slow death with no funeral for timber-dependent workers -- providing only seasonal, part-time, low-wage and/or low-skill jobs to workers displaced by this plan.

"Now it seems the only way to save timber-dependent jobs from extinction would be to have them considered for the endangered species list.

"Organized labor is urging the President to reconsider choosing Option 9 and instead develop a solution that can protect both jobs and owls."

The United Paperworkers International Union, headquartered in Nashville, TN, represents 225,000 workers throughout the United States and Canada.

###

WESTERN COUNCIL OF INDUSTRIAL WORKERS

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

BLUE MOUNTAIN
CENTRAL CALIFORNIA
CENTRAL OREGON
CENTRAL WASHINGTON
COOS BAY AREA

(503) 228-0235
FAX (503) 228-0245

INLAND EMPIRE
NORTHERN CALIFORNIA
PORTLAND COAST COLUMBIA
PUGET SOUND
WILLAMETTE VALLEY

721 S.W. OAK STREET



PORTLAND, OREGON 97205

STATEMENT BY MIKE DRAPER, EXECUTIVE SECRETARY OF THE WESTERN COUNCIL OF INDUSTRIAL WORKERS, REGARDING PRESIDENT CLINTON'S ANNOUNCED NORTHWEST FOREST MANAGEMENT PLAN

July 1, 1993
Washington, D.C.

Good afternoon. I am Mike Draper, executive secretary of the Western Council of Industrial Workers, based in Portland, Oregon. The Western Council -- for the moment -- represents 30,000 working men and women in the forest products industry throughout the Pacific Northwest and northern California.

We are here today to express our firm opposition to President Clinton's plan to resolve the forest management/spotted owl/timber job controversy in the Pacific Northwest. This "indecent proposal," the so-called "Option 9," will reduce harvest levels on federal forests in our region by 80 percent, throwing approximately 85,000 people in our region into the unemployment line.

Last fall, candidate Clinton came to Eugene, Oregon to meet with timber workers in the backyard of Max Grosbeck, a timber worker himself. At that meeting, Mr. Clinton promised us that, if elected, he would protect our jobs, our families, and our communities by crafting a solution to this crisis that would balance environmental concerns with economic realities.

Candidate Clinton looked us straight in the eye and said, "I hear your concerns. I will resolve this in a fair and balanced way." Today, President Clinton blinked.

By adopting Option 9, the President has abandoned us.

Candidate Clinton promised the nation that he would re-tool our economic engine. He pledged to create and protect jobs to help the economy and working people. He campaigned on the theme, "People First."

Today, President Clinton forgot these promises. Where he once said, "People First," the President now seems to say, "People First, but only when it is easy and expedient."

-- more --

President Clinton has thrown sand in the nation's economic engine by adopting Option 9. Not only is he putting tens of thousands of forest products-related workers into the unemployment line, he is increasing lumber prices -- preventing more Americans from purchasing a new home. He is threatening timber-related jobs throughout the nation and is destroying the economic base of an entire region. He is cutting off at the knees one of the most productive, efficient and vital American industries, leaving stranded thousands of workers and our families.

This decision clearly indicates a surrender to political activists in Washington. For now, the President has abandoned the core principles he campaigned on, namely standing up for working people and protecting and creating good jobs.

My members and I campaigned extremely hard for Bill Clinton's election. But, we have been frustrated by political extremists who seem to have this President's ear and whose environmental "vision" includes unemployment among the working families I represent.

The administration thinks it can provide us a panacea through the community support and worker retraining package introduced today. But here too, the President has abandoned us.

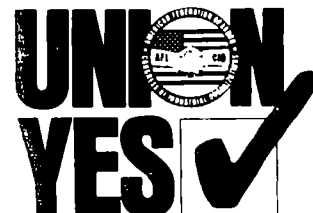
So we pledge today to create a great roar of protest rising from working people throughout the nation. Knowing that if that clamor quiets, it will fade into a deathly silence -- the silence of abandoned factories, devastated communities and empty homes.

We now call on Congress for our security. We will work with Speaker Foley and the Northwest delegation to develop a truly balanced solution that protects the Forests of God, and the families of man.



IRVIN H. FLETCHER, PRESIDENT

1900 HINES STREET S.E., SALEM, OREGON 97302



TELEPHONE: 585-6320
(FROM PORTLAND DIAL 224-3169)

July 1, 1993

**STATEMENT BY OREGON AFL-CIO PRESIDENT IRV FLETCHER
REGARDING CLINTON ADMINISTRATION'S FOREST MANAGEMENT PLAN**

"President Clinton's federal forest management plan announced today in Washington, D.C. deals a devastating blow to working men and women in the state of Oregon who anticipated and deserved a balanced timber policy from this administration.

"The option selected by the President, so-called Option Nine, is absolutely unacceptable to forest products unions in Oregon, throughout the Pacific Northwest and across the country. Indeed, the national AFL-CIO is today holding a news conference in its Washington, D.C. headquarters to express labor's disappointment with the President's choice of a plan that will send tens of thousands of forest products workers into unemployment.

"Option Nine will allow an average harvest level of approximately 1.2 billion board feet (bbf) -- an almost 80 percent reduction from historic harvest levels in the region. We estimate this drastic reduction will result in the loss of approximately 85,000 forest products-related jobs.

"Further, we cannot ignore the catastrophic impact this decision will have on timber-dependent communities. Federal timber receipts fund essential public services through payments made directly from the federal government to timber-dependent counties. These payments will drop immediately once Option Nine is implemented.

"Without some level of timber supply, these towns and the families which inhabit them will suffer irreparable harm. Some families and communities will be lost in the inevitable fallout of unemployment, dislocation and social upheaval.

"Timber sales revenue from the federal government to Oregon counties will decrease significantly, while at the same time demand for social services in timber-dependent communities will increase dramatically.

"The Oregon AFL-CIO urges the Clinton Administration to reconsider its flawed forest policy. In the meantime, we will continue to work with our friends in the Oregon congressional delegation and with Speaker Foley as they consider what course of action is appropriate and needed to save these endangered workers and their families from extinction."

###

American Federation of Labor and Congress of Industrial Organizations



815 Sixteenth Street, N.W.
Washington, D.C. 20006
(202) 837-5000

EXECUTIVE COUNCIL

LANE KIRKLAND PRESIDENT

Albert Shanker
Wayne E. Glenn
James E. Haffield
William M. Bywater
John T. Joyce
Robert A. Georgine
Lenore Miller
Sigurd Lundeasen
John N. Sturdivant
James J. Norton
Ron Carey

THOMAS R. DONAHUE SECRETARY-TREASURER

Edward T. Hanley
Joyce D. Miller
Vincent R. Sombrone
Marvin J. Bode
Lynn R. Williams
Gene Upshaw
Jack Shannahan
Mos Siler
Richard L. Trumka
Joaquin F. Otero
Arthur A. Cole

William M. Wynn
John J. Sweeney
Gerald W. McEntee
Owen Bieber
Merton Behr
Jay Mazur
John J. Barry
George J. Kourouss
Frank Hanley
Michael Sacco
Frank Hunt

June 25, 1993

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

The AFL-CIO understands that you will soon announce your federal forest management plan - the so-called "Option 9" - to resolve the conflict regarding old-growth forests in the Pacific Northwest and Northern California. The AFL-CIO strongly opposes this proposal or any similar plan which does not take into account the impact of such a decision on the tens of thousands of workers and their families in that region.

Option 9, if implemented, would devastate tens of thousands of forest products workers, their families and communities in the Pacific Northwest and Northern California. This proposal would reduce average annual harvest levels in the region by 80 percent, resulting in the loss of approximately 85,000 forest products-related jobs in the region alone.

In addition, this proposal will dramatically increase the cost of new homes, pricing many first-time buyers out of the market and threatening any chance for an economic recovery spurred by your economic plan.

You campaigned on the theme, "People First." And during your Forest Conference, you promised to craft a solution that would provide a balance between environmental concerns and economic realities. In our view, Option 9 does not create this balance.

We cannot afford to disregard protection for hard working men and women, particularly during such trying economic times. The AFL-CIO strongly urges you to develop a less devastating federal forest management plan. We offer our assistance to help reach this end.

Sincerely,

Secretary-Treasurer

Notes On Scientists' Presentation

1. The scientists involved indicated that none of the information on which the report is based is ground-truthed. They called for a second round of land management planning to field-verify what they developed in a desk-top fashion using Pacific Meridian maps. Obviously, much will change as they go through field-level verification of their desk-top work.
2. In the plan, the watershed management areas are set-aside entirely, even though the scientists specified that individual watershed management plans should be developed. As these plans are developed, harvesting in the matrix areas in the watershed will be permitted at some level. The scientists acknowledge that they have no idea how much additional timber volume will materialize until the site-specific analysis is performed. In any case, it is highly likely that additional volume could be provided in the out-years as a consequence of these individual watershed management plans.
3. The scientists conceded that a significantly greater amount of land than necessary was taken out of the matrix for the marbled murrelet because of the absence of an approved recovery plan. They speculated that, as the recovery plan for the murrelet is developed, land will be put back into the matrix and become available for harvest.
4. The scientists identified 5 million acres of administrative reserves from previous NFMA and FLPMA forest planning decisions that do not overlap with any of the areas that the scientists set-aside from the matrix to protect the species and concerns that they were asked to address. A zero-based plan revision process would likely add some of this 5 million acres back into the matrix. As it stands, the 5 million acres is set-aside from timber production to address a variety of issues unrelated to the current exercise. Many of these issues may be already addressed in the set-asides the scientists recommend. No one knows.
5. The scientists looked only at the federal lands in the region to develop their alternatives. They, therefore, developed a comprehensive plan on 22% of the forest land in the region. The remaining 78% of the land, which is non-federal, was ignored in their analysis. They did not attribute any habitat contribution to non-federal lands. Therefore, even as non-federal lands continue to be regulated under the Endangered Species Act, the scientists ignored this regulatory impact. A field-level planning process that looks across the landscape and coordinates the public land planning responsibilities of the federal government with the private lands environmental regulatory responsibilities of federal and state governments would produce a much more balanced plan.

6. The risk assessments were based not on population data but on habitat. That is to say, the question was: "does a particular option provide a high probability of evenly distributed habitat (not organisms) throughout the historic range?" This anomaly means that for the salmon (which had the greatest impact on timber volumes), a significant amount of habitat will be protected for which there will be no fish. The plan does not address any of the other reasons that the salmon stocks are declining. Also, the risk assessments are exclusively opinion-based (i.e., a little data for some species, none for others) by expert panels of scientists familiar with the organisms involved. The time period for the risk analysis is 100 years.

MIKE DRAPER**Executive Secretary, Western Council of Industrial Workers**

Mike Draper is the executive secretary of the Western Council of Industrial Workers (WCIW). He leads collective bargaining negotiations in eleven western states and serves as a spokesman for organized labor on timber issues. Mr. Draper has worked as a member of the WCIW for 23 years and has served as an executive officer since January 1988.

In addition, Mr. Draper is chairman of the U.S. Forest Products Joint Bargaining Board; chairman of the Industrial Coalition of the UBCJA; and chairman of the Timber Industry Labor-Management Committee. He was chosen to represent forest products workers during panel discussions at President Clinton's Forest Summit.

The WCIW represents more than 30,000 workers in the forest products industry. The union is affiliated with the 600,000-member United Brotherhood of Carpenters and Joiners of America (UBCJA), AFL-CIO.

JAY POWER**Legislative Representative, AFL-CIO**

Jay Power has been on the staff of the Legislative Department as a Legislative Representative since 1980. Prior to his joining the AFL-CIO, he was assistant to the Legislative Director then Legislative Director of the United Brotherhood of Carpenters and Joiners of America from 1973 to 1980.

Mr. Power's duties include monitoring a variety of legislative issues, including those related the Clean Air Act, worker health and safety, public works, mass transit as well as basic labor laws. He also monitors the implementation of AFL-CIO policy recommendations in these areas through congressional action together with the input and cooperation of those affected AFL-CIO affiliated unions.

MARK REY**Vice President, American Forest and Paper Association**

Mark Rey currently serves as the Vice President of the American Forest and Paper Association (AFPA) in Washington, D.C. He directs the association's programs regarding the management of federally owned forest land, including long and short-term supplies of timber from federal lands, agency funding levels and timber contracting procedures.

Mr. Rey previously served as executive director of the American Forest Resource Alliance (AFRA), environmental forester for the National Forest Products Association, and as a staff assistant at the Bureau of Land Management.

Mr. Rey studied at the University of Michigan's School of Natural Resources where he earned a B.S. in Wildlife Management, a B.S.F. in Forestry and a master's degree in Natural Resource Policy and Administration.

JAMES C. GEISINGER
President, Northwest Forestry Association

Jim Geisinger has over 17 years of experience working for forest industry trade associations in both staff and management positions. Beginning in 1976 when he accepted the position of Executive Director of the Southern Oregon-based Douglas Timber Operators, Mr. Geisinger has worked his way up the ranks of northwest timber trade associations to his current position as President of the Northwest Forestry Association (NFA).

Mr. Geisinger was selected by the Oregon congressional delegation to be one of the three timber industry participants at the June 1989 "Timber Summit." He currently serves as a member of the Board of Directors of the Timber Industry Labor Management Committee. Mr. Geisinger recently represented NFA at President Clinton's Forest Conference in Portland, OR.

Northwest Forestry Association has three regional offices located in Oregon and Washington that provide support services for members. NFA's membership ranges from small, family-owned companies to large, multi-national corporations.

ANNOUNCEMENT BY VICE PRESIDENT ALBERT GORE AND PRESIDENT BILL CLINTON ON WHITE HOUSE FOREST POLICY

450 OLD EXECUTIVE OFFICE BUILDING
THURSDAY, JULY 1, 1993

+++++

VICE PRESIDENT GORE: I would like to begin this morning by acknowledging the presence of a number of members of Congress: Lynn Woolsey, Jim McDermott, George Miller, Bruce Vento, Dan Hamburg, Gerry Studds. Senator Patty Murray had intended to be here but is still recovering from her recent operation, and I want to especially acknowledge her. And members of the President's Cabinet -- Jolene Unsoeld and Elizabeth Furse. I'm sorry. Bruce Vento. I mentioned Bruce Vento. Thank you for being here. And members of the Cabinet who are present: Secretary Mike Espy, Secretary Bruce Babbitt, Secretary Ron Brown, Secretary Robert Reich, and EPA Administrator Carol Browner.

Today President Bill Clinton is demonstrating his commitment to the people, the communities, the economy and the environment of the Pacific Northwest and northern California with a balanced, comprehensive and innovative plan. Where past administrations created confusion and controversy by ducking the tough decisions and allowing gridlock to remain in place, President Clinton is providing leadership and showing real courage by taking action. These are difficult, complex issues. We knew that from the beginning. But the President did not shy away from them. President Clinton recognized that for the future of the northwest United States, these issues had to be confronted boldly and resolved so we can put the past behind us and move on to the future.

That's why the President brought hundreds of people together at the forest conference in Portland, and that's why he has directed his administration to work together with him, benefiting from the advice and views of so many people from across the region, representing every possible perspective, to carefully craft the plan that he will announce today in a few moments.

I'll let the President tell you about his plan, but before he does, I want to make sure that everyone here today and all those who share our commitment to resolving these issues in a fair and balanced way recognizes the change and progress that this plan represents. President Clinton's plan offer an innovative and comprehensive approach to forest management that combines real environmental protection with an all-out commitment to economic development and growth in a total package that concentrates on the economy of the Northwest. A healthy forest economy demands healthy forests, and the President's plan ensures both. For the families and communities in the region, the President's plan offers significant new economic and job opportunities. For businesses and industry, it offers critical assistance to create jobs and growth, particularly in expanding industries like secondary wood manufacturing. And for the environment, it offers a valuable new perspective focused on

protecting critical water supplies and the most valuable old growth forests and allowing for new environmental research and experimentation and job-creating investments in ecological restoration.

This plan reflects the best work of scores of economists and scientists and experts from across the government and across the region, and a commitment to follow existing laws. It has benefited greatly from the input of all those consulted -- members of Congress, representatives of business, industry, labor, environmental organizations, tribes, governors, state government officials, and local government. The forest conference brought all sides together in recognition of the need for action and an end to divisiveness and controversy.

That spirit of cooperation and commitment to the people, the economy, and the environment of the region must continue now as we work together to replace the policies of the past with a plan for the future that offers critical assistance now.

President Clinton is committed to that goal. That's why he has shown the courage and innovation in announcing this plan today.

It is now my pleasure and honor to introduce the President of the United States, Bill Clinton. (Applause)

PRESIDENT CLINTON: Thank you very much. Thank you.

Ladies and gentlemen, this issue has been one which has bedeviled the people of the Pacific Northwest for some years now. It has been one that has particularly moved me for two reasons: first of all, because so many people in that part of the country brought their concerns to me in the campaign on all sides of this issue -- timberworkers and companies, the environmentalists, the Native Americans, the people who live in those areas who just wanted to see the controversy resolved so they could get on with their lives; and secondly because I grew up in a place with a large timber industry and a vast amount of natural wilderness, including a large number of national forests. So I have a very close identity with all the forces at play in this great drama that has paralyzed the Pacific Northwest for too long.

We are announcing a plan today which we believe will strengthen the long-term economic and environmental health of the Pacific Northwest and northern California. The plan provides an innovative approach to forest management, to protect the environment, and to produce a predictable and sustainable level of timber sales. It offers a comprehensive long-term plan for economic development, and it makes sure that federal agencies for a change will be working together for the good of all the people of the region.

The plan is a departure from the failed policies of the past when as many as six different federal agencies took different positions on various interpretations of federal law and helped to create a situation in which at length no timber cutting at all could occur because of litigation and still environmentalists believed that the long-term concerns of the environment were not being addressed. The plan is more difficult than I had thought it would be in terms of the size of

the timber cuts in part because during this process the amount of timber actually in the forest and available for cutting was revised downward sharply, in no small measure because of years of overcutting, and in a way that provides an annual yield smaller than timber interests had wanted and a plan without some of the protections that environmentalists had sought.

I can only say that as with every other situation in life, we have to play the hand we were dealt. Had this crisis been dealt with years ago, we might have a plan with a higher yield and with more environmentally protected areas. We are doing the best we can with the facts as they now exist in the Pacific Northwest.

I believe the plan is fair and balanced. I believe it will protect jobs and offer new job opportunities where they must be found. It will preserve the woodlands, the rivers, the streams that make the Northwest an attractive place to live and to visit. We believe in this case it is clear that the Pacific Northwest requires both a healthy economy and a healthy environment, and that one cannot exist without the other.

I want to say a special word of thanks to the Vice President, to the Interior Secretary, Bruce Babbitt, to Agriculture Secretary Mike Espy, to Labor Secretary Reich, Commerce Secretary Brown, Environmental Protection Administrator Browner, Environmental Policy Director Katie McGinny (sp), and many others in our administration who worked together to bring all the forces of the federal government into agreement, not because they all agreed on every issue at every moment, but because they knew that we owed the people of the Pacific Northwest at least a unified federal position that would break the logjam of the past several years. This shows that people can work together and make tough choices if they have the will and courage to do so. Too often in the past, the issues which this plan addressed have simply wound up in court while the economy, the environment, and the people suffered.

These issues are clearly difficult and divisive. You will see that in the response to the position that our administration has taken. If they were easy, they would have been answered long ago. The main virtue of our plan, besides being fair and balanced, is that we attempt to answer the questions and let people get on with their lives. We could not, we could not, permit more years of the status quo to continue where everything was paralyzed in the courts.

We reached out to hundreds of people, from lumber workers and fishermen, to environmentalists, scientists, business people, community leaders, and Native American tribes. We've worked hard to balance all their interests and to understand their concerns. We know that our solutions will not make everybody happy. Indeed, they may not make anybody happy. But we do understand that we're all going to be better off if we act on the plan and end the deadlock and divisiveness.

We started bringing people together at the Forest Conference in April. In the words of Archbishop Thomas Murphy, then we began to find common ground for the common good. As people reasoned together in a conference room instead of

confronting each other in a courtroom, they found at least that they shared common values, work and family, faith and a reverence for the majestic beauty of the natural environment God has bequeathed to that gifted part of our nation.

This plan meets the standards that I set as the conference concluded. It meets the need for year-round, high-wage, high-skill jobs and a sustained, predictable level of economic activity in the forest. It protects the long-term health of the forest, our wildlife and our waterways. It is clearly scientifically sound, ecologically credible, and legally defensible. By preserving the forest and setting and predictable and sustainable levels of timber sales, it protects jobs, not just in the short term but for years to come.

We offer new assistance to workers and the families for job training and retraining where that will inevitably be needed as a result of the sustainable yield level set in the plan; new assistance to businesses and industries to expand and create new family wage jobs for local workers; new assistance to communities to build the infrastructure to support new and diverse sources of economic growth; and new initiatives to create jobs by investing in research and restoration in the forests themselves; and we end the subsidies for log exports that end up exporting American jobs.

This plan offers an innovative approach to conservation, protecting key watersheds and the most valuable of our old growth forests. It protects key rivers and streams while saving the most important groves of ancient trees and providing habitat for salmon and other endangered species. And it establishes new adaptive management areas to develop new ways to achieve economic and ecological goals and to help communities to shape their own future.

Today, I am signing a bill sponsored by Senator Patty Murray and Congresswoman Jolene Unsoeld of Washington and supported by the entire northwest congressional delegation to restore the ban on the export of raw logs from state-owned lands and other publicly owned lands. This act alone will save thousands of jobs in the northwest, including over 6,000 in Washington state alone.

Today, Secretary Babbitt and Secretary Espy are going to the northwest to talk to state and local officials about how to implement the plan and give to workers, companies and communities the help they need and deserve. And soon we will deliver an environmental impact statement based on the plan to the federal district court in Washington State. We will do all we can to resolve the legal actions that have halted timber sales, and we will continue to work with all those who share our commitment to achieve these goals and move the sales forward.

Together we can build a better future for the families of the Northwest, for their children, and for their children's children. We can preserve the jobs in the forest and we can preserve the forest. The time has come to act, to end the log jam, to end the endless delay and bickering, and to restore some genuine security and rootedness to the lives of the people who have for too long been torn from pillar to post in this

important area of the United States. I believe this plan will do that, and this administration is committed to implementing it.

Thank you very much.

(Applause.)

SEC. BABBITT: Good morning. What the President has outlined and delivered today is the plan to manage the federally owned forests in the Pacific Northwest. It's not a portion of a plan, it's not a piece of a plan; it is the plan.

Now the option chosen by the President, Option 9, is fundamentally sound. And the reason for that is that the President, at the outset, laid down two important criteria. The first was that the plan must be developed and the options must be worked out by the most competent, broad-based group of scientists that we could possibly assemble from the Department of Agriculture, the Fish and Wildlife Service, the Bureau of Land Management, the Environmental Protection Agency, Oregon State University, the University of Washington. That scientific team has done its job, and that is certainly the important, indispensable beginning point for this plan.

The President's second mandate, of course, was that any option presented to him for implementation must comply with existing law, and it is my belief, shared by other members of the cabinet, that the scientific team has put its stamp of approval on Option 9, and that it does and will in every respect comply with the law.

Now, from here on, we must begin the arduous, important process of implementing Option 9, and our instructions from the President are simply to move as quickly as we possibly can to get timber moving into communities and into the mills. Now there are still decisions to be made along the way about the exact methodology, about whether or not particular features of the plan can stand modification as move toward implementation.

What Secretary Espy and myself will be doing, beginning today, is moving the Department of Interior and the Department of Agriculture out into the field to prepare sales, to implement sales that have been done. I'm confident that if we move quickly on that we can, by a conservative measure, certainly move two billion board feet from federal land into the communities and the mills of the Northwest during the coming year.

And I would only add that as Secretary Espy and I go to Portland and Seattle today, it's our intention simply to break the gridlock, to invite all of the different groups in the Pacific Northwest to sit down with us, not to debate the pros and cons of option nine, but to move ahead to get the timber moving into the mill to see if we can't together find innovative ways to make procedural modifications and simply break the gridlock and at last restore some predictability and some certainty to the future of the Pacific Northwest.

Thank you.

SEC. ESPY: I'd just like to add my voice to others and try to add some perspective to this. Today the President is taking a bold and decisive step to move toward a resolution of the forest management crisis that really has paralyzed the Pacific

Northwest. As Secretary of Agriculture, I agree with this plan. I think that it is fair, balanced, comprehensive, and it is certainly responsible.

Some will criticize the President for taking this move. To the contrary, I believe that he deserves praise for attempting to resolve an issue that no previous administration or Congress has been willing or able to bring to closure. So let us not forget what brought us here.

Under the Reagan administration, timber harvest in the region grew beyond sustainable levels. Timber cuts were absolutely pushed to the limit and other non-timber resources suffered. Under President Bush, we just simply saw more of the same; attention only to the level of cut and inattention to the levels of consequence. Agencies, in response to the problem, acted independently and not cooperatively. Interior fought USDA, USDA fought EPA. We had no union whatsoever. And while lawsuits brought forestry to a halt, President Bush offered no direction and no plan to solve the issue. When communities in the region began to feel the effects of the court injunctions, they asked for financial assistance to weather the storm and, again, the Bush administration refused.

And so today we clearly are not turning away from this challenge. We're moving forward in a legally responsible and scientifically sound way to bring this matter to closure, and in doing so, we will not turn our back on the workers and the communities of the region who desperately seek leadership and a resolution to this crisis.

So I respectfully suggest that we view this President's plan in its proper context. This is not the end that some critics threaten, but a new beginning for the region. The economic future of the rural communities of the Pacific Northwest still rest upon its natural resources, but a sustainable economy must have as its basis policies that sustain those natural resources. This plan, the President's forest management plan, provides that basis and the foundation for a strong and sustainable economy out in the Pacific Northwest.

And in conclusion, honestly, we had three choices, by my view, three options. The first is simply to do nothing, to allow the forces out there to continue to challenge one another and let the whole situation blow up and disintegrate. Well, ladies and gentlemen, that is not leadership. The other option was simply to stand in a defiant swagger and to thumb our nose at a federal district court and perhaps to receive a contempt citation in the process. Well that certainly is not responsible. So we, in fact, took the third option, the only option, by our view. We're stepping up to the plate, we're taking our best swing. This is leadership, this is responsibility, and this is exactly what we're doing.

Thanks. (Applause.)

SEC. REICH: I can stand here and not take any heat at all, right? (Laughter.)

Let me just say that I want to echo what Secretary Babbitt and Secretary Espy have said, but also talk specifically about jobs.

Over the last two years, 20,000 jobs, timber jobs, have been lost in this region -- 20,000 jobs. That's going to end. This new plan is going to actually create net jobs. There will be some dislocations. Some people -- some timber workers will continue to lose jobs, nowhere near as many as have been losing them before. But the plan calls for economic development, job training, new jobs. We're going to focus economic development assistance and also job training assistance on this area and help people get new jobs that pay family wages, good wages -- jobs in environmental remediation, jobs in higher value-added timber manufacturing. Many jobs are out there and potentially available to people in this area. And, in fact, the direction we were going in -- do nothing -- not only was it creating no jobs, in fact destroying a lot of jobs -- 20,000 over two years -- but it was also potentially destroying a lot of other jobs, jobs related to preserving that environment in the long term. And therefore, we are marking this as something of a beginning for the Northwest, hopefully, in terms of job creation.

One thing we've tried to do, again, is focus all our agencies on this task. This has been difficult. We've overcome, I think, or at least partially overcome, years and years of agencies figuring that they were doing it alone, that their own mission had nothing to do with any other agency mission. And through this process, the whole, hopefully, is greater than the sum of the parts. We have job training, economic development, we have environmental remediation -- we have agencies working together and focusing their attention on solving a problem. Everybody is not going to be happy; in fact, everybody is going to be a little bit unhappy, and that's what happens when you fight hard and work hard for a compromise. This is a compromise. This is the best compromise available. Any of the options -- any of the options would have caused some job dislocation. This is the least job dislocation, it is the best in terms of new job net creation. And therefore, we're very proud of where we're going.

The President deserves and awful lot of credit for his leadership, his ability to take this on. Remember, nothing was being done. This was absolute log jam. The President pulled us together, pulled his team together, said "Get on with it. Let's solve this problem." And we're doing it.

Thank you.

(Applause.)

SEC. BROWN: I'm obviously pleased to join this morning with the President and Vice President in announcing a forest plan that truly exemplifies the principle of sustainable economic growth. By addressing long-term economic concerns and balancing broad environmental needs, the President has indeed created a plan that protects jobs and businesses, that furthers environmental goals, and that enhances the economic diversity of the Pacific Northwest.

As the President's representative to lead the federal effort to help revitalize California's economy, I am particularly gratified that loggers and timber towns in northern California will finally be free of the economic uncertainty that

has haunted that region for too many years. For too long, the timber industry has been paralyzed by federal indecision while competing agencies supported contradictory policies and the White House dodged its responsibility.

President Clinton has, in fact, acted decisively to end this gridlock. The President's plan helps put people back to work by allowing significant timber sales, which are already in the pipeline, to go forward. New jobs will in fact be created through the expanded environmental restoration and research work provided for by the plan, by growing eco-tourism, and by the Job Training Partnership Act. Funding for this program, which provides for job search assistance, retraining and relocation help, will more than double under the President's plan.

The President's program helps timber communities by eliminating tax breaks for raw log exporters and providing incentives for increased domestic processing, and it helps the timber industry by establishing sustainable harvest levels that will ensure long-term profitability. Companies will finally be able to hire and invest based on reliable forecasts and predictable harvest levels. The President's plan establishes a harvest level that recognizes the critical importance of the region's timber industry. It opens areas to the selective, sustainable harvests that the industry in fact needs, and it creates stability and certainty, the cornerstone of any business planning that it going to be successful.

President Clinton's plan also takes into account the broader economic needs of the Pacific Northwest, while his innovative management approach protects the salmon and other environmentally sensitive industries better than before. The President has also provided funding that will speed economic diversification of the affected regions. Economic adjustment funds, worker retraining support, infrastructure projects, even a summer jobs program will help lure industries to the area and help existing industries expand, diversify, and most importantly, put people back to work.

I strongly believe that the President's plan will ultimately result in a more robust economy in America's timber regions. By furthering both our long-term economic and environmental needs, the President has demonstrated once again strong leadership. This is the kind of bold response to changing economic circumstances the American people voted for last November.

I'm pleased to be here with the President, Vice President, and my fellow cabinet members to support this courageous and this visionary strategy.

Thank you very much.

(Applause.)

MS. BROWNER: Good morning. The President has just made an announcement that is a courageous step forward for environmentally sound forest management. Under the President's leadership, five agencies that have been suing each other and using their resources to fight each other in court have been able to come together to work on a plan and to put forward a plan that will really do right by the environmental system and

the people of the Northwest.

At the heart of the policy that's being announced today, and what makes this approach so novel and important is the protection of watersheds. Watersheds are the critical environmental component. By protecting the watersheds, we are protecting rivers, streams, the viability of the old growth forests, and the species dependent upon these natural systems. And most importantly, we will avoid future confrontation over individual species like the salmon. By putting together a watershed protection plan, we will be able to avoid the haggling that has gone on for far too long.

The other thing that will occur because of the watershed protection focus is that cities may realize a real cost, real dollar savings. The city of Portland, who is, I think, looking at almost a \$200 million bill for a filtration system on their drinking water system may not have to spend that \$200 million on filtration. They may be able to spend it on something else. Why? Because we're going to go upstream, we're going to make sure that the watershed is protected, and that the quality of the water coming to the city is such that they don't have to filter it and spend that money.

The President has been able to see the forest, not just the trees, and we at EPA look forward to working with our colleagues across the federal government in the implementation of this milestone resolution. We are very pleased to have them part of all the discussions. We think it is a sound and important environmental step, and we will work our best to see implemented in a way that is good for everybody.

Thank you.

(Applause.)

SEC. BABBITT: Okay. If there are any questions, we'll split them up and pass them around and see what we can do. Yes?

Q Secretary Babbitt, the 2 billion board feet that you were talking about I think would be triple or more of what has been cut -- at least while the injunction has been in place. Environmentalists say that's way beyond sustainability.

Secondly, is there anything in the plan that would meet the environmentalists' concern about setting aside, as permanent, protected reserves, sections of the forest that would be off-limits to logging, including salvage, spinning, and any other practices?

SEC. BABBITT: Well, with respect to the projection of two billion board feet during the coming year, I think it's worth remembering that what the scientific team has told us is that under the unified forest reserve, there should be a flow of about 12 billion board feet in a 10-year period. And that leaves a certain amount of flexibility with respect to how that's allocated.

There are a variety of other issues here that I think are going to give us the flexibility -- the backlogged timber on Indian reservations, which has been brought to our attention by the Pacific Timber Council of Indian Tribes. And the backlog there is due to our inability to do the timber sale preparation.

That's something we can take care of. So I think there are a

fair number -- obviously, there are some sales which are already in the pipeline, which would be the first ones that we can break loose. So I think it's a very realistic estimate.

We heard the concerns of the environmentalists with respect to the reserves. Again, the unified forest plan lays out a basic pattern of reserves. It does allow some forest practices, particularly with respect to stands that are less than 120 years old that are not mature stands. And I think at this point the important thing is to say to the timber industry, to communities and the environmental groups, we're prepared to talk about those things. The basic unified forest plan is now in place, but that doesn't mean that we can't modify and perfect it and learn as we go along.

Yes?

Q Does the plan allow for a higher volume of cutting in the first years, the 10-year period, and then reduced, or is it basically stable at 1.2 billion board feet (over this period)?

SEC. BABBITT: The plan, on its face, speaks of a 10-year cut, within the areas under the planning process, of 12 billion board feet. It is our starting assumption that that should be spaced in a roughly consistent, sustainable pattern across the 10 years. There are a variety of issues outside the plan that I think make it possible to bump that figure up considerably, consistent with the plan, in the immediate future.

Yes?

Q The plan talked about watershed protection. Does that include buffers on streams and rivers and on private lands? And if so, how will you accomplish that?

SEC. BABBITT: The important feature of the unified forest reserve plan that distinguishes it from some of the other alternatives that were considered is that the process of constructing the plan began with stream protection, with buffers laid over the entire stream system on federal lands. The width of those buffers varies by three criteria: whether or not the streams have salmon in them or other fish, steelhead or others, at this time, or whether or not they're permanent streams, somewhat less protection for intermittent streams. It is a very comprehensive process.

With respect to private lands, which I know is of particular interest in Washington, I think there's some good news in this forest plan because it will allow us, for the most part, to lift the (owl ?) circles on the private lands -- not everywhere, but I think in some large measure. So the private land owners will have a great deal of flexibility and benefit from this plan.

Those issues will be worked out according to what's known as a 4-D rule under the Endangered Species Act. But I think the plan legitimately seeks to provide as much freedom as is consistent with the overall legal objectives on private lands.

Q But will there be buffers on private lands and around streams?

SEC. BABBITT: I --

SEC. : We're still talking about that.

SEC. BABBITT: Good. The answer is we're going to sit down

in Seattle and Portland and discuss sit.

Q Mr. Secretary, are you going to ask Judge Dwyer (sp) to lift the injunction immediately in July, or will that not happen till the end of the year?

SEC. BABBITT: No, no. We will proceed on an expedited track to go back to court and ask the judge to lift the injunction.

Q Based on a draft environmental impact --

SEC. BABBITT: Absolutely.

Yes?

Q Other than the bill that President Clinton said he was going to sign -- (inaudible), will any other parts of this plan proceed legislatively?

SEC. BABBITT: Well, I think that the economic package, which Secretary Reich can discuss to the extent you want to follow it up, certainly presupposes some congressional action. I think that's very likely.

Yes?

Q But aside from funding, you're not asking Congress for anything and will go ahead with or without their blessing. You don't want fast-track authority or anything like that to --

SEC. BABBITT: Well, there are two separate issues here. One is the plan itself. Now, you've heard very clearly from the President his intention to direct the departments to prepare that plan and submit it administratively back into the judicial process. That reflects our view That that is the most expeditious, fastest, direct route to getting timber flowing into the mills.

Now, with respect to the procedural issues -- that is, how do we expedite the process of getting from here to there -- I think that's something we want to sit down and begin discussing with all the parties, the parties to the litigation, the interested parties in the Pacific Northwest, and all the others.

I'm certain that as of today, what we're going to begin is to push the administrative process. Now, whether or not that's sufficient, I think, is something that we're going to need to discuss and watch among all the parties.

SEC. BROWN: I would just mention one thing. We haven't spent a lot of time talking about the economic impacts of this, and it seems to me one of the most important things that we've accomplished here is really encouraging economic diversification and economic adjustment and economic growth. That is one of the key points of the plan and strategy.

As well as all of the what we consider to be courageous substantive decisions that were made, I think that this process sets an important example for how this administration intends to work together and pull together. For years there's been nothing but conflict between agencies of the federal government pulling in opposite directions, not working as part of a team, and here we've taken a very, very complex problem, with extraordinary leadership from the President of the United States, and all of us who have been perceived of in the past as representing different kinds of interests in America -- Bob Reich, the workers of America, and the Secretary of Commerce, business and

industry, and Secretary Babbitt and Administrator Browner, other kinds of interests that seemed disparate -- are working together and are making it come out right, are sitting down and talking and coming up with a rational plan, a rational approach to solve a difficult problem.

I think we're as proud of this, and the President is, of the process by which we pulled together as a team, as we are with the very sound kind of substantive judgments that have come out of the plan.

Q Secretary Brown, given the thousands of jobs that are being lost, would the administration support a ban or tax on private log exports?

SEC. BROWN: Well -- go ahead, Bruce.

SEC. BABBITT: The President has addressed that issue with specific proposals to remove the subsidies which currently operate to unbalance that decision in favor of log exports. So at this time, the President's position with respect to private log exports is we need to simply level the playing field.

Q Does the administration know yet where the money is going to come from for assistance to the Northwest?

SEC. BABBITT: The great majority of the billion and a half, approximate, over five years, will consist of money which is already programmed in the 1994 budget process. Another piece of it will be reprogramming within our budgets, and I think there may well be some additional on top of that.

Ron?

SEC. BROWN: Yeah, a good deal of it is going to come from the Economic Development Administration, the Commerce Department, through the use of EDA grants. The purpose of those grants are to assist distressed urban and rural communities in economic recovery. And we intend to direct and target those grants in that way to be helpful to the region that is affected.

STAFF: Be aware also there'll be a technical briefing after this and people will be available to walk through specifically where the money comes from and -- (word inaudible) -- numbers and all that.

SEC. BABBITT: What she's really saying is pull us off before we get into deep water! (Laughter.)

Q Secretary Babbitt, you're going to be in Portland later this afternoon. You're probably going to run into some people from some of the timber towns, you're probably going to run into some angry people from some of the timber towns there. What are you going to tell them to expect and what are you going to tell them about the disruptions that they're going to have? They're angry over these proposals here.

SEC. BABBITT: Well, what I intend to say in the timber towns of Oregon and Washington is we're going to provide some certainty, we're going to lift the injunctions, you're going to have a predictable supply of timber. And we're looking at a timber year coming up, I think conservatively, of two billion board feet. Now, compared to what's gone on in the last few years, I think that's a strong and positive direction.

We're going to sit down with those towns and discuss the implications of the adaptive management areas that are in the

unified forest plan. I will remind the towns that the President's proposal says that within the adaptive management areas, all logs must go to local communities. And I think there are a variety of other issues in this plan that are going to provide an unexpected amount of hope, flexibility -- wood earmarked for local mills and local industries that don't necessarily appear in the gross figures that come out at the very end of the plan. I think the detail in this case is very important.

Thank you very much.

Q/STAFF (?): Take one more?

SEC. BABBITT: Okay, yeah, let's take one more. Why quit while you're ahead? (Laughter.) Let me take another one here.

Q Secretary Babbitt, despite the turnout of congressional leaders here today, there were very few representatives from the Pacific Northwest, including House Speaker Tom Foley. Does that create problems? They are not particularly fond of the plan at all.

SEC. BABBITT: Well, I certainly understand that, and I have had several extensive discussions with the Speaker, listening to his concerns; they're deep, they're heartfelt, they're thoughtful. And what I have said to the delegation members, and especially to the Speaker, is that as we move forward with this plan, which the Cabinet members and the President feel is the best pathway toward getting the injunctions lifted and moving back toward some kind of normalcy, we remain willing to listen to new information, to look at the procedural aspects of this, to consider -- to continue to develop the adapted-management concept, to get back to the backlogs on Indian reservations, to tailor the economic assistance.

And, ultimately, I suspect it's inevitable that the Speaker and others would express their desire to reexamine the statutes, and there are many of them, governing these processes. And, of course, that is their prerogative, and I'm sure that, during the coming years, we'll be discussing that. But in the meantime, what we have to do is end the impasse, and I think that, in the next few years, we're going to get a really good result with a really substantial amount of timber flowing in and that that's the very best course of action at this point.

Thank you very much.

####

■ PRESIDENT CLINTON'S PROMISES DURING SEPTEMBER 14, 1992 BACKYARD MEETING WITH TIMBER WORKERS IN EUGENE, OR:

- "I think that our policy ought to be: no net loss of jobs. In the past three and a half years, 46,000 jobs have been lost in the timber industry in the Pacific Northwest. If you take the second plan that came out of the so-called God Squad, they say it will be another 17,000 jobs. The issue is not 'will some jobs be lost?' -- yes, they will -- the issue is to look at where we are with the forests...and figure out what is the right thing to do for a long-term, sustainable forest so you can keep people working at a steady level and preserve the necessary diversity to guarantee a healthy forest."
- "[The government should] provide for full funding for a worker retraining program. If national policy puts you out of a job, national policy should put you back in one. That's my theory."
- "We're going to have to take account of the loss of money to state and local governments and school districts. Because all of this is a product of national policy. If the national government does something to you, there ought to be some obligation on the national government to have no net loss of jobs and let people make a living."
- "I am determined to break this logjam. You are entitled to have all these federal agencies on the same side and have a coherent policy and to have a commitment to your region and the people here to resolve this in a fair and balanced way. And I think we can do it."
- "Right now we have the worst of all worlds. We have the timber sales that have been tied up in court for 33 months. That's the worst of all worlds. That's not good for the environment and it's terrible for the economy."
- "I can assure you that I will remember what you've said to me today."

FROM CLINTON'S PRINCIPLES GUIDING FOREST MANAGEMENT LEGISLATION
(Excerpted from Closing Remarks in Portland, OR 4/2/93)

"FIRST, we must never forget the human and the economic dimensions of these problems. Where sound management policies can preserve the health of forest lands, sales should go forward. Where this requirement cannot be met, we need to do our best to offer new economic opportunities for year-round, high-wage, high-skill jobs...."

Foley Casts Doubts on Clinton's Northwest Timber Plan

By Tom Kenworthy
Washington Post Staff Writer

Last August, after being repeatedly urged to do so by environmental activists in his eastern Washington congressional district, House Speaker Thomas S. Foley (D) climbed aboard a twin-engine plane for an aerial view of the effects of logging on the Colville National Forest.

Once airborne, Foley fell asleep.

But now, as the Clinton administration is putting the finishing touches on its plan to end the Pacific Northwest's long agony over the threatened northern spotted owl and management of federal forests, Foley is fully alert and playing a pivotal role.

Foley's district is far removed from the wet coastal forests where the battle over the spotted owl has been waged for almost a decade. But he is firmly aligned with the coalition of organized labor and timber interests pressing for a policy that will allow the largest possible timber harvest.

So, as details of the administration's plan began leaking out, Foley sent an unmistakable signal to the White House last week, casting doubt on whether the proposal could be enacted in Congress. His

view is that the administration's plan—which would allow for an annual timber program of 1.2 billion board feet over the next decade—would cripple the forest products industry in the Northwest.

"Many in Congress feel there has to be a plan which provides significantly larger than 1.2 billion board feet of allowable cut in order for any kind of forest products industry to survive on federal lands," Foley said at a recent news conference in Spokane.

Then, at a meeting between the Northwest congressional delegation and Kathleen McGinty, the White House director of environmental affairs, Foley blasted the administration for mishandling the run-up to Clinton's announcement of a forest plan. The administration, Foley charged, had allowed environmental critics to define the debate over a plan that would in reality lower timber cutting far below the levels of the mid-1980s.

"The speaker was very direct and exercised over this issue," one participant in the meeting said of Foley's approach with McGinty. "He got in her face."

Foley's view is that the Clinton administration's plan (known as "Option 9") is far more unfair to the timber industry and its workers

than it is to the environmental community. Option 9, Foley said, would bring about a "radical, enormous reduction in traditional timber harvests."

But the administration's view, while sympathetic to labor, is that any plan it proposes must be legally defensible; a series of federal court decisions have held that the timber-cutting levels of the mid-1980s were flatly illegal.

Those levels, the courts have ruled, violated the National Forest Management Act and the requirements of the Endangered Species Act for protection of the owl. As a result, courts have halted all new timber sales until the federal government presents a forest management plan—due on July 16—that meets legal requirements to protect the owl and other threatened species.

So far, environmentalist opposition to the Clinton plan has centered on concerns that it would allow some salvage and thinning of trees in spotted owl reserves, set up "adaptive management" areas in which local interests would influence forest management decisions, and perhaps insulate timber sale decisions under the plan from administrative appeals and court suits.

During briefings this past week

with the scientists who devised the options being presented to Clinton, opposition from the environmental community began to soften. But at the same time, Foley and the timber industry seem to be digging in their heels, causing some consternation in the administration.

"It wasn't expected," one senior administration official said of Foley's comments last week, suggesting that the speaker's statements have not been particularly helpful in devising a solution that all sides can live with, if not love.

The industry, the official said, "is starting to discover how much our hands are tied and how we are not flimflaming them. The scientific effort is so well done that the chances of impeaching it are virtually zero."

Foley, for his part, is coming under heavy criticism from environmentalists in his home district who charge that he fundamentally misunderstands the Northwest's shift away from a timber-dependent economy. It was Foley, they remember, who scuttled a House Interior Committee vote on a forest plan last year by phoning several members immediately before the vote and urging them not to support the legislation.

"He does not understand the

problem," said John Osborn, a physician who serves as president of the Spokane-based Inland Empire Public Lands Council. "You have forests that are biologically falling apart and you have communities that are facing a historic transition. What Speaker Foley is suggesting that you continue overcutting in order to postpone the inevitable transition."

But there is another theory of Foley's actions: that he is protecting his fellow Northwest politicians by suggesting that Congress cannot pass the Clinton plan. According to this theory, Foley would rather have the administration impose a plan through administrative action—and through a presentation to the courts—than force a divisive fight in Congress that would leave Northwest lawmakers exposed to vicious political crosscurrents.

Interior Secretary Bruce Babbitt said on Friday that such an administratively imposed solution is a very real possibility.

"It's important to recognize that the president does have the option of simply selecting one of the alternatives, or one of the alternatives modified, and moving it back into the judicial system," Babbitt said. "That is a very live option at this point."

AIDS Panel Offers Critical Report

AROUND THE NATION

Dikes Reinforced

Troopers noticed an odor from

New forest plan faces resistance

ances are
that
gress will
rove the
ton staff's
erred plan,
ording to a
lawmaker

By KATHIE DURBIN
and DON HAMILTON
of The Oregonian staff

6/22/93

President Clinton is expected to decide within days whether to approve a historic new Northwest forest management strategy built on old-growth reserves, experimental forestry and broad protection for sensitive watersheds.

But House Speaker Tom Foley, D-Wash., said Monday that the preferred plan, known as "Option 9," had only a slim chance of winning congressional approval because it will trigger strong opposition from both environ-

mentalists and the timber industry.

"I think the opposition to Option 9 is probably as great from the forest products side as it is from some environmentalists," Foley said at a Spokane news conference.

"I have some doubt that it could be enacted," Foley added. "Many in Congress feel there has to be a plan which provides significantly larger than 1.2 billion board feet of allowable cut in order for any kind of forest products industry to survive on federal lands."

Although the administration is considering asking Congress to give its plan the force of law so it can be implemented swiftly, much of

it could be adopted administratively.

Option 9, the preferred strategy of Clinton's staff, would produce an average annual timber sale level of 1.2 billion board feet over the next 10 years on forests in Oregon, Washington and California that are inhabited by the threatened northern spotted owl.

That amounts to about one-third of the historic high timber sale levels offered on those forests in the late 1980s.

During 1994, while agencies prepare new timber sales that comply with the Clinton



FOLEY

Please turn to
FOREST, Page A15

Forest: Tree harvest would be much lower

6/22/93

3M

A15

■ Continued from Page One
plan, the timber sale level on forests west of the Cascades likely would be closer to 500 million board feet, a congressional source said.

Additional salvage logging and other cutting east of the Cascades and in Northern California could push the overall harvest level to between 1.6 billion and 1.8 billion board feet. From 1985 to 1989 those lands produced more than 6 billion board feet.

Option 9, one of 10 strategies developed by a scientific panel, would create reserves of mature and old-growth forests concentrated within key watersheds throughout the Northwest. Salvage logging and pre-commercial and commercial thinning of trees up to 80 years old would be allowed within the reserves, according to congressional sources who were briefed Monday.

Environmentalists have argued for "involute" buffers that would be off-limits to logging. But a congressional source, speaking on background, said scientists "didn't feel they had enough data to really argue convincingly for permanent involute reserves."

Other highlights of the plan include:

- Full protected buffers of 300 feet or more along both sides of streams that provide high-quality habitat for sensitive fish stocks. Protection would be highest for the streams that contain the most imperiled fish runs. Buffers would be half as wide for less sensitive fish runs.
- Continued clear-cut logging outside reserves, but with retention of patches of living trees within clearcuts.
- Designation of 10 "adaptive management zones" across the Northwest, ranging in size from 100,000 acres to 500,000 acres, as laboratories for forestry experiments.

All activities within the zones would comply with wildlife protection standards in the National Forest Management Act and the Endan-

gered Species Act.

The administration reportedly remains undecided on whether to involve Congress in adopting the plan, a step that could possibly free some federal timber for sale before the end of this year by declaring that the plan meets all requirements of the National Environmental Policy Act.

Meanwhile, Gov. Barbara Roberts met with Vice President Al Gore and Interior Secretary Bruce Babbitt in Washington, D.C., Monday and emerged saying she thinks the economic recovery plan for the region looks good as it stands now.

Roberts said the plan included job-retaining, new economic development strategies and other techniques to spur growth and attract new business in timber-dependent towns.

She warned, however, that the economic recovery proposal could change by the time President Clinton gives final approval.

Early reaction from environmentalists and timber industry representatives to specifics of Option 9 were guarded.

"Yes, this is a large step in the right direction for President Clinton to take," said Andy Kerr, conservation director for the Oregon Natural Resources Council. "However, because his last two predecessors were so far out of step with reality and sustainability, this step that President Clinton is making is not far enough back in the right direction."

But Chris West of the Northwest Forestry Association said, "This is not a balanced solution to us by any stretch of the imagination."

"The key to us is acres," West said. "Our survival is the land base on which trees are going to be managed. If the acreage is so small and the volume is so small and so spread out, it's not going to be a viable option."

The Associated Press contributed to this story.

THE FOREST PLAN

FOR A SUSTAINABLE ECONOMY AND A SUSTAINABLE ENVIRONMENT



**PRESIDENT WILLIAM J. CLINTON
VICE PRESIDENT ALBERT GORE, JR.**

July 1, 1993
Washington, D.C.

THE FOREST PLAN:

FOR A SUSTAINABLE ECONOMY AND A SUSTAINABLE ENVIRONMENT

President Clinton's Forest Plan for a Sustainable Economy and a Sustainable Environment is a comprehensive and innovative blueprint for forest management, economic development, and agency coordination aimed at strengthening the long-term economic and environmental health of the region. For too long, contradictory policies from feuding agencies have blocked progress, creating uncertainty, confusion, controversy and pain throughout the region. President Clinton's plan reflects his commitment to break the gridlock with a courageous, new approach that balances economic and environmental concerns.

The Forest Plan provides:

- o A sustainable harvest that will allow timber sales and logging based on a scientifically-sound and legally-responsible plan, improving forest management and ending the confusion and uncertainty of past policies;
- o New economic assistance to help local workers, businesses and communities to strengthen the region's economy, create family-wage jobs, offer new economic opportunities and ensure the region's long-term economic health, confronting economic issues ignored by past Administrations;
- o An innovative, new approach to environmental protection focusing on key water supplies and valuable old growth forests, that will once again base forest management on science and a respect for existing law;
- o A comprehensive system of old growth reserves to protect old growth ecosystems;
- o New opportunities for people in the region to participate in decisions regarding management of the nation's forests for the economic and environmental benefits they provide and to help plan for their future;
- o Improved coordination among federal agencies responsible for managing federal lands, ensuring that federal agencies will work together, with state and local officials, with tribes, and with private landowners for the best interests of the people and communities in the region, instead of working against each other, undermining the law and creating gridlock.

BACKGROUND

On April 2 in Portland, Oregon, President Clinton convened the Forest Conference as the first step toward a balanced and comprehensive policy that would recognize the importance of the forests and timber to the economy and jobs in the region and recognize the importance of America's old

growth forests, and the rivers and streams and wildlife that are so much a part of America's national heritage and the region's natural treasures.

The Forest Conference fulfilled a commitment President Clinton made to the people of the Pacific Northwest and Northern California to break the gridlock that has blocked progress on these issues with a comprehensive, innovative, and balanced plan for the region's long-term economic and environmental health.

"The most important thing we can do," President Clinton said in opening the conference, "is to admit, all of us to each other, that there are no simple or easy answers. This is not about choosing between jobs and the environment, but about recognizing the importance of both and recognizing that virtually everyone here and everyone in this region cares about both."

At the Forest Conference, the President, the Vice President, key members of the Cabinet and other top Administration officials talked with people from throughout the region representing a broad range of views and perspectives -- many of them adversaries who had spent more time fighting each other than working together. The Forest Conference provided a first-hand understanding of these issues and how the people in the region have been and will be affected.

At the close of the Forest Conference, President Clinton directed his Cabinet to action with five fundamental principles to guide them. President Clinton said:

- o "First, we must never forget the human and economic dimensions of these problems. Where sound management policies can preserve the health of forest lands, sales should go forward. Where this requirement cannot be met, we need to do our best to offer new economic opportunities for year-round, high-wage, high-skill jobs.

- o Second, as we craft a plan, we need to protect the long-term health of our forests, our wildlife, and our waterways. They are ... a gift from God and we hold them in trust for future generations.

- o Third, our efforts must be, insofar as we are wise enough to know it, scientifically sound, ecologically credible, and legally responsible.

- o Fourth, the plan should produce a predictable and sustainable level of timber sales and non-timber resources that will not degrade or destroy our forest environment.

- o Fifth, to achieve these goals, we will do our best to make the federal government work together and work for you. We may make mistakes but we will try to end the gridlock within the federal government and we will insist on collaboration, not confrontation."

Three working groups were established immediately after the Forest Conference: 1) Ecosystem Management Assessment to focus on forest management; 2) Labor and Community Assistance to focus on economic development; and 3) Agency Coordination to focus on how federal agencies work together. These working groups were comprised of scientists and experts from across the agencies involved (the Departments of Agriculture, Interior, Commerce, and Labor, as well as the Environmental Protection Agency, the White House Office on Environmental Policy, the National Economic Council, the Office of Science and Technology Policy, the Office of the U.S. Trade

Representative, the Council of Economic Advisors, the Office of Management and Budget, and the Domestic Policy Council). They conducted exhaustive research and analysis and met with a wide range of groups and individuals from a broad range of perspectives before issuing their reports to the White House on June 2. It is their work, and the ideas and opinions of the scores of people they consulted that provides the foundation for the President's Forest Plan for a Sustainable Economy and a Sustainable Environment.

FOREST MANAGEMENT

The President's Forest Management Plan offers an innovative new approach which uses key watersheds as its basic building blocks and offers new possibilities for environmental and scientific research through the creation of Adaptive Management Areas.

Recently, forest management proposals have been driven either by an approach based on protecting areas inhabited by specific species, such as the spotted owl or marbled murrelet, or, by an approach based on protecting a specific type of forest.

The President's plan offers a different approach, based on sound science and a commitment to existing law, which is built around identifying and protecting key watersheds and old-growth forests. Such an approach takes great steps to protect the region's drinking water and represents an obvious and essential step toward restoring a healthy salmon industry. It protects threatened species, such as the northern spotted owl and the marbled murrelet, scores of other species (including fish now considered "at risk" under the law), as well as the most valuable old growth forests.

Ten Adaptive Management Areas provide opportunities for federal, state and local officials, industry, community, and environmental organizations, tribes, and others to work together to develop innovative management approaches, such as the Applegate Project and the Douglas Project in Oregon and the Hayfork Adaptive Management Area in Northern California. These areas provide for intensive experimentation and innovation to demonstrate new ways to achieve ecological, economic, and social objectives and allow for local involvement. A rigorous monitoring and research program will ensure the development and analysis of scientific data to assess the effectiveness and impact of these approaches.

Key elements of the President's plan include:

- o Watersheds as the fundamental building block;
- o Reserve areas based on watersheds and old growth that include the most valuable old growth forests and designated conservation areas to protect specific species. Only very limited activities would be permitted in the reserves, including salvage and thinning where the primary objective of that salvage and thinning is to accelerate the development of old growth conditions.

- o Ten Adaptive Management Areas of 78,000 - 380,000 acres each for intensive ecological experimentation and social innovation to develop and demonstrate new ways to integrate ecological and economic objectives and allow for local involvement in defining the future;
- o The development of a new rule from the Fish and Wildlife Service to ease restrictions on timber harvest from certain non-federal lands (modifying what have been known as "owl circles"), possible because the President's plan improves management of federal lands; and, encouraging private companies to commit the timber released by these changes to processing in domestic mills;
- o Federal assistance to bring to market backlogged timber sales from Indian reservations.

The President will submit his forest management plan to the court and will do everything possible to resolve the legal challenges and lift the injunctions that have stopped timber sales so that both the Forest Service and the Bureau of Land Management can implement a sale planning and preparation program as quickly as possible. He is asking the Secretaries of Agriculture and Interior to take any other available actions consistent with our legal obligations to revive the timber sale program.

And, because the President believes the workers, businesses, and communities in the region need help as quickly as possible, the President is directing his Cabinet to work with all those who share his determination to resolve these issues in a fair and balanced way to develop the most effective means to implement this plan and move timber sales forward as quickly as possible.

Harvest levels in the President's plan take into account the fact that previous Forest Service management plans have significantly overestimated the amount of timber available for harvest every year, presenting unrealistically high harvest levels that cannot be sustained even under existing forest management plans. The President's plan provides for a sustainable timber harvest of 1.2 billion board feet annually on the spotted owl forests. In addition, the expected release of sales stopped by injunction, steps to move timber from Indian lands, and other measures are expected to increase that figure as the program is implemented.

The President's Forest Plan focuses on management strategies to resolve the long-standing court challenges over management of the spotted owl and old growth forests on the west side of the Cascade Mountains. Management of east side forests will need to focus on restoring the health of forest ecosystems impacted by poor management practices of the past.

The President is directing the Forest Service to develop a scientifically sound and ecosystem-based strategy for management of the east side forests. This strategy should be based on the forest health study recently completed by agency scientists as well as other studies. Consistent with this strategy, the President also is directing the agency to accelerate efforts to prepare timber sales to harvest dead and dying timber on the east side.

ECONOMIC DEVELOPMENT

Unlike his predecessors, President Clinton recognizes that the Northwest forest crisis involves important economic and social as well as environmental concerns. Recognizing the importance of timber and forests to the economy and jobs in the region is central to the President's Forest Plan for a Sustainable Economy and a Sustainable Environment.

The President's plan will provide immediate and critical support for economic adjustment and diversification in the region, including expanded funding for business development, economic planning, infrastructure development and worker retraining to help build a foundation for long-term economic strength and environmental health. The President's plan will help existing companies grow and attract new businesses. It will add more jobs for the timber harvested by encouraging value added manufacturing and help those workers and those communities who rely on a future in wood.

The plan will provide \$270 million in new funding for FY 1994 -- \$1.2 billion over five years -- including a new Northwest Economic Adjustment Fund. While estimates indicate that the forest plan will directly impact 6,000 jobs, in 1994, the plan would create more than 8,000 jobs and fund 5,400 additional retraining opportunities.

Key elements of the President's plan include:

- o For workers and families, increased funding under the Job Training Partnership Act for job search assistance, retraining, and relocation; overall, a 110 percent increase in funding from \$20.2 million to \$42 million;
- o A three-part strategy for business development in the Pacific Northwest and Northern California, including improved access to capital, expanded technical assistance, and enhanced access to domestic and international markets; overall a 47 percent increase in funding from \$163 million to \$239.7 million;
- o For communities, established levels of financial assistance to timber counties, replacing the roller coaster of payments tied to timber harvests with a reliable schedule of payments, creating a sound fiscal environment for county governments, businesses, and financial institutions; strengthening community capacity to plan for economic development and diversification, and improving the infrastructure needed for such development through Community Development Block Grant lending, Rural Development Administration community facilities, and the RDA water/wastewater program; overall a 25 percent increase in funding from \$298.6 million to \$373.6 million;
- o To protect the environment and create jobs, investments in watershed maintenance, ecosystem restoration and research, environmental monitoring and forest stewardship, all of which will also improve water quality and increase salmon stocks to avoid listing of salmon species under the Endangered Species Act and to improve commercial fishing; in addition, forest stewardship will be expanded to help small landowners manage their forests; overall, a 19 percent increase in funding

from \$438.2 million to \$519.8 million.

- o Support for the elimination of tax incentives for the export of raw logs; and, the President is directing his cabinet to study effective ways to make it more difficult for companies to avoid export limitations on raw logs.

- o Directing his Cabinet to identify and implement, in a priority manner, the best ways to strengthen small businesses and secondary manufacturing in the wood products industry, including a review of increasing the supply of federal timber set aside for small businesses and possible preferences for bidders who contract for domestic secondary processing. The President also is directing his administration to encourage improved and effective community partnerships to bring together those with different perspectives on forest management. (Secondary manufacturing generates from four times to 25 times more jobs per billion board feet than primary manufacturing)

The Northwest Economic Adjustment Initiative would be implemented through an innovative partnership among state, local, and federal agencies, as well as community and business leaders, to help local families and workers caught in the middle of this crisis. The President is directing that federal agencies implement this innovative approach to economic adjustment by creating a unified management system that will bring the various agency efforts in each state together into a single team. This will coordinate the related activities of federal, state, and local agencies and provide a unified point of contact and procedures for workers, firms, and local communities.

The President's proposal, supported by Governor Barbara Roberts of Oregon and Governor Mike Lowry of Washington, represents a comprehensive experiment in "reinventing government" -- improving the way the government works to make it more responsive, more effective, and more efficient. The plan calls for replacing restrictions on the use of federal funds with performance-based measures, making new use of leveraged private resources, and creating new processes and institutions responsive to local needs and priorities.

The President's plan provides a substantial infusion of new federal assistance through innovative programs to both provide economic relief to timber communities as soon as possible and to encourage long-term economic development and diversification.

AGENCY COORDINATION

Too often in the past, different federal agencies have acted in isolation or even at cross purposes in managing federal forest lands in the Pacific Northwest and Northern California. Instead of working to confront existing problems, they have contributed to them, creating confusion and controversy. At the Forest Conference, President Clinton made clear "we will insist on collaboration, not confrontation."

Because of the President's clear direction to improve inter-agency coordination, an entire working group was created to focus on these issues. In addition, throughout this process, an inter-agency approach, involving the key federal agencies involved, has been in use. The implementation

of a new forest management strategy provides the ideal opportunity to correct past practices and improve inter-agency cooperation and, in the process, forest management.

The President's plan will improve inter-agency coordination by:

- o Creating a new focus for forest planning based on watersheds and "physiographic provinces" that base management on the unique ecology of each region;
- o Immediately creating a new inter-agency Geographic Information System data base to allow land management and resource agencies to coordinate their efforts in the collection and development of research and data;
- o Creating provincial-level teams that would develop analyses for physiographic provinces and particular watersheds. These teams would include the relevant federal agencies, state officials and tribes and, when individual watersheds are analyzed, the objective would be to involve all affected parties in discussions on biological, timber, community, and other needs. An Inter-agency Executive Committee would coordinate and provide direction for the work of the provincial teams;
- o Revising the consultation process under the Endangered Species Act to emphasize an integrated ecosystem approach. This would include the Fish and Wildlife Service and the National Marine Fisheries Service early in the process so that the views of these agencies can be made known when the land management agencies begin to develop their plans for a particular area, instead of later in the planning process as is now the case. It would also involve the use, where appropriate, of regional consultations.

CONCLUSION

The President's Forest Plan for a Sustainable Economy and a Sustainable Environment represents a comprehensive, innovative and balanced approach to the economic and environmental challenges facing the region. It is the result of extensive research, analysis, and cooperation among federal agencies and extensive discussions with a wide range of individuals and groups including business, labor, environmentalists, tribes, community groups, and Members of Congress. The President and his entire Administration intend to continue to seek the support and opinions of these groups to implement this plan and break the gridlock that has blocked progress on these issues.

As the President said at the close of the Forest Conference: "If we don't give up or give in to deadlock or divisiveness or despair, I think we can build a more prosperous and a more secure future for our communities and for our children." This Forest Plan is an important step toward that future.

##

APPENDIX

Background

Forests of the Pacific Northwest and Northern California

The issue is how best to manage and protect federal forest lands in the Pacific Northwest and Northern California. Years of short-sighted and contradictory policy-making by previous Administrations have fueled a region-wide battle that has polarized communities, totally blocked any rational policy making, and left decision-making in the courts.

What has been needed and what President Clinton provides today is an innovative, comprehensive, and balanced blueprint for forest management, economic development, and agency coordination aimed at strengthening the long-term economic and environmental health of the region. The President's plan provides for a sustainable harvest based on scientifically-sound and legally-responsible forest management, new job-creating investments in the region's environment, innovative protections for valuable old growth forests, and new economic assistance to help workers, businesses and communities to provide long-term, family- wage jobs and long-term economic development.

THE PROBLEM:

The debate centers on how all public forest lands should be managed to recognize the need to protect and preserve old growth forests, fish, wildlife, and water as well as the needs of the workers, businesses, and communities dependent on timber sales. Old growth forests are those at least 200 years old or older. Most remaining old growth forests are on federal lands. Nearly 90 percent of the region's old growth forests already have been logged. An estimated 8 to 9 million acres of old growth forest remain today.

Throughout the Bush Administration, key agencies responsible for managing federal forest lands (Forest Service in the Department of Agriculture and the Bureau of Land Management in the Department of Interior) simultaneously pursued not only contradictory policies, but policies the courts have ruled were in violation of federal laws (principally the Endangered Species Act [ESA], the National Environmental Policy Act [NEPA], and the National Forest Management Act [NFMA]). The debate was polarized, and gridlock ensued. As a result, court injunctions have stopped most Forest Service and some BLM timber sales, with serious economic consequences for the region.

FEDERAL FOREST LANDS:

Federal land managers historically, and through the Bush Administration, emphasized commodity uses of federal lands, e.g. logging, mining, and grazing, over conservation of natural ecosystems. Easily accessible old growth forests on federal and private lands were extensively logged long ago, creating increasingly heavy reliance on the remaining old growth forests on federal lands. These old growth forests are in demand because of the size and quality of the trees

to the timber industry. Second growth forests on most private lands are still 15 to 20 years away from harvestable age.

The old growth forests support a broad range of plants and animals and the health of these forests impacts further on the area's rivers and streams -- meaning that fish also are affected by the state of these forests. For example, the region's salmon industry, which employs an estimated 60,000 people, has already been affected by reduced fish harvests due, in part, to habitat degradation of rivers and streams in logged areas. Destroying the old growth forests has a domino effect on entire communities --reducing jobs in tourism and fishing, recreational opportunities, hunting and fishing, and endangering water supplies. Old growth forests also contain a number of known and unknown species which offer promise, such as the Pacific yew tree, whose bark yields taxol, a possible cure for breast cancer.

THREATENED SPECIES

The law requires protections for the spotted owl, the marbled murrelet, and certain species of fish. In the past, legal action has centered on the spotted owl, the first species to be listed as threatened.

The northern spotted owl range is located in the forests west of the Cascade Mountains in Washington, Oregon, and Northern California. Within that range, the owls preferred habitat is old growth forests.

The Department of Agriculture's Forest Service manages 23 million acres in spotted owl range. The Department of the Interior's Bureau of Land Management (BLM) manages 2.4 million acres in spotted owl range in Oregon and Northern California.

The debate has focused on the environmental and economic benefits and costs of protecting the northern spotted owl. From 1984, when the Forest Service adopted guidelines for managing the owl's habitat on national forests in Washington and Oregon through today, this debate has been marked by contradictory and sloppy policy-making that has forced the issue into the courts.

The debate intensified over the past five years, particularly since the Fish and Wildlife Service listed the northern spotted owl as threatened in July 1990. The courts during this time repeatedly concluded that the Bush Administration was acting in violation of existing laws and issued injunctions stopping major timber sales. The Bush Administration, for example, agreed to list the owl as threatened but refused to act to protect the areas where the owl lives. Later, unhappy with the findings of the Interagency Scientific Committee, which was charged with examining the issues, the Bush Administration convened its own task force that produced a 1-1/2 page press release asking Congress to pass legislation enabling certain Forest Service and BLM timber sales to proceed and be insulated from forest management laws.

Using the Endangered Species Act (ESA) and the National Forest Management Act, environmental groups have challenged Forest Service and BLM plans to sell timber in spotted owl habitat. The ESA prohibits agencies from taking actions which will "jeopardize the continued existence" of an endangered or threatened species, a determination which the Fish and Wildlife Service makes.

A series of injunctions by the Seattle District Court and the Ninth Circuit Court of Appeals have stalled almost all timber sales in spotted owl habitat in Washington, Oregon, and Northern California since 1989.

Almost routinely, the courts said the Bush Administration abused its discretion, acted arbitrarily and capriciously and violated the law. For example, in May 1991, Judge William Dwyer in Seattle District Court ruled that, "...a deliberate and systematic refusal by the Forest Service and the Fish and Wildlife Service to comply with the laws protecting wildlife ...[demonstrates] a remarkable series of violations of the environmental laws."

SCIENTIFIC REPORTS

The scientific understanding of the old growth forest ecosystem has evolved significantly in the past five years. Scientists have conducted three key independent assessments:

- 1) The Interagency Scientific Committee (ISC) in 1990
- 2) The Scientific Panel on Late Successional Forest Ecosystems in 1991
- 3) The Scientific Analysis Team (SAT) of the Forest Service in 1993

All three have confirmed the need to set aside larger areas of habitat to protect species which depend on old growth forest ecosystems, such as northern spotted owls, marbled murrelets, and several species of salmon.

ECONOMIC ISSUES

The forests of the Pacific Northwest and Northern California have provided the foundation for the region's economy for the past century. Though historically important as a source of employment in the northwest, the timber industry has been declining in importance as other sectors of the economy have grown. In 1970, timber-related jobs accounted for about 10 percent of total regional employment. By 1989, timber employment was at about 140,000 jobs or about 4 percent of total regional employment. However, some rural areas depend almost totally on forest industries.

In the northwest region, economic growth in the past two decades has diversified a regional economy that was once much more heavily dependent on manufacturing and timber. While many rural counties are vulnerable, overall economic conditions and trends in the northwest show substantial strength. After many years of somewhat sluggish economic growth,

the Pacific Northwest economy has shown strong growth since 1986. The rate of employment growth in Oregon and Washington exceeded the U.S. average in every year since 1986.

About 43 percent of the timber land in the affected region is owned by the federal government, with the remainder in state or private hands. Federal timber sales provide local communities receipts of between \$200 and \$500 million dollars annually.

During the 1980s, the northern spotted owl region (public and private lands) accounted for more than 30 percent of the lumber produced in the United States. Because about one-third of recent timber harvests in the owl region occur on federal lands, about 10 percent of domestic timber supply potentially is affected by spotted owl protection.

Increased harvest levels have failed to increase jobs proportionately. Increased mechanization in harvesting, transporting, and milling has lowered the labor required for producing lumber. During the 1980s, for example, the number of jobs in the lumber and wood products sectors declined from 10 jobs per million board feet of harvest to below 8 jobs per million board feet. From 1981 to 1989, while harvest levels increased by 44 percent in Oregon and Washington, there was no increase in employment in forest products.

Mill closings follow a similar trend. In 1968, Oregon had 300 sawmills; by 1988 the state had 165 mills. In Washington, the number of mills fell from 182 in 1978 to 118 mills in 1988, while the total number of wood processing establishments (including veneer and plywood, pulp, shake and shingle plants and other operations) fell from 764 in 1978 to 351 in 1988.

These trends preceded the old-growth controversy. While the spotted owl often is blamed for weak employment, the long term projections indicate steady declines in employment for any given level of timber harvest.

It is important to note that by law, logs from federal lands cannot be exported and log exports from state-owned lands will be prohibited by legislation President Clinton is signing today. However, substantial volumes of timber cut from private lands in the northwest are exported to Japan, Korea, and China with minimal domestic processing.

####

THE WHITE HOUSE
Office of the Press Secretary

Friday, May 7, 1993

** MEDIA ADVISORY **

MISSION STATEMENT FOR FOREST CONFERENCE WORKING GROUPS

The mission statement that follows has been provided to members of the three inter-agency working groups created to help meet the President's mandate to his cabinet to craft a plan to break the gridlock over forest management in the Pacific Northwest and northern California. It reflects guidance given to the working groups when they were created and sets the parameters for their recommendations.

The three working groups are:

- o Ecosystem Management Assessment to identify alternative strategies for a scientifically sound, ecologically credible, legally responsible basis for managing the federal forests of the Pacific Northwest and northern California;
- o Labor and Community Assistance to identify alternatives for assisting individuals and communities affected by changes in federal timber sales programs and policies in the region;
- o Agency Coordination to identify opportunities to improve the working relationships among federal and state agencies in the region to reduce impediments to stronger cooperative, working relationships among all parties.

The names of working groups members also follow here.

##

May 7, 1993

TO: FOREST CONFERENCE INTER-AGENCY WORKING GROUPS
Ecosystem Management Assessment
Labor and Community Assistance
Agency Coordination

FROM: FOREST CONFERENCE EXECUTIVE COMMITTEE
Department of Agriculture
Department of Interior
Department of Labor
Department of Commerce
Environmental Protection Agency
Office on Environmental Policy
Office of Science and Technology Policy
National Economic Council
Council of Economic Advisors
Office of Management and Budget

RE: STATEMENT OF MISSION

Together, we are working to fulfill President Clinton's mandate to produce a plan to break the gridlock over federal forest management that has created so much confusion and controversy in the Pacific Northwest and northern California. As well, that mandate means providing for economic diversification and new economic opportunities in the region. As you enter into the critical phase of your work reviewing options and policy, this mission statement should be used to focus and coordinate your efforts. It includes overall guidance and specific guidance for each team.

BACKGROUND

President Clinton posed the fundamental question we face when he opened the Forest Conference in Portland:

"How can we achieve a balanced and comprehensive policy that recognizes the importance of the forests and timber to the economy and jobs of this region, and how can we preserve our precious old-growth forests, which are part of our national heritage and that, once destroyed, can never be replaced?"

And, he said, "the most important thing we can do is to admit, all of us to each other, that there are no simple or easy answers. This is not about choosing between jobs and the environment, but about recognizing the importance of both and recognizing that virtually everyone here and everyone in this region cares about both."

The President said five principles should guide our work:

"First, we must never forget the human and the economic dimensions of these problems. Where sound management policies can preserve the health of forest lands, sales should go forward. Where this requirement cannot be met, we need to do our best to offer new economic opportunities for year-round, high-wage, high-skill jobs.

"Second, as we craft a plan, we need to protect the long-term health of our forests, our wildlife, and our waterways. They are, as the last speaker said, a gift from God; and we hold them in trust for future generations.

"Third, our efforts must be, insofar as we are wise enough to know it, scientifically sound, ecologically credible, and legally responsible.

"Fourth, the plan should produce a predictable and sustainable level of timber sales and non-timber resources that will not degrade or destroy the environment.

"Fifth, to achieve these goals, we will do our best, as I said, to make the federal government work together and work for you. We may make mistakes but we will try to end the gridlock within the federal government and we will insist on collaboration not confrontation."

ECOSYSTEM MANAGEMENT ASSESSMENT

Our objectives based on the President's mandate and principles are to identify management alternatives that attain the greatest economic and social contribution from the forests of the region and meet the requirements of the applicable laws and regulations, including the Endangered Species Act, the National Forest Management Act, the Federal Land Policy Management Act, and the National Environmental Policy Act. The Ecosystem Management Assessment working group should explore adaptive management and silvicultural techniques and base its work on the best technical and scientific information currently available.

Your assessment should take an ecosystem approach to forest management and should particularly address maintenance and restoration of biological diversity, particularly that of the late-successional and old growth forest ecosystems; maintenance of long-term site productivity of forest ecosystems; maintenance of sustainable levels of renewable natural resources, including timber, other forest products, and other facets of forest values; and maintenance of rural economies and communities.

Given the biological requirements of each alternative, you should suggest the patterns of protection, investment, and use that will provide the greatest possible economic and social contributions from the region's forests. In particular, we encourage you to suggest innovative

ways federal forests can contribute to economic and social well-being.

You should address a range of alternatives in a way that allows us to distinguish the different costs and benefits of various approaches (including marginal cost/benefit assessments), and in doing so, at least the following should be considered:

- timber sales, short and long term;
- production of other commodities;
- effects on public uses and values, including scenic quality, recreation, subsistence, and tourism;
- effect on environmental and ecological values, including air and water quality, habitat conservation, sustainability, threatened and endangered species, biodiversity and long-term productivity;
- jobs attributable to timber harvest and timber processing; and, to the extent feasible, jobs attributable to other commodity production, fish habitat protection, and public uses of forests; as well as jobs attributable to investment and restoration associated with each alternative;
- economic and social effects on local communities; and effects on revenues to counties and the national treasury;
- economic and social policies associated with the protection and use of forest resources that might aid in the transitions of the region's industries and communities;
- economic and social benefits from the ecological services you consider;
- regional, national, and international effects as they relate to timber supply, wood product prices, and other key economic and social variables.

As well, when locating reserves, your assessment also should consider both the benefits to the whole array of forest values and the potential cost to rural communities.

The impact of protection and recovery of threatened and endangered species on non-federal lands within the region of concern should be minimized. However, you should note specific non-federal contributions that are essential to or could significantly help accomplish the conservation and timber supply objectives of your assessment.

In addition, your assessment should include suggestions for adaptive management that would identify high priority inventory, research and monitoring needed to assess success over time, and essential or allowable modifications in approach as new information becomes available. You should also suggest a mechanism for a coordinated inter-agency approach to the needed assessments, monitoring, and research as well as any changes needed in decision-making procedures required to support adaptive management.

You should carefully examine silvicultural management of forest stands -- particularly young stands -- especially in the context of adaptive management. The use of silviculture to achieve those ends, or tests of silviculture, should be judged in an ecosystem context and not solely on the basis of single species or several species response.

Your conservation and management assessment should cover those lands managed by the Forest Service, the Bureau of Land Management, and the National Park Service that are within the current range of the northern spotted owl, drawing as you have on personnel from those agencies and assistance from the Fish and Wildlife Service, the National Marine Fisheries Service and the Environmental Protection Agency. To achieve similar treatment on all federal lands involved here, you should apply the "viability standard" to the BLM lands.

In addressing biological diversity you should not limit your consideration to any one species and, to the extent possible, you should develop alternatives for long-term management that meet the following objectives:

- maintenance and/or restoration of habitat conditions for the northern spotted owl and the marbled murrelet that will provide for viability of each species -- for the owl, well distributed along its current range on federal lands and for the murrelet so far as nesting habitat is concerned;
- maintenance and/or restoration of habitat conditions to support viable populations, well-distributed across their current ranges, of species known (or reasonably expected) to be associated with old-growth forest conditions;
- maintenance and/or restoration of spawning and rearing habitat on Forest Service, Bureau of Land Management, and National Park Service lands to support recovery and maintenance of viable populations of anadromous fish species and stocks and other fish species and stocks considered "sensitive" or "at risk" by land management agencies, or listed under the Endangered Species Act; and,
- maintenance and/or creation of a connected or interactive old-growth forest ecosystem on the federal lands within the region under consideration.

Your assessment should include alternatives that range from a medium to a very high probability of insuring the viability of species. The analysis should include an assessment of current agency programs based on Forest Service plans (including the final draft recovery plan for the northern spotted owl) for the National Forests and the BLM's revised preferred alternative for its lands.

In your assessment, you should also carefully consider the suggestions for forest management from the recent Forest Conference in Portland. Although we know that it will be difficult to move beyond the possibilities considered in recent analysis, you should apply your most creative abilities to suggest policies that might move us forward on these difficult issues. You also should address short-term timber sale possibilities as well as longer term options.

Finally, your assessment should be subject to peer review by appropriately credentialed reviewers.

LABOR AND COMMUNITY ASSISTANCE WORKING GROUP

Resolving the forest management issues confronting this region must involve addressing related economic and community issues. The forests of the Pacific Northwest and northern California have provided a foundation for the region's economy for the past century. And, while economic growth has diversified a region that was once much more heavily dependent on timber manufacturing, some rural areas depend almost totally on forest industries not just for jobs but for revenues from timber sales. The work of the Labor and Community Assistance Working Group should proceed from the following:

- o The economic development and assistance plan should be far-sighted and comprehensive. As noted at the Forest Conference, many species are at risk in old-growth forests. Just as the Ecosystem Management Assessment working group must focus on an 'ecosystem' approach that takes into account the region's vast and varied natural resources, the economic plan must focus on the regional economy and take into account its resources and needs. The plan must be long-term and address not just temporary efforts but economic development and diversification over time.
- o Government policy should accommodate properly functioning markets and facilitate the transitions inevitable in the modern global economy. The American economy is more dynamic than ever before. The federal government may be able to play a role in directing the development of the economy but it cannot overcome large-scale market forces. Economy policy here should encourage necessary adjustments and ease inevitable transitions.
- o Some region-specific community and worker assistance will be necessary because of the unique circumstance surrounding this issue. However, the economic plan must be consistent with national policies. The Labor and Community Assistance working group should develop a comprehensive plan for economic dislocations whether those are caused by slack demand, productivity growth, technological advances, or structural changes in the economy. This approach would mark a dramatic improvement over the current patchwork of programs, which are both inefficient and inequitable.
- o Any assistance plan should be open to all displaced forest industry workers, regardless of the precise cause of their dislocation. Revolutions in technology, improvements in productivity, and the development of new products are changing the nature of forest industries. We should reach out to all forest industries workers who are affected without distinguishing the cause of the impact.
- o Policies should be coordinated among federal and state agencies to maximize benefits to affected communities and workers. More than a dozen federally-funded programs currently provide assistance to timber workers and their communities. A coordinated federal response would make the system more accessible and more efficient.

o State and local governments are best situated to direct economic development. Federal policy should not attempt to dictate preferred paths for economic development but instead should build upon the independence and strength of these communities and their residents and provide them with the tools needed for economic revitalization based on their own needs and on potential new opportunities in forest related employment..

AGENCY COORDINATION WORKING GROUP

Too often in the past, various federal agencies with responsibility for some aspect of forest management in the Pacific Northwest and northern California have acted in isolation or even at cross-purposes. This problem becomes even more critical as we move toward an ecosystem approach to forest management where a number of agencies must be involved in planning and implementing a management strategy. We must improve the working relationships among federal and state agencies in the region and eliminate impediments that block coordinated action. The efforts of this working group are key to our success in this area.

To help identify new means to encourage coordination at all levels, we believe you should examine a range of issues.

Identify structural and procedural problems that in the past have made coordinated action difficult and suggest solutions or procedures for reaching solutions to those problems.

Identify ways the federal land management agencies can and should work together in the future to achieve coordinated management strategies that take into account the statutory mandates of those agencies.

Identify and suggest ways for dealing with issues concerning agency coordination related to implementing strategies currently being developed by the Ecosystem Management Assessment working group.

Identify ways to improve the process in which the land management agencies are required to consult with the Fish and Wildlife Service and the National Marine Fisheries Service concerning their responsibilities under the Endangered Species Act.

Identify ways to improve coordination between the land management agencies and the Environmental Protection Agency.

And, identify ways to improve working relationships between federal and state agencies in the region and suggest a course of action for involving those state agencies in the implementation of strategies being developed by the Ecosystem Management Assessment working group.

As you develop your recommendations, you should continue to call on personnel from the Forest Service, the Bureau of Land Management, the Fish and Wildlife Service, the National Marine Fisheries Service, the Environmental Protection Agency, and others as appropriate, as well as on advice from the states in the region.

CONCLUSION

We appreciate your efforts and recognize, as President Clinton did, that these are difficult issues with difficult choices. And, we'll remind you of something else the President said at the Forest Conference, talking to the people of the Pacific Northwest and northern California: "We're here to begin a process that will help ensure that you will be able to work together in your communities for the good of your businesses, your jobs, and your natural environment. The process we [have begun] will not be easy. Its outcome cannot possibly make everyone happy. Perhaps it won't make anyone completely happy. But the worst thing we can do is nothing."

##

ECOSYSTEM MANAGEMENT ASSESSMENT WORKING GROUP

Dr. Jack Ward Thomas, U.S. Department of Agriculture
Working Group Leader

Bob Anthony, Wildlife Biologist, Fish and Wildlife Service
Roger Clark, Social Scientist, Forest Service
Michael W. Collopy, Wildlife Biologist, Bureau of Land Management
Sarah Crim, Harvest Analyst, Forest Service
Nancy DeLong, Administration, Forest Service
Duane Dippon, GIS Analyst, Bureau of Land Management
Eric Forsman, Wildlife Biologist, Forest Service
Jerry Franklin, Forest Ecologist, University of Washington
Elizabeth Garr, Endangered Species Branch Chief, NMFS
Brian Greber, Economist, Oregon State University
Grant Gunderson, Wildlife Biologist, Forest Service
Dick Holthausen, Wildlife Biologist, Forest Service
Bob House, Fisheries Biologist, Bureau of Land Management
Bob Jacobs, Deputy Regional Forester, Forest Service
Norm Johnson, Economist, Oregon State University
Linda Kucera, Administration, Fish and Wildlife Service
Robin Leshner, Plant Ecologist, Forest Service
Joe Lint, Wildlife Biologist, Bureau of Land Management
Bruce Marcot, Wildlife Biologist, Forest Service
Chuck Meslow, Wildlife Biologist, Fish and Wildlife Service
Cindy Miner, Technology Transfer, Forest Service
Barry Mulder, Wildlife Biologist, Fish and Wildlife Service
Marty Raphael, Wildlife Biologist, Forest Service
Gordon Reeves, Fisheries Biologist, Forest Service
Fred Seavey, GIS Analyst, Fish and Wildlife Service
Jim Sedell, Aquatic Ecologist, Forest Service
Margaret Shannon, Forest Social Scientist, Univ. of Washington
Tom Spies, Forest Ecologist, Forest Service
George Stankey, Economist, Oregon State University
Ed Starkey, Wildlife Biologist, National Park Service
John Steffenson, GIS Analyst, Forest Service
Fred Swanson, Geomorphologist, Forest Service
John Tappeiner, Silviculturist, Bureau of Land Management
Fred Weinman, Senior Ecologist, Environmental Protection Agency
Jack Williams, Science Advisor to Director, BLM
Cindy Zabel, Wildlife Biologist, Forest Service

LABOR AND COMMUNITY ASSISTANCE WORKING GROUP

Peter Yu, National Economic Council
Working Group Leader

Howard Leathers, Council of Economic Advisors
Jonathan Silver, Department of Commerce
Mike Schmidt, Domestic Policy Council
Jim Van Erden, Department of Labor
Tom Peterson, Environmental Protection Agency
Felicity Gillette, Economic Development Administration, Commerce

LABOR AND COMMUNITY ASSISTANCE WORKING GROUP (cont'd)

Robert Ducan, Department of Housing and Urban Development
Marc Chupka, White House Office on Environmental Policy
Steve Redburn, Office of Management and Budget
Cynthia Sheeley, Department of Agriculture
J. Lamar Beasley, Forest Service, Department of Agriculture
Bill Hagy, Rural Development Administration, USDA
Robert Gillingham, Department of Treasury
Kirhn Duwadi, Office of Management and Budget
Tom Tuchmann, Department of Interior
Mark Gaede, Department of Agriculture
Joe Papovich, U.S. Trade Representative
Robert Wolcott, Environmental Protection Agency
Doris Freedman, Small Business Administration

AGENCY COORDINATION WORKING GROUP

Jim Pipkin, Department of Interior
Working Group Leader

Mike Spear, Asst. Director, Ecological Services, U.S. Fish and
Wildlife Service
Dale Hall, Asst. Regional Director, Ecological Services, USFWS
Barry Mulder, Project Manager for Forest Ecosystem Office
Mike Penfold, Asst. Director, Lands and Renewable Resources,
Bureau of Land Management
Elaine Zielinski, Deputy State Director, Lands and Renewable
Resources, BLM
Mike Collopy, Director of BLM Coop Research Unit
Jim Overbay, Deputy Chief, National Forest System, Forest
Service, USDA
John Lowe, Regional Forester, Forest Service, USDA
Nancy Foster, Acting Asst. Administrator for Fisheries, National
Marine Fisheries Service
Rolland Schmitten, Director, NW Region, NMFS
Merritt Tuttle, Division Chief, Environmental and Technical
Services, NMFS
Richard Sanderson, Director of the Office of Federal Activities,
Environmental Protection Agency
Anne Miller, Director, Federal Agency Liaison Division, EPA
Charles Findley, Director, Water Division, Region 10, EPA
Pete Raynor, Assistant Solicitor, Fish and Wildlife
Chris Clark, Assistant Solicitor for Land Use and Realty
Mike Gippert, Deputy Assistant, General Counsel for Natural
Resources Division

CHRONOLOGY OF A DEEPENING CRISIS: 1989 - 1992

September 1989

Congress approves the Hatfield-Adams amendment to the Interior Appropriations Bill (Section 318) that provides for a 3.85 billion board foot harvest in the Pacific Northwest and declares the measure meets relevant environmental statutes.

April 1990

Jack Ward Thomas Report issued calling for the set-aside of 8.4 million acres (Washington, Oregon and Northern California) to protect the northern spotted owl. The report does not consider economics or sociology.

July 1990

The northern spotted owl is listed as threatened by the U.S. Fish and Wildlife Service. Economical or sociological considerations are precluded from consideration in the listing process by the Endangered Species Act.

September 1990

The Ninth Circuit Court of Appeals overturns the judicial review section of Section 318, paving the way for lawsuits against federal timber sales. The case is on appeal before the U.S. Supreme Court.

October 1990

Congress rejects the effort to cut \$100 million out of the U.S. Forest Service road-building budget, and it defeats an amendment calling for the convening of a cabinet-level committee to weigh economic considerations resulting from the listing of the owl.

February 1991

U.S. District Court Judge Thomas Zilly orders the Fish and Wildlife Service to designate critical habitat for the northern spotted owl.

May 1991

The U.S. Fish and Wildlife Service proposes 11.6 million acres of Washington, Oregon and Northern California forestland as critical habitat for the northern spotted owl. The agency fails to adequately consider economic or sociological consequences.

May 1991

U.S. District Court Judge William Dwyer enjoins 80 percent of the U.S. Forest Service's timber sale program.

July 1991

Four federal scientists ("Gang of Four") provide 34 recommendations to three congressional committees, the majority calling for the setting aside of millions of acres to protect the northern spotted owl. No consideration of economic and sociological consequences.

August 1991

The U.S. Fish and Wildlife Service revises its proposed designation of critical habitat for the northern spotted owl, calling for 8.2 million acres to meet the owl's needs. A cursory economic analysis places the potential job loss figure at 2,400 as a result of designating the equivalent of Massachusetts, Connecticut and Rhode Island combined for the nocturnal creature.

January 1992

"God Squad" proceedings begin to determine the fate of 44 Bureau of Land Management timber sales in southern Oregon. The U.S. Fish and Wildlife Service earlier issued jeopardy opinions against the sales even though no owls exist on the 4,600 acres in question. The God Squad is a cabinet-level committee charged with balancing economic and environmental considerations.

January 1992

The U.S. Fish and Wildlife Service issues its final designations of critical habitat, identifying 6.9 million acres in California, Oregon and Washington. The acreage is greater than either the State of Massachusetts or Maryland. The agency places the associated job losses at 33,000.

February 1992

U.S. District Court Judge Helen Frye issues a temporary injunction against the Bureau of Land Management's timber sale program, further exacerbating the timber availability crisis and increasing wood prices.

March 1992

The United States Supreme Court unanimously upholds Section 318 of the 1989 Interior Appropriations bill, permitting Congress to establish reasonable judicial restraints on special interest litigators. The ruling overturns the 1990 Ninth Circuit Court of Appeals judgment on the same issue.

May 1992

God Squad exempts 13 Southern Oregon BLM timber sales from the provisions of the Endangered Species Act. The Interior Department releases the 5.4 million-acre draft recovery plan potentially costing 32,100 jobs, and the 2.8 million-acre owl preservation plan jeopardizing 14,990 positions.

May 1992

Judge William Dwyer rules against the adequacy of the Jack Ward Thomas report as the Forest Service's environmental impact statement. The judge issues a preliminary injunction and orders a June 22 hearing on a proposed remedy.

June 1992

Judge Helen Frye issues an injunction against the Bureau of Land Management timber sale program ordering the preparation of an environmental impact study on the northern spotted owl.

July 1992

Judge Willim Dwyer issues a permanent injunction against approximately 80 percent of the U.S. Forest Service timber sale program in California, Oregon and Washington. The Forest Service is ordered to update its environmental impact study to consider the impacts of 13 God Squad-approved timber sales (all enjoined), and the needs of 32 old-growth species (none listed as endangered or threatened).

July 1992

The Western Council of Industrial Workers, the United Brotherhood of Carpenters and Joiners of America and the International Woodworkers of America, U.S. propose the convening of a 1993 timber summit to Arkansas Presidential Candidate Governor Bill Clinton.

August 1992

Governor Bill Clinton pledges in a letter to union leaders that, if elected president, he would convene a timber summit to solve the ongoing timber availability crisis.

September 1992

Clinton proposes a "no net job loss" policy on the timber issue during a trip to Oregon, while President Bush calls for economic considerations to be added to the Endangered Species Act.

March 1993

President Clinton pledges to convene a forest summit April 2, 1993 in Portland, Oregon.

U.S. FORESTS AND FOREST PRODUCTS INDUSTRY: *FACTS AND FIGURES*

- The forest products industry employs approximately 100,000 men and women in the Pacific Northwest and Northern California alone (direct employment).
- Differing legislative proposals advanced to resolve the federal forest management crisis would cost a minimum of 30,000 jobs to more than 100,000 jobs.
- Three hundred sixteen mills have closed and approximately 30,000 forest products workers have lost their job since 1980 due in large part to harvesting restrictions to protect the northern spotted owl and old-growth forest ecosystems.
- Approximately one-third -- 731 million acres -- of the United States is covered with timber.
- Approximately one-third -- 25 million acres -- of America's forests are set aside in national parks, wilderness areas and other non-commercial areas. Timber in these areas can never be harvested.
- Of the remaining 486 million acres of U.S. forest land, 57% is owned by private individuals, 28% by the government, and 15% by the forest industry.
- According to the U.S. Forest Service, of the 8.2 million acres of old-growth forests, 4.7 million are permanently preserved and unavailable for harvest.
- From October 1992, to the end of February 1993, U.S. lumber prices increased by 90%, due in large part to the federal forest management crisis. The record-high lumber prices have increased the cost of building a new home by approximately \$4,500 since October, 1992.
- Timber from the Pacific Northwest composes more than 30 percent of all the lumber used in the United States.
- The average single-family home (2,000 sq. ft.) can contain 15,824 board feet of lumber and up to 10,893 sq. ft. of panel products.
- Wood products and wood-products derivatives are used for items such as: coffee filters, mystery novels, scrabble tiles, toothpicks, assorted fragrances, soil conditioners, football helmets and hardhats, hairspray, and floor tiles.

NATIONAL AND REGIONAL POLLING DATA

The following questions illustrate voters' attitudes throughout the recent months. The May 1993 national poll was conducted by Opinion Research Corporation, Inc., based in Princeton, NJ. Bennett, Petts and Associates, a Washington, DC-based polling firm, conducted two polls in December 1992 and April 1993.

■ Right now, there is a strong disagreement between environmentalists and the timber industry and its workers over the spotted owl. The environmentalists believe the spotted owl should be protected even if this means thousands of jobs in the timber industry are lost. The timber industry and its workers believe it is more important to save the thousands of jobs in the timber industry than to protect the spotted owl. If you had to choose, who do you generally agree with more on this issue -- the environmentalists or the timber industry and timber workers?

	NATIONAL <u>May 1993</u>	REGIONAL <u>Apr. 1993</u>	<u>Dec. 1992</u>
Environmentalists.....	42%	27%	27%
Timber Industry & Workers.....	47%	62%	63%
Don't Know.....	11%	10%	11%

■ ~~Which of the following statements is closer to your own opinion on the issue of the spotted owl and the timber industry?~~

	<u>May 1993</u>	<u>Apr. 1993</u>	<u>Dec. 1992</u>
The spotted owl must be protected at all cost, even if this means thousands of jobs in the timber industry are lost as a result.....	7%	6%	6%
The government should seek to strike a balance so that the spotted owl is protected and that while some timber jobs are lost, these jobs losses are kept to a minimum.....	71%	60%	63%
People are more important than owls, the government should make sure that jobs in the timber industry are protected even if this means the spotted owl might become extinct.....	21%	32%	29%
Don't know.....	1%	2%	2%

■ I'm going to read you some estimates of how many jobs might be lost in order to protect the spotted owl. Please tell whether you would or would not be willing to see the following levels of job losses to protect the spotted owl.

	NATIONAL <u>May 1993</u>	REGIONAL <u>Apr. 1993</u> <u>Dec. 1993</u>
5,000 jobs		
WOULD.....	31%	29%
WOULD NOT.....	59%	64%
DON'T KNOW.....	10%	7%
10,000 jobs		
WOULD.....	15%	15%
WOULD NOT.....	75%	79%
DON'T KNOW.....	10%	6%
50,000 jobs		
WOULD.....	7%	7%
WOULD NOT.....	84%	86%
DON'T KNOW.....	9%	7%
100,000 jobs		
WOULD.....	5%	5%
WOULD NOT.....	87%	87%
DON'T KNOW.....	8%	8%

NATIONAL AND REGIONAL POLLING DATA

The following questions illustrate voters' attitudes throughout the recent months. The May 1993 national poll was conducted by Opinion Research Corporation, Inc., based in Princeton, NJ. Bennett, Petts and Associates, a Washington, DC-based polling firm, conducted two polls in December 1992 and April 1993.

■ Right now, there is a strong disagreement between environmentalists and the timber industry and its workers over the spotted owl. The environmentalists believe the spotted owl should be protected even if this means thousands of jobs in the timber industry are lost. The timber industry and its workers believe it is more important to save the thousands of jobs in the timber industry than to protect the spotted owl. If you had to choose, who do you generally agree with more on this issue -- the environmentalists or the timber industry and timber workers?

	NATIONAL <u>May 1993</u>	REGIONAL <u>Apr. 1993</u>	<u>Dec. 1992</u>
Environmentalists.....	42%	27%	27%
Timber Industry & Workers.....	47%	62%	63%
Don't Know.....	11%	10%	11%

■ Which of the following statements is closer to your own opinion on the issue of the spotted owl and the timber industry?

	<u>May 1993</u>	<u>Apr. 1993</u>	<u>Dec. 1992</u>
The spotted owl must be protected at all cost, even if this means thousands of jobs in the timber industry are lost as a result.....	7%	6%	6%
The government should seek to strike a balance so that the spotted owl is protected and that while some timber jobs are lost, these jobs losses are kept to a minimum.....	71%	60%	63%
People are more important than owls, the government should make sure that jobs in the timber industry are protected even if this means the spotted owl might become extinct.....	21%	32%	29%
Don't know.....	1%	2%	2%

■ I'm going to read you some estimates of how many jobs might be lost in order to protect the spotted owl. Please tell whether you would or would not be willing to see the following levels of job losses to protect the spotted owl.

	NATIONAL <u>May 1993</u>	REGIONAL <u>Apr. 1993</u> <u>Dec. 1993</u>
5,000 jobs		
WOULD.....	31 %	29 %
WOULD NOT.....	59 %	64 %
DON'T KNOW.....	10 %	7 %
10,000 jobs		
WOULD.....	15 %	15 %
WOULD NOT.....	75 %	79 %
DON'T KNOW.....	10 %	6 %
50,000 jobs		
WOULD.....	7 %	7 %
WOULD NOT.....	84 %	86 %
DON'T KNOW.....	9 %	7 %
100,000 jobs		
WOULD.....	5 %	5 %
WOULD NOT.....	87 %	87 %
DON'T KNOW.....	8 %	8 %

**PRESIDENT CLINTON'S PROMISES DURING SEPTEMBER 14,
1992 BACKYARD MEETING WITH TIMBER WORKERS IN
EUGENE, OR:**

- "I think that our policy ought to be: no net loss of jobs. In the past three and a half years, 46,000 jobs have been lost in the timber industry in the Pacific Northwest. If you take the second plan that came out of the so-called God Squad, they say it will be another 17,000 jobs. The issue is not 'will some jobs be lost?' -- yes, they will -- the issue is to look at where we are with the forests...and figure out what is the right thing to do for a long-term, sustainable forest so you can keep people working at a steady level and preserve the necessary diversity to guarantee a healthy forest."
- "[The government should] provide for full funding for a worker retraining program. If national policy puts you out of a job, national policy should put you back in one. That's my theory."
- "We're going to have to take account of the loss of money to state and local governments and school districts. Because all of this is a product of national policy. If the national government does something to you, there ought to be some obligation on the national government to have no net loss of jobs and let people make a living."
- "I am determined to break this logjam. You are entitled to have all these federal agencies on the same side and have a coherent policy and to have a commitment to your region and the people here to resolve this in a fair and balanced way. And I think we can do it."
- "Right now we have the worst of all worlds. We have the timber sales that have been tied up in court for 33 months. That's the worst of all worlds. That's not good for the environment and it's terrible for the economy."
- "I can assure you that I will remember what you've said to me today."

unprecedented
nature - Pres. Underhill
em. economic needs -
the relief for working families
+ stabilize local economies.

THE WHITE HOUSE
WASHINGTON

June 29, 1993

Economic Aspects of the President's Forest Plan

- Anticipated direct job loss: 6,000
Estimated unmet need from 1990-92 contraction: 5,000-10,000
(not due to land management)
Total estimated need: 11,000-16,000

President's Economic Package:

\$270 million in increased assistance in FY1994
\$1.2 billion over five years.

will create

more than 13,500 new economic opportunities in 1994,
including

5,400 new retraining opportunities and
more than 8,000 new family-wage jobs;

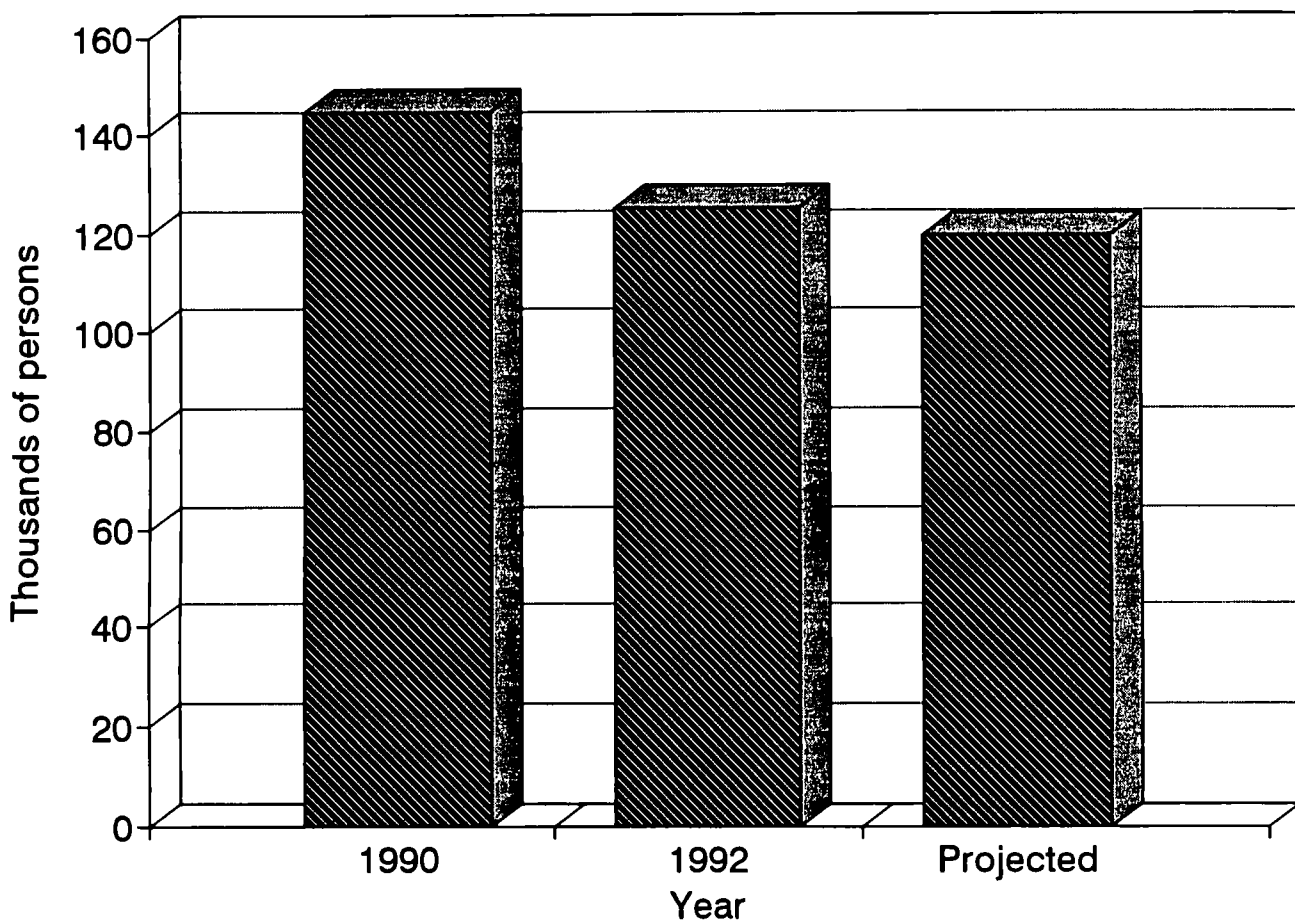
over five years, the package will create

more than 31,000 new economic opportunities, including
16,200 new retraining opportunities
more than 15,000 new family-wage jobs.

--Peter Yu
Director to the
National Economic Council

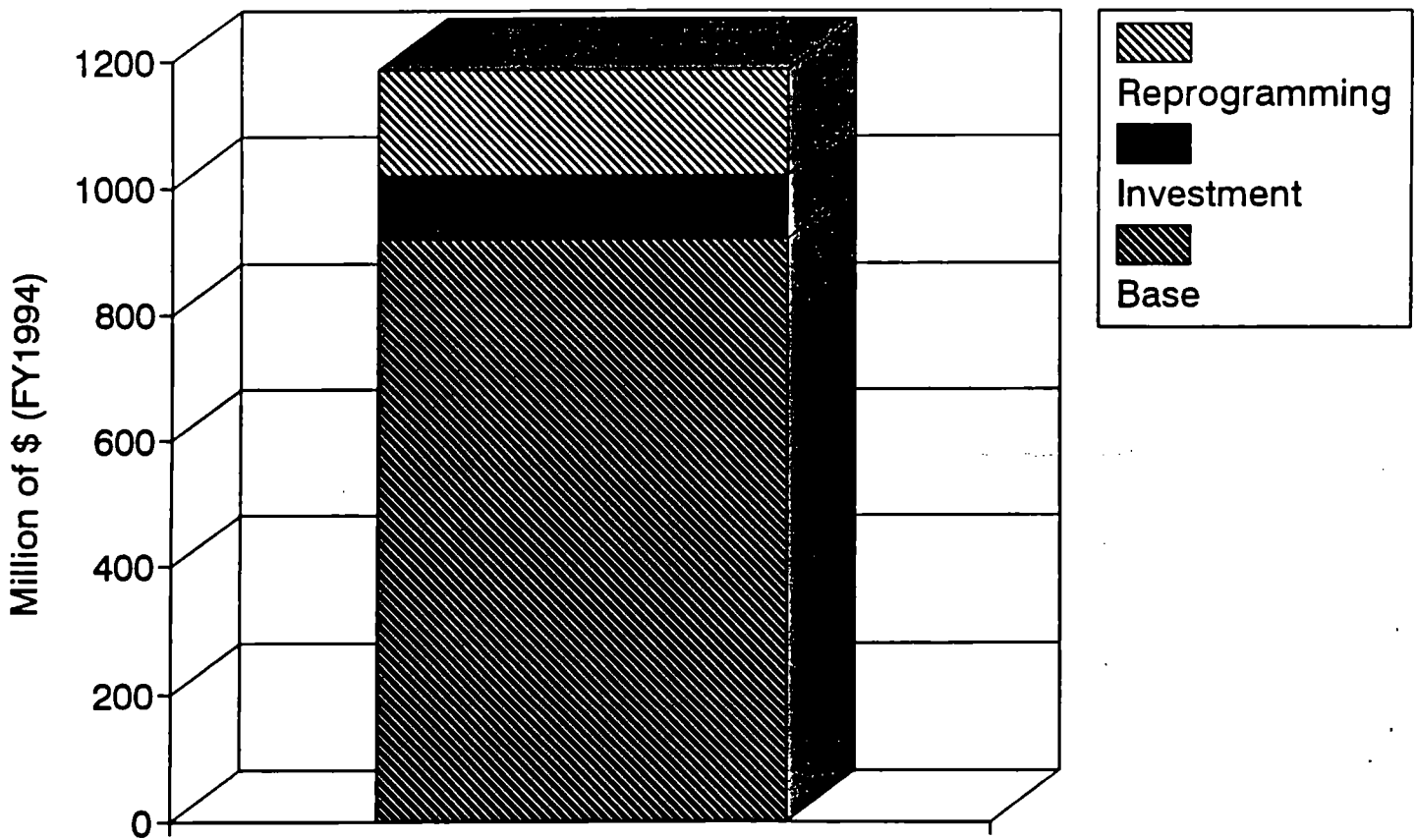
primary
finishing
→ 2ndary processing
+ value added
finishing
processing
create stable
environment
for private
sector development
Ten-year + SM, Bos help
- exp. year loan prog.
- esp. preferences or subsidies
through SBA.
% job loss:
55-65- or
30-35- WA
10-15- N. CA.

Employment in Timber Will Decline....

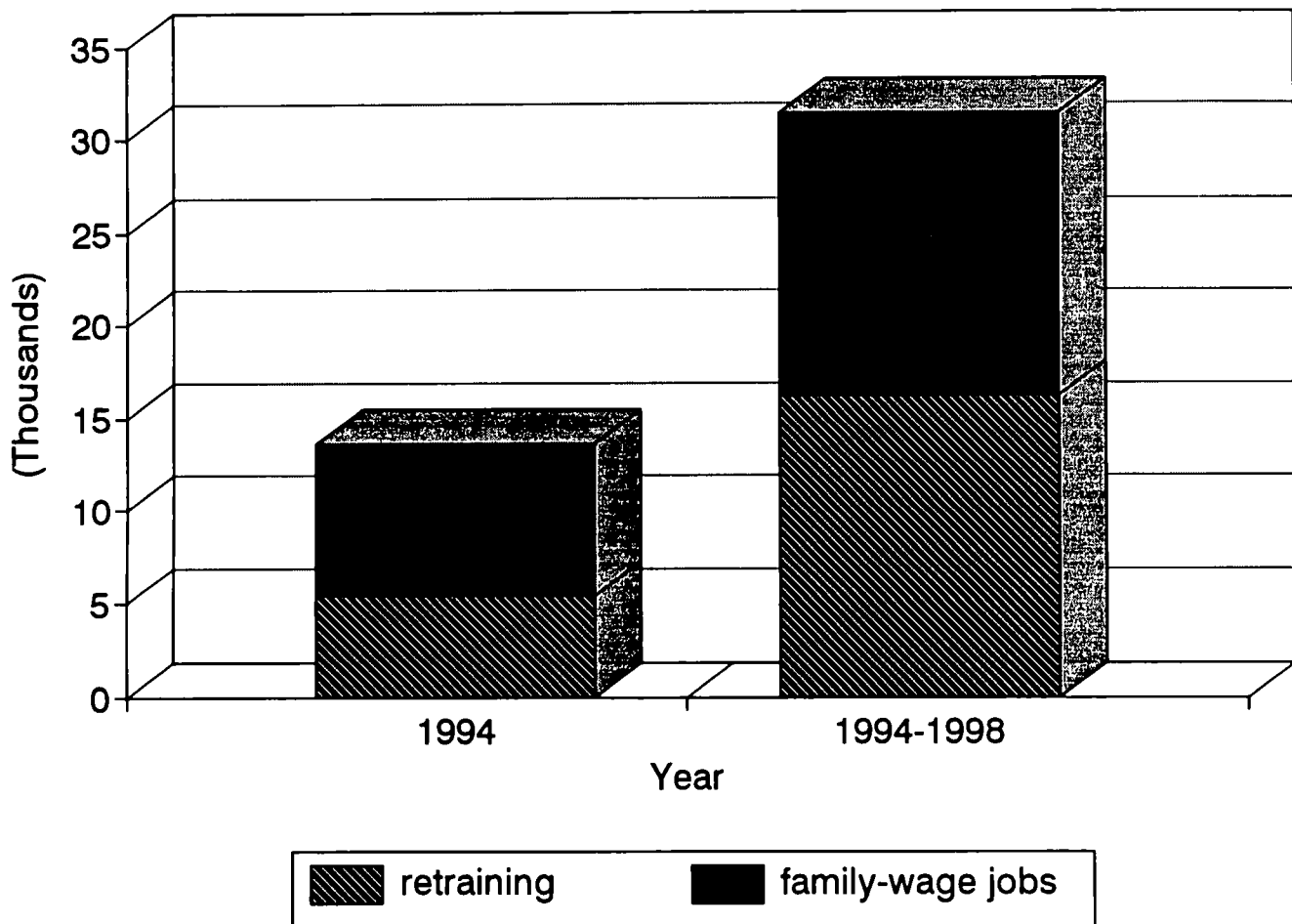


...But Federal Assistance Will Increase

Selected Federal Programs



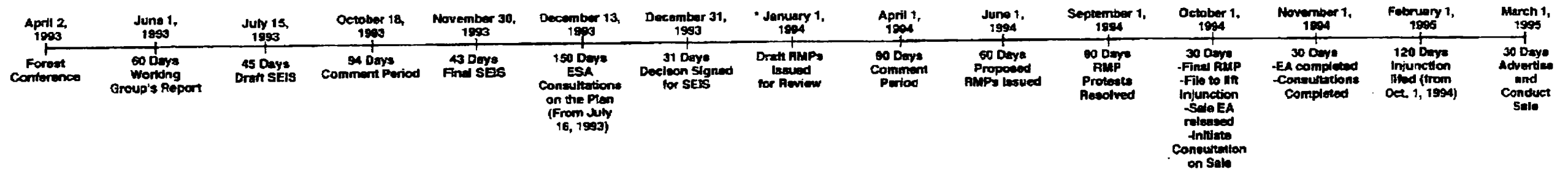
...and Create New Opportunities



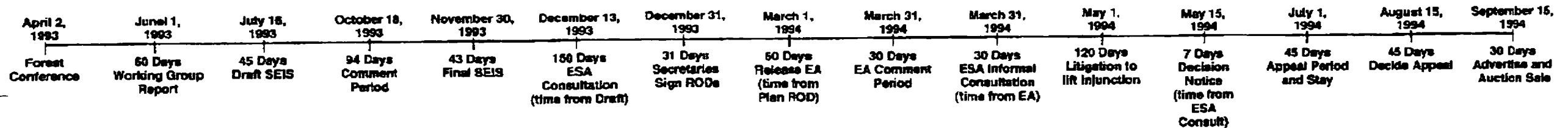
BLM/FS Timber Sale Timeline - Without Legislation

June 30, 1993

BLM



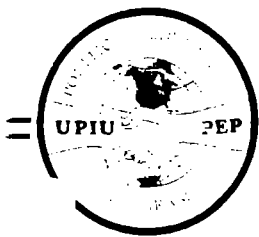
FS



Possible problems which could derail timeline:

- Additional litigation over Plan;
- Litigation on individual timber sales;
- Critical habitat for NSO, marbled murrelet, and fish;
- Recovery plans for NSO, marbled murrelet, and fish;
- Additional fieldwork required to comply with new standards.

- Dates are approximate
- Assumes changes between draft and final SEIS



UNITED PAPERWORKERS INTERNATIONAL UNION

POLITICAL EDUCATION PROGRAM



WAYNE E. GLENN
President

WILLIAM P. STOUT
PEP Director

JAMES H. DUNN
Secretary-Treasurer

FOR IMMEDIATE RELEASE:
June 29, 1993

CONTACT:
Willie Stout 615/834-8590

PAPER UNION LEADER DECLARES PROPOSED FOREST MANAGEMENT PLAN "CERTAIN DEATH" FOR 85,000 TIMBER-DEPENDENT JOBS IF APPROVED

Organized Labor Urges President to Consider Other Plans

(Nashville, TN) -- The following statement was released today by Wayne Glenn, President of the United Paperworkers International Union (UPIU), in response to President Clinton's forthcoming announcement regarding a Pacific Northwest forest management plan:

"As one of several unions representing workers whose jobs depend on a stable timber supply, today we announce our extreme disappointment concerning rumors being circulated that President Clinton is expected to choose a devastating solution to the Northwest forest debate.

"The so-called 'Option 9' would be certain death for the jobs of 85,000 timber-related workers throughout the Northwest because the plan reduces federal harvests by 80 percent of historical levels.

"Without timber from the Northwest, every business sector dependent upon wood will be tremendously impacted -- from the paper industry to the housing industry.

"We are disappointed in this proposal because we supported the President's promise to protect jobs and spotted owls, but Option 9 only protects owls. People are clearly left out of the equation.

"Perhaps even more disappointing than the selection of Option 9, is the economic assistance and community support package prepared by the administration. This plan, if implemented, will be a slow death with no funeral for timber-dependent workers -- providing only seasonal, part-time, low-wage and/or low-skill jobs to workers displaced by this plan.

"Now it seems the only way to save timber-dependent jobs from extinction would be to have them considered for the endangered species list.

"Organized labor is urging the President to reconsider choosing Option 9 and instead develop a solution that can protect both jobs and owls."

The United Paperworkers International Union, headquartered in Nashville, TN, represents 225,000 workers throughout the United States and Canada.

###

file
Agriculture

MEMORANDUM

To: Ginny Terzano
From: Paul Meyer
Date: 2/14/94
RE: Honey Subsidies

WHITE HOUSE BRIEFING, FEBRUARY 4, 1994, FRIDAY

Q Is the president going to grant Section 409 relief to honey-bee producers?

MS. MYERS: What's Section 409 relief?

Q Well, now that the -- now that the honey bee subsidies are gone, the honey bee producers are claiming that the foreign producers are dumping on the market, and so they want tariffs imposed on foreign honey bee producers which would have the same effect as subsidizing American honey bee producers, raising prices.

MS. MYERS: We have a honey bee expert. (Laughter.) I'll take that question. I'm just not sure what the status of that is. Susan. We could -- you know it was a major fight. Took us about a year to get it done, but we finally did eliminate the honey bee subsidies.

Q Proving how hard it is to cut government programs.

MS. MYERS: Correct.

BACKGROUND

Honey Subsidies:

U.S. honey subsidies were adopted during World War II when honey was valued as a sugar substitute and beeswax was used for waterproofing. In 1952, the Department of Agriculture instituted the honey loans to guarantee a steady year-round market for honey and encourage producers not to bring their product to market. The President promised to eliminate the subsidy during the campaign and the National Performance Review recommended killing it as well. Last September, Congress eliminated the \$16 million program from the Department of Agriculture's budget. Beekeepers promptly pushed for protection under Section 406.

ITC Section 406 Investigation:

During the reconciliation process, the President promised to request that the ITC investigate Chinese honey exports under Section 406 of the Trade Act of 1974. His letter to Rep. de la Garza is attached.

Section 406 protects domestic industries from market disruptions from rapid rises in imports from non-market economies. In the past, "crucial" U.S. industries such as wooden clothespins, canned mushrooms, montan wax, gloves and ammonia have sought refuge under the comfort of the 406 shield. Under Section 406, after the ITC determines that a domestic industry has been injured, the commission must recommend the appropriate form of relief.

ITC Action:

On December 21, the ITC ruled 5-1 that the imports were disrupting domestic output under Section 406. The commissioners announced their proposed remedy on January 4. They said the tariff on Chinese honey should be 25 percent for the first 12.5 million pounds imported each quarter and 50 percent for volume above that. The higher tariffs would run at least three years. At present, the tariff on honey is 2.2 cents per kilogram or about one cent per pound or roughly 2 percent of its value.

The President has 60 days to decide how to act.

After three years, under the ITC recommendation, the commission would advise the President on the probable impact of a reduction or termination of the high tariffs. The review would be made sooner if the nation's honey subsidy program is re-established.

ITC commissioners Janet Nuzum and David Rohr and chairman Don Newquist proposed the recommendation adopted by the commission. In a statement, they said: "On an annual basis, as much as 50 million lbs could be imported at the lower duty rate," they said in a statement... We believe that our recommended two-tiered tariff-rate quota will provide for a viable domestic industry," while causing only modest retail price increases. (Source: Reuters 1/4/94)

Administration Action:

According to Emily Arasi at the NEC (x67968), the ITC's recommendations have already been reviewed by the deputy level Trade Policy Staff Committee. They must still be reviewed by the senior level Trade Policy Staff Committee and then by the NEC Deputies. The President must act on the recommendations by March 8th. Because of the substantial implications of the decision, Emily recommends saying only that the President and the NEC are weighing the ITC's recommendations and will have a decision by March 8.

Background on Chinese Imports:

China is the world's largest honey exporter. It shipped 72.4 million pounds to the United States in 1993, up from 60.1 million pounds in 1992. China accounted for about half of U.S. honey imports in 1992. Americans consumed 298.5 million pounds of honey in 1992. When Secretary Espy visited China to discuss removing protections from the domestic agricultural market, the Chinese expressed concerns about the honey investigation and other protectionist U.S. policies.

NOTE: I've also attached a recent George Will OpEd criticizing the ITC's decision as protectionist.

THE WHITE HOUSE

WASHINGTON

September 20, 1993

Dear Mr. Chairman:

Thank you for your hard work on behalf of the reconciliation bill.

Of particular note within reconciliation are the provisions affecting the honey program. It is my understanding that the conference report provides for a lowering of the payment levels to which honey producers are entitled. In addition, the bill contains a gradual decrease in the price support for honey beginning at 50 cents per pound down to 47 cents per pound over five years. With these reforms, the honey program would become under current projections a no net cost program (apart from administrative costs) by 1998. This agreement represents an important step forward and I commend you for your efforts in this area.

In addition, I am aware of the grave concerns held by honey producers with regard to the impact that imported honey from China has had on our domestic markets. As a result, I am requesting that the International Trade Commission initiate an investigation under Section 406 of the Trade Act of 1974 to determine, with respect to imports of honey from China, whether market disruption exists. This investigation will be completed no later than three months following receipt of my request.

Mr. Chairman, I applaud your efforts to achieve a compromise that is acceptable to all parties involved, and look forward to continuing to work with you.

Sincerely,



The Honorable E (Kika) de la Garza
Chairman
Committee on Agriculture
House of Representatives
Washington, D.C. 20515

Copyright 1994 McClatchy Newspapers, Inc.
Sacramento Bee

February 9, 1994, METRO FINAL

SECTION: EDITORIALS; Pg. B7

LENGTH: 1160 words

HEADLINE: BEEKEEPERS ALL ABUZZ AGAINST CHINESE HONEY

BYLINE: George F. Will

DATELINE: WASHINGTON

BODY:

Government-defined problems frequently are excuses for government to throw its weight around. Comes now the "problem" of "market disruption" in the domestic honey industry.

The government says the disrupters are Chinese honey exporters. Of course the real cause of the disruption, were there any disruption, would be American consumers consuming a disruptive amount of the products of Chinese bees.

Market disruption occurs when a new or improved or more competitively priced product comes to market. The automobile disrupted the market for buggy whips, Japanese cars disrupted the U.S. auto market, the ballpoint pen disrupted the pencil market, McDonald's disrupted the hamburger market and so it goes. Market disruption is generally the ferment of progress. The government is against it, which is why the government may restrict imports of Chinese honey.

China is not accused of "dumping" honey -- of selling it here for less than it costs to produce, or for less than honey sells for in China. The complaint of U.S. beekeepers is simply that China's honey sells well. It does, for reasons of quality as well as price.

The trouble for would-be protectionists is that there is no trouble. The U.S. honey industry is doing nicely -- productivity and prices are up, inventories are down. The secretary of agriculture says: "Because of the strong demand for honey, the increased (Chinese) imports have been absorbed by our market without adversely affecting sales of domestically produced honey."

CHINESE HONEY primarily displaces other imports, not domestic production. Most Chinese honey goes to industrial users -- bakers, cereal makers, etc. whereas most domestic honey goes to the retail market. And Chinese honey is sometimes blended with U.S. honey that otherwise would be unmarketable. U.S. beekeepers say that but for Chinese honey, prices would rise and so would U.S. production. Perhaps, but it is foolish to deliberately raise prices

for 250 million American consumers in order to increase the share of the American market for a few thousand producers of a food.

Nevertheless, a Cold War provision of trade law authorizes protectionist responses to "market disruption" caused by rapid increases in imports from any "nonmarket" economy if the imports produce "material injury, or threat thereof" to a domestic industry. The International Trade Commission, incited by U.S. beekeepers, has intuited a "threat" and recommended various pre-emptive tariffs.

ACTUALLY, regarding honey, liberalization of China's "nonmarket" economy is ahead of America's: China has completely deregulated honey prices in China and has ended honey export subsidies. U.S. honey subsidies, adopted during World War II when honey was valued as a sugar substitute and beeswax was used for waterproofing, are scheduled to end this October, but Congress' promise to end those should not be believed until it is fulfilled.

One reason imports are needed is that under the honey program, U.S. beekeepers often make bigger profits by forfeiting their honey to the government -- for storage at taxpayers' expense in warehouses -- than by sending the honey to market. The honey program has been described by an Agriculture Department analyst as "the most absurd program we administer," and candidate Bill Clinton, looking for one nondefense program he could oppose without wincing, picked the honey program.

Last September Congress promised that the program would die. Beekeepers promptly sought ITC action against China's nonexistent but supposedly threatening "market disruption." They were hoping to get the government to give with one hand what it was taking away with the other. They said as much. The president of the American Beekeepers Federation said: "If we can get some reasonable trade sanctions against China, the reduction in the price support programs will have no effect."

"SUPPORT PEOPLE, not industries," President Clinton said to Boris Yeltsin in Moscow last month. If, for a change, the president practices what he preaches, he will ignore the ITC's honey protection proposals. But it is instructive that the government's normal churning produces such proposals.

U.S. protectionist actions against \$50 million worth of Chinese honey per year could jeopardize billions worth of U.S. agricultural exports to China. Furthermore, many U.S. honey packers could be injured, even bankrupted, by tariffs that increase the price of honey they are contractually obligated to deliver to customers at fixed prices. And the mere prospect of higher tariffs already has caused some industrial users of domestic as well as imported honey to shift to less expensive sweeteners.

All this because the incorrigible government, with its itch to intervene incontinently here, there and everywhere, cannot keep its sticky fingers off honey.