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TO: Katie McGinty via Ken Connolly
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MEMORANDUM

TO: Katie McGinty

RE: White House Political and Communications Strategy
for the Pacific Northwest Forest Summit

DATE: March 10, 1993

We understand that the White House is close to announcing its first decisions on the structure and timing of the forest summit. As an admirer of the success you've enjoyed thus far in marketing the Administration's economic package, I hope that you will develop a parallel political and communications strategy to "sell" your approach to the summit and policy recommendations. In the event that you are still developing your plan, we have some ideas.

There are obviously more ideas included here than you could execute, but I wanted to give you a good feel for the political objectives and potential scope of actions as we see them. If you'd like more information or if there is any way that we can help, please let me know.

The strategy has five primary elements:

- Define the problems in the ancient forests as you want them seen
- Frame the parameters for the summit and policy prescriptions
- Address the jobs/labor problem without sacrificing the environment
- Neutralize the public and private influence of the Northwest delegation
- Break clearly with policies and practices of the past

The Need

The need for a political strategy is apparent from several recent developments. The Northwest delegation, which habitually postures on forest issues but has consistently failed to devise a credible solution, has begun complaining about the summit both in public and private. Their complaints center on the summit timing (i.e., too slow for some), exclusion from the summit planning or fear of exclusion from the summit itself, and even petty competitiveness over the location of the summit. None of these complaints alone presents a serious problem. But when they generate regular media

coverage and speculation, as they have, they begin to raise public doubts in the Northwest about President Clinton's own commitment to the problem. The White House needs a proactive strategy to contain the negative impact of the political posturing by Northwestern politicians and to sustain public confidence.

Along these same lines, Rep. Norm Dicks and other Northwest public officials have begun to try to define the parameters for the summit. For instance, in a meeting of the Northwest delegation last week, Rep. Dicks suggested that an interim solution should be put in place while the summit devises a long term plan. He proposed that the interim solution consist of the flawed spotted owl recovery plan which even the Bush Administration would not release. While Rep. Dick's specific suggestions have little credibility -- few believe that the Bush recovery plan can pass legal or scientific muster -- they do raise expectations that the White House may propose a quick fix while it deliberates on a longer term plan. The problem with separating the short and long term decisions is that it removes much of the pressure for a long term solution on the part of labor, the timber industry and many Northwestern members of Congress.

At the same time, the vacuum left by inaction on forest issues in both the executive and administrative branches has allowed the timber industry and its allies to foster perceptions of a lumber price crisis which they claim is the result of court injunctions limiting the supply from the Northwest National Forests. One of the results of this propaganda effort is that labor unions which had begun to put some distance between themselves and the timber companies have once again picked up the industry's battle cry.

The fact is that there was more than 3.9 billion board feet of timber under contract on public lands in the Northwest as of December 31, 1992, not subject to court injunctions. If the industry believes there is a supply problem on public lands, they should first explain why so much of the timber already under contract has not been cut. So far, only the environmental community has challenged the timber industry's deception campaign. It requires White House or at least Departmental attention.

As we understand it, the White House may soon announce the first stage of the summit process that would gather input from interested parties. We also understand that there may be a further announcement of the summit process including a task force structure to address the various economic, scientific, trade and community development issues. The Administration should consider following up these announcement closely with a number of actions steps described below each of which is aimed at achieving key political objectives.

1. Define the problem. The Administration should use the period before the summit to establish clearly its view of the problems in the Northwest's public forests. The problem is not the spotted owl or environmental extremism. It's the deliberate lawlessness of the Reagan and Bush Administrations. It's years of cutting more timber than the law allowed and raising false hopes for workers,

communities, etc. As Forest Service Biologist Barry Noon testified last year, it's the "unraveling" of an entire ecosystem.

Action Steps: Given the tendency of the Northwest media to speculate repeatedly about the summit, taking one or two of the following steps each week will likely dominate a full week's worth of coverage and generate a number of complimentary columns and editorials as well.

- Release the Scientific Advisory Team report (also known as the technical report) as quickly as possible and give it as much visibility as possible. One way to do this could be to invite its chief author, Jack Ward Thomas, to D.C. to brief the President, Vice-President, cabinet and/or staff, and structure a press availability around the briefing. The report apparently shows that significant numbers of species in the ancient forests may be threatened by years of overcutting. Its release would clearly establish that the problem is not the owl or the Endangered Species Act. It is the near destruction of an entire, fragile ecosystem.

We've heard that some interested parties have argued for holding up this report until after the first summit meeting in order to protect the Administration from having to defend it. The logic of this argument escapes us. This report more than any other document appears to put the blame for forest problems squarely on the Bush and Reagan Administrations. The President need not defend the report; he should simply cite it as another example of how past Administrations created the problem. This is another example of having to play the hand we're dealt.

- Issue an order overturning the Forest Service gag rule as a means of showing that this Administration intends to follow the law, not silence dissenters.
- Hold a well publicized meeting at Agriculture or Interior with a number of prominent dissenters from land management agencies who quit or were fired under the Bush and Reagan Administrations. The mere convening of such a meeting will help shift focus to the lawlessness of the prior administrations. It would parallel the Administration's successful effort to blame our current economic problems on the supply-side, deficit-busting economic policies of past administrations.
- Have the Vice-President, Secretary Babbitt and/or Espy take a tour of the forests accompanied by media. The visit should include an air (to see clearcuts) and ground tour (to see charred stumps and failed restoration) and conversations with salmon fishermen. It could also include a stop at one of the major loading docks where logs are exported to Japan and other countries. Note that during the campaign candidate Clinton met with

displaced loggers but did not visit with fishermen whose livelihoods are adversely affected by excessive logging.

- Criticize timber companies for speculating on timber, needlessly driving up timber prices to take advantage of the economic recovery and falsely blaming the problem on supply while they leave nearly 4 bb ft uncut and export more than 2 bb ft of their own timber overseas. Depending on the timing of such a statement, there may also be new numbers available on the volume of raw logs exported last year. Such a statement helps shift the blame from the spotted owl to the greed of the timber companies.

2. Set Key Parameters for the Summit and the Clinton/Gore solution. The Administration should use the pre-summit period, the summit announcement and its initial summit meeting to set key parameters for the summit. These should include a commitment to using the best available science; a promise of a serious economic transition/community assistance package; inclusion of the entire ancient forest ecosystem, not just the owl forests in western Washington and Oregon; the need for permanent protection; enforcement of all existing laws and court injunctions; and the need to deal with long and short term problems in one package.

Action Steps:

- Following the initial summit announcement, the President or Vice-President could conduct an interview in the White House with Northwest regional press during which he would make the above points. The tone and content of such remarks would be intended to communicate the Administration's view that a real solution must address these elements.
- Key cabinet secretaries could also make themselves available to the major television anchors in the Northwest for live interviews during which they would make these points.
- The President could also telephone the governors of Oregon and Washington and express his desires for the summit letting it be known that he would like his views made public.
- Each of the above parameters should also be key message points for the Administration at the summit. The opening statements and initial presentations can be used to frame these parameters, rather than using these slots simply to represent the major constituencies to the controversy. For example, the opening sessions might include:
 - Jack Ward Thomas reporting on the new technical study and setting forth the need for comprehensive, eco-system protection.

- An economist setting out forward-looking opportunities for sustainable employment through restoration, restrictions on log exports, scientifically-justifiable timber harvests, retooling mills for second growth, and so on.
- A botanist or biologist addressing the significance of the ancient forests in the context of biodiversity and preservation of some of the world's greatest remaining temperate forests.
- In addition, the President and other Administration spokespeople could reinforce these points in responding to presentations by other participants. They could respond to every scientific presentation by restating that they want to use the best available science in forging a solution. They can address the inclusion of the entire landscape by raising questions about the corresponding impact on eastern forests if we only protect the forests west of the Cascades. They can reinforce the need to develop one package of solutions by reminding participants that we've tried the quick fixes in the past and everyone suffered. They can challenge timber companies to keep jobs and American lumber in the U.S. and reaffirm his commitment to diversification, job retraining and so on.

3. Demonstrate That You Can Address Labor Concerns Without Sacrificing the Environment. Labor concerns need to be addressed, but not at the expense of the environment as they have been in the past. Budget proposals, for example, already include some funds for restoration work and more is expected to be included in the fiscal 1994 budget. We also commend the Pacific Rivers Council comprehensive watershed restoration proposal to your attention. It has the potential to provide tens of thousands of sustainable family wage jobs in many of the same rural communities where jobs have been lost.

Most important of all, however, is the issue of raw log exports. In past years based on an average of roughly 3 bb ft of raw log exports annually from the Northwest, the country loses about 18,000 jobs. Imposing some restrictions on, or disincentives for these exports would have several advantages: it provides labor with some additional jobs; it lessens pressure for logging in the ancient forests by keeping more American logs in American markets; and, it weakens the industry-labor coalition opposing protection for the ancient forests.

Short of formulating a new export policy, there are several immediate steps that the Administration can take to send strong signals and divide labor and industry.

Action Steps: (Note: section 1 also includes export actions)

- Ask the Commerce Secretary to investigate whether any of the old growth species should be declared in short supply and subject to monitoring or other provisions of the Export Administration Act.
- Direct the Treasury Department to prepare and release a study on the "taxpayer subsidy" associated with raw log exports under the Foreign Sales Corporation provision of the tax code.
- Have the Vice-President, Secretary Espy or Babbitt, or USTR Mickey Kantor address a group of Northwest mill owners, traditionally strong opponents of log exports, and ask for their help in keeping American logs in the U.S.

4. Don't allow the Northwestern delegation and its governors to make the ancient forests just a Northwest issue. The Northwest delegation continues to posture, claiming ownership of the ancient forest issue but refusing to take responsibility for solving it. Last year provided the most telling example of this when two Northwest Members helped to block House legislation claiming that it didn't have the unanimous support of the delegation. (In fact, no proposal has had or will ever have the delegation's unanimous support.)

As the Northwest delegation is far more likely to block a credible solution than help enact one, the Administration needs to prevent them from claiming effective ownership of the issue. In other words, the Administration needs to make it clear that these are America's forests, thereby providing a rationale and demand for the involvement of the White House and national policymakers in solving the problem.

Action Steps:

- Whether or not the Northwest delegation has a seat at the summit table, it is important to involve the leaders of key authorizing committees like Rep. George Miller and Kika de la Garza, as well as Senator Pat Leahy in both the initial public input session and in subsequent meetings and consultations. These committee leaders should be invited to the White House for their own briefing and should be encouraged to tell the press that the President sees this as a national problem in which they will be actively involved.
- Invite international observers to the summit to make it clear that the stakes go beyond even the nation's boundaries.
- To reinforce that the nation's natural heritage is at stake, use the national parks and the Park Service to solicit public input nationwide on the

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disposition of the ancient forests. Rangers could distribute a post card encouraging citizens to send their views to the summit office.

- Another way of reinforcing the heritage issue would be to organize a Presidential satellite town meeting with school children in select cities across the country. The idea would be to let children talk to the President about the forests and their futures.
- To increase understanding of the global importance of biodiversity, have the First Lady speak to a health care forum on the importance of preserving sources of life-saving medicines like the cancer drug taxol (made from the Pacific Yew found in the ancient forests).

5. *Break with the Past.* For the past several years forest policy in the Northwest has been marked by disregard for the laws and courts, attempts to suppress or revise scientific findings, and repeated efforts to silence dissent. Timber supply has been the driving force behind policy and the environment consistently has been the casualty. Short term fixes, like the disastrous section 318 appropriations rider in 1989 (mandated timber supply, overrode court injunctions and environmental laws) have been the preferred approach and scientifically-based long term solutions have not been considered.

While most of these policies and practices are associated with the Bush Administration, many in the Northwest delegation have been willing partners. And, many in the delegation are finding it difficult today to break old habits.

The Administration needs to send a clear signal that it wants change and that it will not entertain the quick fix, disregard for laws, suppression of science approaches of the past. Instead, it should make science the centerpiece of its policy. It should resist pressures to develop a quick fix and work for a long term solution. It should stand unequivocally for enforcement of all environmental laws and court orders.

March 15, 1993

TO: Katie McGinty

FR: George T. Frampton, Jr. *GTF*

RE: Forest Conference Ideas

Economic Overview

You could usefully start either the economic presentation in the morning or an afternoon session (when the President first arrives) with a 30-minute panel on the overall perspective: how the timber and wood products industry fits into the regional economy as a whole, and what the trends are for different segments of the regional economy.

A three-person panel would look like this:

1. Bill Conerly, Vice President and principal economist, 1st Interstate Bank. Wrote "Economics of the Owl." Centrist, respected by the business community. Concise speaker. Will not underestimate the role of timber employment, but recognizes it to be a small part of the the future of the regional economy and the ancient forest issue to be geographically limited.

2. John Mitchell, Senior VP and Chief Economist, US Bancorp. Also officed in Portland. He and Conerly are the best-known business economists in Oregon. With Washington State University, does a comprehensive business report on regional economic trends every year. (Covers Oregon, Washington, Idaho.) See attachment A to this memo.

3. Ed Whitelaw. University of Oregon professor, head of prestigious consulting firm Eco-Northwest. Leading economic spokesperson for the "transitioning economy" of the Northwest. See attached article, "Oregon's Real Economy," from University of Oregon magazine a couple of months ago, attachment B to this memo.

Specific Economic Contributing Factors

At some point you may want to have speakers (at 10 minutes apiece) who contribute something on a number of the contributing factors other than decreasing federal logging that have caused the timber industry to shrink, and will continue to do so. Or, you might want one or two people to canvass all these factors.

They include:

1. Previous overcutting. Possible witnesses:

Jim Torrance, Retired Regional Forester, Region 6.

Richard Haynes, Pacific Northwest Research Station, USFS: principal analyst on job impacts of reductions in timber cut in the Forest Service. It is his computer model that is used by most researchers in and out of the Service to estimate such impacts.

2. Increases in productivity due to technological changes both in the mills and in the woods. Possible witnesses:

Brian Greber, Oregon State Economist. Has written the most widely accepted analysis of the degree of productivity changes due to automation in the industry. Highly regarded by Governor Roberts.

3. Log exports. Possible witnesses:

Ross Gorte; Debra Warren (PNW Research Station)

4. Disinvestment by the industry to other parts of the country. Possible witnesses:

Jeff Olson, The Wilderness Society

5. Lack of major progress in increasing value-added manufacturing in the region. Possible witnesses:

Katherine Mater, Matera Engineering. See below.
Paul Sommers, Northwest Policy Center.

Fish

The single biggest decrease in timber cut after protecting spotted owl habitat will come from protection of watersheds that constitute important salmonid rearing and spawning habitat. The Thomas group will probably estimate that 90 of the 200-odd fish stocks will have a medium high to high risk of extirpation over the next 50 years unless significant additional forest is put off-bounds to logging beyond the owl protections.

I think it may be worthwhile to consider an entire panel on "fish" - - the positive economic and cultural values of protecting fish habitat, and the forest management needs.

Possible witnesses:

1. Jim Siddell (is this spelling correct?). Oregon State University, was the "fish" person added to the Portland Panel ("Gang of Four") group. Well respected, works closely with Forest Service.

2. Chris Frissell and Jim Lichatowich. Principals in American Fisheries Society study of threatened stocks.

3. Bob Doppelt. Heads Pacific Rivers Council (formerly Oregon Rivers Council), the main grassroots group doing salmon habitat protection work. Did study on total economic value of recreational and commercial salmon fishing to the region last year.

4. Commercial fishing representatives: Zeka Grader (Sausalito, CA) or Glen Spain (Eugene, OR); Pacific Coast Federation of Fishing Associations.

Solution-Oriented Witnesses or "Modules"

As I mentioned to you this weekend, I think some of the testimony needs to be directed to areas in which "solutions" to the overall conflict lie. I realize there is a sharp concern about the President appearing to get engaged in discussion of elements of the Administration's own plan. However, each of the "solution elements" listed below inevitably will be a component of the Administration's strategy; and each takes pressure off the "old paradigm" that the only way to help communities is cut more federal timber.

Solution components that might be worthy of a witness or a two-witness panel (20-30 minutes) include the following:

1. Incentives and Programs To Increase Value-Added Manufacturing.

Witnesses:

Katherine Mater. Vice President, Mater Engineering (Corvallis), a company specializing in lumber mill modernization. Articulate, creative thinker, speaks beautifully. Chair of Governor Roberts' natural resource transition team in 1990. Lead article in special issue of Oregon Business Magazine on value-added as solution to the Northwest timber dilemma. Can speak to incentives; technology; Forest Service programs; value-added industrial parks. She's a must for the conference.

Brian Greber. Needs to be on at some point. OSU economist, person most closely trusted by Governor's office to talk about employment impacts of different forest management plans. Could be used to focus on value-added manufacturing. Alternatives: Paul Sommer, Northwest Policy Center, University of Washington; Duncan Wyse, State of Oregon.

2. Community Programs To Diversify Rural Economies.

The important thing here is to put on a few "success stories" (or at least "we're struggling to do it" stories) about timber-dependent communities that have grabbed ahold of their futures and are diversifying their economies.

Witnesses:

David Harrison. Director, Northwest Policy Center, University of Washington. A leader on ways to help rural communities understand economic reality. The Center's new publication is "Communities in the Lead." Well known and respected in Washington State as a mediator.

Steve Forrester. Owner of a chain of newspapers in rural communities, and editor of Astoria paper. Environmentalist, but longtime Oregonian who speaks for community renewal.

Grays Harbor County (WA) officials. Best would be Tammy Garrow, Port of Grays Harbor, spokesperson for the need to diversify and recognize that timber supplies are down permanently; Linda Spaulding, Director of Grays Harbor Discovery Project, spokesperson for building pride in community.

Linn County (OR) officials. Joe Windell, City Manager, Lebanon, Oregon, since early 1980's, has seen the areas transform itself from timber-dependent to a more diversified economic base. David Schmidt, Linn County Commissioner, worked closely with The Wilderness Society in its project with Linn County communities. Also Bill Waggoner, Executive Director, Oregon District 4 Council of Governments, has been an innovative force in rural economic diversification.

3. Stream and Forest Restoration Projects

Witnesses:

Streams: Dr. Robert L. Beschta, Hydrologist; Dr. Williams Platts, Fisheries scientist; Dr. J. Boone Kaufmann, Riparian ecologist; Mike Purser or Rick George, Umatilla Tribal Staff; or Mike Farrow, Umatilla Tribal Member and head of Natural Resource Department for the tribe.

Governor Roberts has had a team including the Portland Panel looking at this issue. I would ask her office to recommend a witness to present their findings as to how many jobs can be created with projects like this.

4. Recreation and Forest Ecology Protection Projects.

Witnesses:

Charles Philpot, Director, Pacific Northwest Research Station, USFS. Possibly someone he might recommend from an experimental forest like the H.J. Andrews.

5. Log Exports

Regardless of what decision is made about whether to include a log export package in the Administration's strategy, it might be well worth it to consider a briefing on possible solutions at the Conference. The person who has done the most technical work

on this issue is Pam Baldwin at CRS. Possible witnesses about "alternatives available" might be: Don Flora, USFS (statistics and trends).

6. Worker Retraining

Possible witnesses:

Ernie Nieme, Eco-Northwest (consulting firm); Julie Gorte, OTA (project leader for analysis of US structural unemployment and the workforce); Margaret Hallock, Labor Center, University of Oregon.