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PACIFIC
OREGON RIVERS COUNCIL

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U.S. House of Representatives

Committee on Agriculture

Room 1301, Longworth House Office Building

Washington, DC 20515-6001

Date: _____

Katze

Jwin

TELEFAX TO: _____

FROM: _____

Committee on Agriculture
U.S. House of Representatives
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4 This transmission, including this cover sheet, totals
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MEMORANDUM

TO: MARLA

FROM: LYONS

SUBJ: WORK GROUPS AND ASSIGNMENTS

Please excuse the marked up copy of the organizational chart. Revisions reflect the discussions this morning.

Also note that I have not run this by Katie, Collier, or Cottingham. You may want to do so before you put this to any public use (if that's what you have in mind).

As we discussed, the work assignments of each group and team are as follows:

Ecosystem Management Assessment Work Group - Group leader: Jack Ward Thomas (USDA); Objective: to identify alternative strategies for a scientifically-based, ecologically-oriented, legally-sound basis for managing the federal forests of the Pacific NW and northern California.

Labor and Community Assistant Work Group - Group leader: Peter Yu (National Economic Council); Objective: to identify alternatives for assisting individuals and communities affected by changes in federal timber sales programs and policies in the region.

Statutory/Regulatory Issues Work Group - Group leader: John Leshy (USDI); Objective: to identify problems and/or inconsistencies in existing statutory and regulatory direction affecting the activities of the federal agencies involved in the management of federal lands in the region and to recommend alternative approaches to resolving these.

Agency Coordination Work Group - Group leader (to be assigned); Objective: to identify opportunities for improving the working relationship between federal and State agencies in the region to reduce impediments to a stronger cooperative working relationship among all parties.

* Congresswoman & State → Stephanie Solin is organizing, but as this meeting demonstrates, all of us, who are involved will try to make ourselves available to you directly.

Issue Teams

Note: These teams will also be composed of representatives from each of the affected federal agencies. The make-up of these teams is currently being decided. The task of each group is described below:

Suggest East side Forests - To assess the management issues and concerns associated with debate over the future of the federal forests in Oregon and Washington east of the Cascade Mountains, and ~~recommend~~ alternative approaches for dealing with these in the context of the old-growth issue.

Regional timber supply - To determine opportunities for providing timber (from all sources) within the next 90 days to dependent mills and communities in the region and to assess the long-term outlook for timber supply in the region.]

Log exports/imports - To assess the issues associated with log exports as well as the import of raw logs into the Pacific NW and the ramifications for resolving the old-growth issue.

Salmon/fisheries management - To evaluate issues associated with the fate of salmon and related fish resources in the region and to determine the role of federal land management in addressing fisheries management concerns in the region.

Regional economic concerns - To analyze the role of old-growth forests and the timber and non-timber resources they generate in the context of the overall economy of the Pacific NW and northern California.

cc: Katie

Attachment -- Complete list of Ecosystem Work Group members

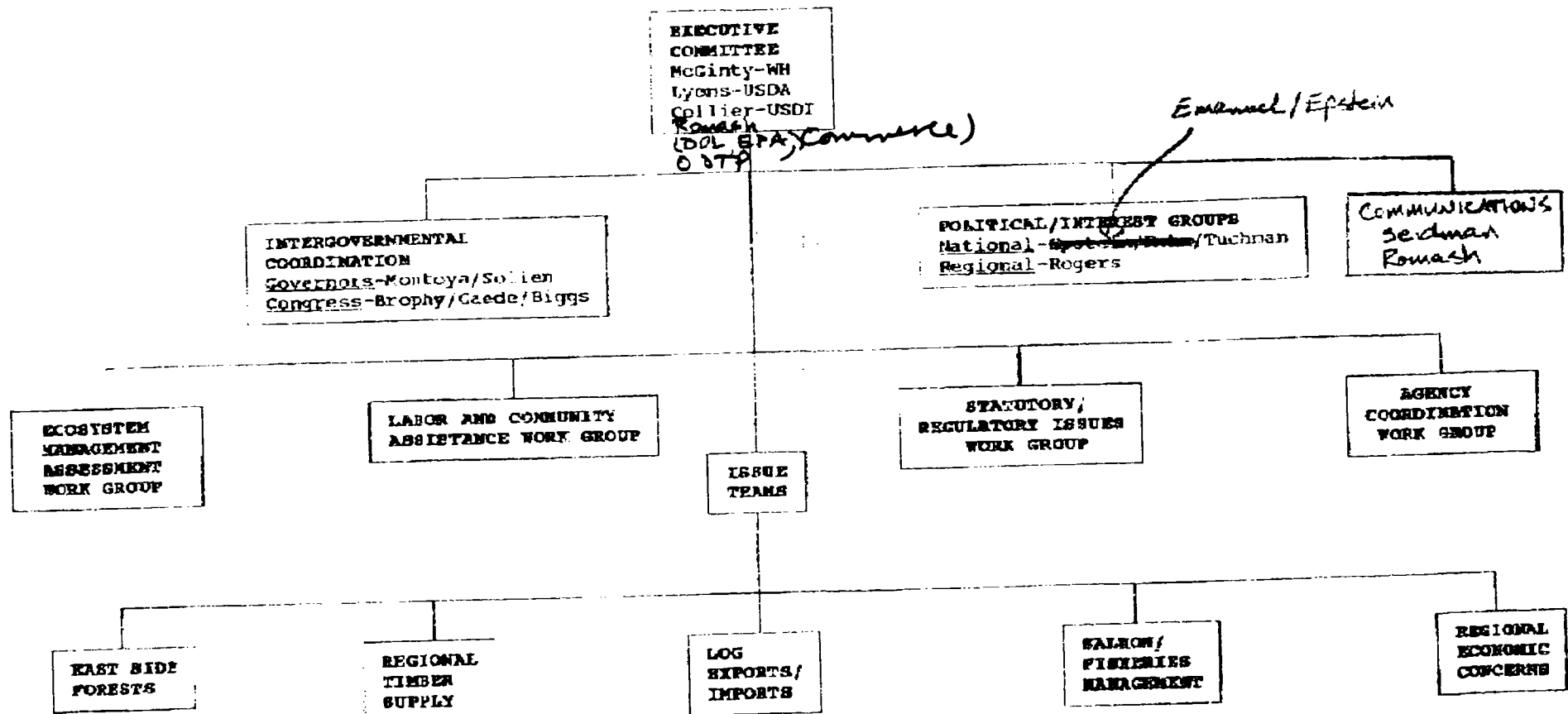
*assess whether
these issues
should be
taken up as
part of this
effort and,
if so,
identify*

INTERAGENCY TEAM

NAME	AGENCY	TITLE
Anthony, Bob	FWS	Wildlife Biologist
Clark, Roger	FS	Social Scientist
Collopy, Michael W.	BLM	Wildlife Biologist
Crim, Sarah	FS	Harvest Analyst
DeLong, Nancy	FS	Administration
Dippon, Duane	BLM	CIS Analyst
Foraman, Eric	FS	Wildlife Biologist
Franklin, Jerry	UW	Forest Ecologist
Garr, Elizabeth	NMFS	Endangered Species Branch Chief
Greber, Brian	OSU	Economist
Gundersen, Grant	FS	Wildlife Biologist
Holthausen, Dick	FS	Wildlife Biologist
House, Bob	BLM	Fisheries Biologist
Jacobs, Bob	FS	Deputy Regional Forester
Johnson, Norm	OSU	Economist
Kucera, Linda	FWS	Administration
Lasher, Robin	FS	Plant Ecologist
Lint, Joe	BLM	Wildlife Biologist
Marcot, Bruce	FS	Wildlife Biologist
Maslow, Chuck	FWS	Wildlife Biologist
Miner, Cindy	FS	Technology Transfer
Mulder, Barry	FWS	Wildlife Biologist
Raphael, Marty	FS	Wildlife Biologist
Reeves, Gordon	FS	Fisheries Biologist
Seavey, Fred	FWS	GIS Analyst
Sedell, Jin	FS	Aquatic Ecologist
Shannon, Margaret	UW	Forest Social Scientist
Spies, Tom	FS	Forest Ecologist
Stankey, George	OSU	Economist
Starkey, Ed	Park Service	Wildlife Biologist
Steffensen, John	FS	GIS Analyst
Swanson, Fred	FS	Geomorphologist
Tappiner, John	FLM	Silviculturist
Thomas, Jack Ward	FS	Chief Research Wildlife Biologist
Weinman, Fred	EPA	Senior Ecologist
Williams, Jack	BLM	Science Advisor to Director, BLM
Zabel, Cindy	FS	Wildlife Biologist

UW - University of Washington
 OSU - Oregon State University
 FWS - U.S. Fish and Wildlife Service
 FS - U.S. Forest Service
 BLM - Bureau of Land Management
 NMFS - National Marine Fisheries Service

MANAGEMENT STRUCTURE



THE FOREST CONFERENCE

Participants

ROUNDTABLE 1: WHO IS AFFECTED AND HOW

Presenters:

o **MIKE DRAPER**, Executive Secretary, United Brotherhood of Carpenters, Western Council of Industrial Workers, Portland, OR, represents 30,000 members across ten western states. His members work as loggers, in sawmills, and in plywood and particle board manufacturing and re-manufacturing plants..

o **DIANA WALES**, is a partner in a small law firm in Roseburg, OR with a practice limited to family law. She is also a co-chair of the Umpqua Valley Audubon Society Conservation Committee as well as other environmental, professional, and civil organizations.

o **BOB SPENCE**, President, Pacific Lumber Sales Company, Seattle, WA. Mr. Spence and his family operate this privately-held company which owns three sawmills and exports both logs and finished wood products.

o **PATRICIA LEE**, , Charter member Oregon Trout, Streamside Inn, Steamboat, OR, runs an inn and is in the process of creating an environmental education center for the children of Douglas County.

o **ARCHBISHOP THOMAS MURPHY**, Catholic Archdiocese of Seattle; Archbishop Murphy has led the Roman Catholic Church in western Washington since 1991. He has helped organize relief and social service efforts for timber-dependent communities..

Panelists:

o **BILL ARTHUR**, is Director of the Sierra Club's Northwest Office in Seattle. He grew up in Montana where his father was a small independent timber operator. He is an economist by training and has been involved with the Sierra Club and forestry issues for the past ten years.

o **NADINE BAILEY**, of Hayfork, CA, is the wife of a logger and a dedicated spokeswoman for loggers whose livelihoods depend on timber harvesting. Nadine's daughter, Elizabeth, participated with the President in the ABC TV Town Meeting for children.

o **NAT BINGHAM**, is a commercial fisherman who owns and operates a fishing vessel and fishes for salmon, crab, and albacore. He served as President of the Pacific Coast Federation of Fishermen's Association and currently serves as their field coordinator for their fisheries habitat program.

o **BUZZ EADES**, Eades Forest Resources, is a graduate forester and a sixth generation logger.

o **JOHN HAMPTON**, Chief Executive Officer, Willamina Lumber Co., Portland, OR, founded Hampton Lumber in 1950 and became CEO of Willamina in 1970. He currently serves as Chairman of the Northwest Forest Resources Council.

o **KEN MARSON**, Marson & Marson Lumber, runs a retail lumber yard, Ace Hardware Center and Truss Manufacturing Plant. He also is active in the National Lumber

Dealers and Building Material Dealers Association.

- o **LARRY MASON**, Western Commercial Forest Action Committee, is from Forks, WA, and owned a mill that had to close. He now heads a group of 500 individuals who represent a broad section of timber dependent communities.

- o **MARGARET POWELL**, Member, Hoopa Tribe, Hoopa, CA, is the owner of a small mill located on the Hoopa Valley Indian Reservation. She also has served on the Hoopa Tribal Council for 14 years and is active in other tribal affairs.

- o **VIC SHER**, is the Managing Attorney for the Sierra Club Legal Defense Fund in Seattle, WA. His practice is devoted entirely to representing citizens in litigation and administrative action related to environmental protection. He has been counsel to the environmental plaintiffs in a series of cases relating to the forest and wildlife management issues in the region.

- o **PHYLLIS STRAUGER**, Mayor, Hoquiam, WA, has served on the Hoquiam City Council from 1969 to 1988. She has served as Mayor since 1988. She has been active in state service and in the National League of Cities.

- o **FRANK TALLERICO**, Superintendent of Schools, Siskiyou County, Yreka, CA, has served as Superintendent for the past eight years. Prior to that, he served in other capacities in the Superintendent's office and taught fifth through 12th grade classes.

- o **MECA WAWONA**, is the founder of New Growth Forestry in Ukiah, CA. She and her husband run a small business cooperative that specializes in forest and salmon habitat restoration.

ROUNDTABLE 2: ECOLOGICAL AND ECONOMIC ASSESSMENTS

Forest Management Issues

Presenters:

- o **JOHN GORDON**, Dean, Yale University School of Forestry. Dr. Gordon is a forest ecologist who spent the majority of his career at Oregon State University. He has written extensively on forest policy issues and was one of the "Gang of Four," the team of four government and university scientists who produced a 1991 study on the health of the forests and different management alternatives at the request of the House Agriculture and Merchant Marine Committees.

- o **LORIN HICKS**, Plum Creek Timber Co., Seattle, WA. Dr. Hicks is a wildlife biologist who has conducted research on spotted owls on private and public lands. He was a contributing author of the Spotted Owl Recovery Plan, the Bush Administration's Department of Interior plan for protecting the owl.

- o **CHARLES MESLOW**, Director, U.S. Department of Interior Fish and Wildlife Service, Cooperative Research Unit, Corvallis, OR. Dr. Meslow is a research biologist and professor of wildlife ecology at Oregon State University. He is known for his research on northern spotted owls and was a member of the Scientific Analysis Team that released its report to the court on March 19, 1993.

Panelists:

o **RICK BROWN**, National Wildlife Federation, Portland, OR. Brown is a wildlife and forest ecologist who previously worked for the Forest Service. He has actively promoted 'ecosystem' approaches to forest management.

o **JERRY FRANKLIN**, University of Washington, Seattle, WA. Dr. Franklin is a leading forest ecologist whose research focuses on old growth forests. He was one of the "Gang of Four" and has been called the "Father of New Forestry."

o **CHAD OLIVER**, University of Washington, Seattle, WA. Dr. Oliver is a silviculture and forest policy professor at the University of Washington, School of Forest Resources.

o **JIM SEDELL**, U.S. Department of Agriculture Forest Service, Corvallis, OR. Dr. Sedell is a fishery biologist who is a leading researcher into how forest land use affects fish habitat. He was the principal fishery biologist on the Scientific Analysis Team. He is a native Oregonian and local fisherman.

o **DAN TOMASCHESKI**, Vice President, Sierra Pacific Industries, Redding, CA. Tomascheski's company owns 1.1 million acres of commercial forest land in California. It is also the largest California purchaser of timber on federal lands. Almost one-third of the timber for the Sierra Pacific's nine sawmills comes from federal lands. Tomascheski was active in efforts to reach consensus with environmentalists on private forest lands in California.

Economic Issues

Presenters:

o **BRIAN GREBER**, Professor, Oregon State University, Corvallis, OR. Dr. Greber's research addresses forest product markets and regional economics. He has been an advisor to several federal task forces, including the "Gang of Four," and the Endangered Species Committee.

o **LOUISE FORTMANN**, University of California, Berkeley, CA. Dr. Fortmann is a rural sociologist who has focused on environmental protest and community well-being. She has conducted major ethnographic and statistical analyses in the region.

Panelists:

o **ANN HANUS**, Assistant State Forester, Oregon Department of Forestry, Salem, OR. Ms. Hanus is a professional forester and economist who has been involved with this issue since 1985. She served as staff to Tom Walsh, the Oregon representative to the Endangered Species Committee.

o **BOB LEE**, University of Washington, Seattle, WA. Dr. Lee's field of study centers on the social aspects of forest resource use. For many years, he has studied the social and cultural consequences of wood supply reduction on forest-dependent communities. He is affiliated with the non-profit group, The Temperate Forest Foundation, which seeks to develop a middle ground for the development of sustainable use practices.

o **ED WHITELAW**, University of Oregon, Eugene, OR. Whitelaw is an economist who believes that northwest regional economies are in transition and that most timber workers and companies realize federal lands will provide less timber than in the past.

ROUNDTABLE 3: WHERE DO WE GO FROM HERE?

Presenters:

o **JULIE NORMAN**, President of Headwaters, a southwest Oregon grassroots group working for federal forestry reform through policy research, timber sale monitoring, public education, and negotiations/litigation.

o **JIM GEISINGER**, President, Northwest Forestry Association, Portland, OR. The NFA represents forest product manufacturers and forest landowners in Washington and Oregon who depend on public lands for fiber supply. He has more than 17 years experience working for forestry trade associations and has spent his entire career on resource issues affecting federal forest management.

o **GUS KOSTOPULOS**, Executive Director, Woodnet, a non-profit network of more than 300 wood products manufacturers on Washington's Olympic Peninsula. Before establishing Woodnet, Kostopulos held a number of management positions, employing many of the techniques and strategies characteristic of flexible manufacturing.

o **ROSLYN HEFFNER**, has been operating her own vocational counseling service since 1987, focusing primarily on assisting injured workers back to gainful employment. She is a registered nurse and has a Masters Degree in rehabilitation counseling.

o **RICH NAFZIGER**, is currently Deputy Insurance Commissioner for Policy and Legislative Affairs for the state of Washington. Between 1988 and 1993, he served as Special Assistant to the Governor for Timber Policy and Rural Development and was Director of the Governor's Timber Team, responsible for coordinating state policy and programs relating to forestry issues and timber community development.

Panelists:

o **CHARLES W. BINGHAM**, Executive Vice President, Weyerhaeuser Co.; Director of Puget Sound Power and Light Co.; Chair of the Tacoma-Pierce County American Leadership Forum; Vice President of the Mountains to Sound Greenway Trust; and a trustee of the Weyerhaeuser Foundation. He is past chair of the National Forest Products Association Board of Governors.

o **JIM COATES**, Vice President, International Woodworkers of America Local 3-2. From 1990 to the present, he has served as Community Outreach Coordinator to provide information on training programs and available social service resources, creating innovative programs, such as a weekly television broadcast, "People Helping People," through a local ministerial association, to provide information to timber families.

o **BOB DOPPELT**, Executive Director and Co-founder of the Pacific Rivers Council. He began the Council because he owned a commercial river trip and fishing business for 11 years and experienced first-hand the environmental impacts on the region's rivers and fisheries and felt a group was needed to specifically focus on these issues. He is known as a creative national expert on riverine protection and restoration strategies.

o **IRV FLETCHER**, is President of the Oregon AFL-CIO.

o **ERIC HOLLENBECK**, began working in the woods at 14, first surveying for timber access roads and later logging. At 24, he began a logging company, the Blue Ox

Millworks. Three years later, along with his wife, Hollenbeck built a sawmill and has been manufacturing finished wood products for the last 17 years. Two years ago, they opened the historic facilities for tours and this year they are opening a School of the Traditional Arts to educate tomorrow's woodworkers and entrepreneurs.

- o **JIM IRVINE**, is Vice President and Treasurer, National Association of Home Builders and is a home builder from Portland. He is President of the Conifer Group, a construction, development and property management company building primarily single family homes and light commercial developments.

- o **ANDY KERR**, is Conservation Director for the Oregon Natural Resources Council, a 20-year-old coalition of more than 40 sports, conservation, recreation, commercial and educational groups interested in the wise management of Oregon's lands, waters, and other natural resources. ONRC represents more than 6,000 individual members and maintains offices on Portland, Eugene, and Bend.

- o **KATHERINE MATER**, is Vice President of Mater Engineering, Inc, a forest products engineering and market research firm based in Corvallis, OR, which has served the wood products industry for 50 years. She is recognized as an industry leader in researching and identifying value-added wood product manufacturing solutions which adapt to reduced raw resource supplies, yet offer profits and job security for the industry.

- o **WALTER MINNICK**, is CEO of a \$400 million facility, TJ International, one of the largest purchasers of veneer in the west. They have 1,000 employees in Oregon and own four mills on the west side. He is currently a member of the Governing Council of The Wilderness Foundation, American Business Conference, Idaho Conservation League, and the Nature Conservancy.

- o **CHARLES OLLIVIER**, has been an active participant in the International Longshoremen and Warehousemen's Union Local 14 for 27 years, 12 of which were as President. Presently, he is elected Commissioner, 5th District Humboldt Bay Harbor, Recreation and Conservation District and is the Vice President of the District.

- o **FELICE PACE**, is Program Coordinator for the Klamath Forest Alliance, a community-based, non-profit organization based in northern California. The KFA works to reform public land management with special emphasis on rehabilitating damaged watersheds on public land to restore salmonid and other fisheries at risk of extinction. He has lived in Siskiyou County for 18 years and has been active in forest issues since 1980.

- o **TOM ROBINSON**, for the past six years has been manager of the Oregon Salmon Commission, representing the Oregon troll fisherman and primary processors through product promotions, education, communications and research. He has served as an official salmon fishery representative on the Pacific Fishery Management Council By-Catch Committee and on the Oregon Coho Review Committee.

- o **DAVE SCHMIDT**, has served as County Commissioner of Linn County, Oregon since 1988. He is a member of the Council of Forest Trust Lands and is a Board Member on the Western Interstate Region of Public Lands, which works with the Bureau of Land Management and the Forest Service on local issues.

- o **TED STRONG**, has been Executive Director of the Columbia River Inter-Tribal Fish Commission for four years, created by the Confederated Tribes of the Warm Springs Reservation of Oregon, Confederated Tribes of the Umatilla Indian Reservation, Confederated Tribes and Bands of the Yakima Indian Nation, and the Nez Perce Tribe.

o **JACK WARD THOMAS**, is the Chief Research Biologist and Project Leader for Range and Wildlife Habitat Research for the USDA Forest Service. He has published more than 250 works, was a member of the "Gang of Four," the team of four government and university scientists who produced a 1991 study on the health of the forests and different management alternatives at the request of the House Agriculture and Merchant Marine Committees. Dr. Thomas chaired the Interagency Scientific Committee, which established the conservation strategy for northern spotted owls. He also was the leader of the Scientific Analysis Team which, under court order, released its report on the management of old growth ecosystems in March.

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CAMPAIGN RECORD AND STATEMENTS

During the campaign, President Clinton visited the Northwest and spoke to the issues central to the forest controversy. The central theme of his remarks was his pledge to bring people together to discuss the issue and attempt to find a solution or compromise. Following is a summary of what President Clinton said on this issue during the campaign:

- **Develop a policy that has no net loss jobs and "if national policy puts you out of a job, national policy ought to put you back in one, that's my theory."**
(Conversation with Timber Workers - September 14, 1992)
- Convene a Northwest Forest Summit early in his Administration to bring all interested parties together and break the gridlock, if Congress fails to work out a legislative solution before he takes office.
- Sign legislation re-authorizing the federal Endangered Species Act.
- Find a solution based on good forest health and management, biodiversity, preservation of old growth forest, and a real plan for aggressive reforestation and economic diversification.
- Fashion a compromise based on real forest health and science that permits reasonable logging, preserves a significant percentage of the old growth, accelerates replanting and mill modifications and attempts to diversify the economies of the area.
- Develop a uniform, federal position on timber and the handling of timber lands and end the politics of blame.
- Use science as the sole criterion in determining whether a species should be listed as endangered.
- Support changing fee structures in federal parks and natural areas and using the added revenue to support the economic base of the local economies.
- Develop a national policy to place workers displaced by national timber policies.
- To get the timber issue out of the court system.
- Rebuild forests, grant incentives to retool mills.

A complete listing of previous statements by President Clinton on the Forest issue is attached.

REMARKS: GOVERNOR CLINTON ON FOREST ISSUES

THE SEATTLE TIMES - MAY 18, 1992

- *Do you support or oppose the export of raw logs from public forests? From private forests?*

...The fact is excellently demonstrated by the raw-log export issue. We now know that unrestricted exports of raw logs has hurt both our environment and our economy.

The long-term solution to this problem is to improve the competitiveness of our timber-manufacturing industry. This will require greater investment, improved education and technological advances in this industry. The White House should help foster this long-term solution, rather than neglecting the problem as it has over the last 12 years.

- *Would you sign legislation re-authorizing the federal Endangered Species Act in its present form?*

Yes, I would sign legislation re-authorizing the federal Endangered Species Act. I feel that it is our responsibility to preserve a diverse variety of animal and mammal species for future generations.

I believe listing decisions for species under the Endangered Species Act should be based on the biological status of a species. Science should be the sole criterion in determining whether a species should be listed as endangered. However, I support changing fees structures ~~in federal~~ parks and natural areas and then using that money to support the economic base of the local economies adversely affected by such protections.

PRIME TIME/TOWN HALL MEETING - JULY 25, 1992

- *Charlie Janz: ...I lost my logging company because of the Endangered Species Act. I understand that you're not in favor of amending it. ...I want you to tell me tonight what is more important: a spotted owl, or people like me?*

People like you, but I don't think that's the real choice.

...I would attempt to fashion - and I believe this can be done without an amendment to the Endangered Species Act; there is an escape hatch in the act as it's written now - I would attempt to fashion a compromise based on real forest health and science that would permit reasonable logging, preserve a significant percentage of the old growth forest, accelerate replanting, accelerate modification of mills, and try to diversify the economies of the area.

- *Timber Industry Worker:* Would you be willing to sit down and talk with my union to get a better understanding of how this crisis affects us?

Gov. Clinton: Absolutely, I would And I'd be more than happy to sit down and meet with you folks when I come to Oregon, which won't be long.

...If I were president, let me say, I would be personally involved in trying to get all the parties together to try to work out a solution that was based on good forest health and forest management, recent regard for the biodiversity of the area, and the fact that you don't want the entire old growth forest to disappear, and a real plan for aggressive reforestation and economic diversification.

LETTER TO FOREST LABOR LEADERS - August 25, 1992

...under a Clinton Administration the politics of blame will end. I personally want to take a constructive, hands-on role in seeking resolution of the crisis...

...I plan to continue a dialogue with all affected parties, including a visit with a timber family.

...Furthermore, if there is no resolution to this matter during this Congress, early in my administration I will convene a Pacific Northwest Forest Summit to work out a legislative solution. I will work with the Congress and all interested parties to help break the gridlock which has caused so much pain in our Pacific Northwest communities.

CLINTON & CONVERSATION WITH TIMBER WORKERS - SEPTEMBER 14, 1992

Let me just point out what I ~~think~~ the President's role ought to be in all of this. I think...because, the reason I thought we ought to have a summit after the election and come up here and get all the parties to sit down is that I think right now we've got the worst of all worlds.

...The second thing that I have noticed is that this is a President's job. Nobody else can do this job. But there has been widespread disagreement among the federal agencies.

...The national government ought to have a position. They shouldn't be virtually suing one another. Everybody's working in the same government. That's another thing. You're entitled to know that there is a coherent, consistent position from the national government about how these lands are going to be handled.

...I think that our policy ought to be no net loss of jobs.

...If national policy puts you out of a job, national policy ought to put you back in one, that's my theory.

...I guess, what I'm telling you, the reason I called for this summit on the forest issue is that I think we're going to have to decide what the national government position is between all these different bureaucracies. We've got to get the timber that ought to be cut out of court. We've got to get this issue out of court.

...And then we've got to have a no net job loss policy. It's going to say if we lose jobs in the mills, we lose jobs in the woods, we're going to put people back to work either rebuilding the forest or in incentives to retool the mills or adding value to the timber here at home or training them fully and completely to go back to work.

...We ought to take the best scientific data we have for what constitutes overall forest help in the sustainable yield.

FOREST CONFERENCE
REGIONAL MEDIA BRIEFING

You have been under the spotlight of the Washington and Oregon press corps since you proposed a Forest Summit last Fall. The prospect of a resolution on the issue has become a central story in the area -- rounding out years of debate and intense coverage by the regional media. This memo provides an overview of press coverage and excerpts from key stories.

You promised early on in the campaign to take a "hands-on, constructive role" in seeking a solution to the problem of preserving old growth forests and protecting jobs. It was recently reported that your campaign statement to develop a "no-net-job-loss policy" will be a difficult goal to reach under the current economic circumstances. The press will, however, judge the success of the Forest Conference on your ability to fulfill these pledges, bring competing constituencies to the table and set an agenda for the future of the region.

You have generally received high marks in the press for your handling of the forest/jobs crisis. From your initial campaign visit to Washington nearly a year ago to your announcement of the Forest Conference earlier in the month, you have been successful communicating these messages: "jobs vs. owls" is a false choice; lack of leadership at the federal level has created a logjam that has left the region economically crippled; a balanced solution that will protect our old growth forest and protect jobs can be achieved. Editorials have been particularly favorable toward the fulfillment of your promise to hold a Forest Conference and your balanced approach to the problem.

As a result of this success, press and public expectations are high that real progress will be made quickly under your leadership. Case in point -- **the day after** your election, several stories were written about the high hopes the timber industry, environmentalists, labor and political leaders all have that you will be able break the gridlock. ("Both Sides of Forest War Seek Truce from Clinton", Statesman Journal, November 5, 1992). The first question from the local Seattle affiliate during the your last town hall meeting focused on the Conference and the issue dominated earlier town hall meetings from the region.

October polling by the Statesman-Journal found that a significant number of voters would select a candidate based **solely** on their position on the timber issue. Clearly, the regional press' standard for measuring your success as President will rely heavily on your success resolving the forest/jobs crisis.

PAGE TWO

FOREST CONFERENCE ANNOUNCEMENT

Despite the high hopes and positive press, the Administration has been successful lowering expectations of what will be achieved at the Forest Conference itself since its announcement in early March. The Vice-President, Secretary Babbitt and organizers stressed that the event is being held so that the Administration can **listen to all sides**. The Administration's objectives are not to have a policy written by April 3rd but to hear competing viewpoints and start the ball rolling toward a resolution.

The press widely reported that downgrading the event from a "Summit" to a "Conference" demonstrated the Administration's attempt to lower expectations. Some expressed concern that public hopes are too high that you will "magically solve the Northwest's long timber deadlock". The best hope is that upon hearing the debate you will **quickly** lead Congress to a resolution. And some editorials have appeared warning the public that any real solution will emerge farther down the road but the attention you're giving the problem will at least "set the stage for constructive action."

MEDIA COVERAGE -- ONE WEEK OUT

"Clinton Doubts He'll Make Friends at Timber Summit" and "Forest Plan Won't be a Pleaser" were typical headlines in the Northwest papers following your press conference on March 24. Stories highlighted your message that a solution to the situation would "probably make everybody mad" but would end the impasse and be fair.

Secretaries Babbitt and Espy received positive press coverage and high marks with community members during their visits to Oregon, Washington and Northern California last weekend. The press reported that although Babbitt's environmental credentials made some groups initially skeptical of his ability to be impartial, he conveyed a sense of willingness to hear competing viewpoints and an open mind toward working out a solution. Babbitt also speculated that harvest of logs on federal forests could begin by Fall and that "peace in the Northwest timber wars will come from small local truces at the grassroots level, not the federal government."

PAGE THREE

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"The Bigger Picture" ... The Oregonian ran back-to-back editorials over the weekend urging the Clinton Administration to address the needs of the **entire** Pacific Northwest ecological system during the Conference. "Clinton and Gore must be persuaded that merely balancing the needs of the logger and the owl won't solve the problem. It's the interlocked, ecological systems, the species' habitat that needs fixing. If the Administration fails to see this bigger picture, then the struggle over multiple use of our natural resources will continue to divide Northwest citizens and devastate the economy". In the opinion of Oregonian editors, the Administration should include in the debate, forests east of the Cascades, the salmon habitat and outlying areas ultimately affected by logging.

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Cabinet Secretaries Northwest Trip Report Secretary Espy and Secretary Babbitt

Both trips generated substantial media coverage and local interest.

In virtually every instance, the public was receptive and appreciative of the chance to speak out. At most events, there were no protesters at all. Locals suggest two reasons for this: (1) they are tired of arguing and protesting and (2) they recognize the high stakes and don't want to interfere. At many events, a sense of tired anxiety was clear: people want resolution of this issue. They said they want to be able to plan ahead.

Both Secretaries spent time flying over, and walking through, national forests and BLM lands. They saw old growth, second growth and evidence of different harvest methods. They saw some small scale successes and heard a great deal about the problems. Each hosted meetings with community leaders.

Elected Official Participation:

The elected officials of both parties who participated in the trips were universally supportive of the trips and the conference. They have adopted the "breaking the gridlock" language.

Secretary Babbitt toured with the following:

- Gov. Barbara Roberts
- Rep. Ron Wyden (D-OR)
- Rep. Peter DeFazio (D-OR)
- Rep. Dan Hamburg (D-CA)
- Rep. Wally Herger (R-CA)
- Rep. Bob Smith (R-OR)

Secretary Espy toured with the following:

- Rep. Jolene Unsoeld (D-WA)
- Rep. Norm Dicks (D-WA)
- Gov. Mike Lowry

Trip Highlights, Secretary Babbitt:

Avison Lumber Company
Molalla, OR

A third generation of Avinsons now runs the mill, proving this is more than an economic and environmental issue -- it's a cultural issue. They retooled the mill to use second growth timber, and

have a "finger joint" facility which joins wood together to make better use of short pieces. To those who toured mills a dozen years ago, this looks nothing like the past: it is unimaginably clean -- they waste nothing. Its automation shows that some in the industry are willing to change; it also shows how some people can be "automated" out of a job.

HJ Andrews Experimental Forest
Blue River, OR

This Forest Service facility, begun in 1948, studies forest regeneration. Secretary Babbitt visited a log decomposition site in the midst of an old growth grove. This is long-term research: they don't expect to finish some studies for another century. It underscored how little we know about regenerating the soils in our forests. On the ground, the different nature of these forests became quite clear (particularly compared Secretary Babbitt also remarked on the "prodigious nature of these forests." There is tremendous potential for growth, as long

Douglas County Community Meeting
Ridley, OR

Douglas is the hardest hit county in this crisis. Here, the sense of tired anxiety was most clear. A social service worker talked of the rise in alcoholism and family violence. Workers complained that retraining would not likely mean "family wage jobs."

Applegate Partnership
Ashland, OR

Environmentalists (who look the part) and timber harvesters (who also look the part) have come together here, which was why this was perhaps the most interesting stop on the trip. The group's original goals were the reduction of fire risk near expensive homes and the protection of the town's reservoir from rapid silt build-up due to clear cuts. They now selectively harvest timber in a way that is both environmentally credible and economically sound. Secretary Babbitt watched helicopter crews pull felled timber from the area with little disturbance to surround foliage and the construction of no additional roads.

Trip Highlights, Secretary Espy:

Community Meeting
Aberdeen, WA

Secretary Espy met with loggers, mill owners, community leaders and environmentalists. Here, more than anywhere else, they made it clear they wanted resolution. Many indirectly said the fact of a solution would be more important than the contents of a solution. They expressed real gratitude that someone so high in an

Administration would come to hear them out.

Gifford Pinchot Forest

A visit to an ancient grove had a tremendous impression on Secretary Espy. He reflected on the divine nature of their creation, and how that should be reflected in their use and care. A visit to a blow-down site (where giant trees were felled by strong winds) underscored the divisiveness of the issue: environmentalists said the trees should remain on the ground as nutrients, while loggers were apoplectic that the trees could not be collected and sold.

Breakfast with Fishing Industry Representatives Westport, WA

Where there once were well over 200 charter boats, there are now less than 100. Both the commercial and recreational fishing industries have been hard hit, and the workers at this breakfast stressed the negative economic impact of the rapid timber harvests.



CITY OF
PORTLAND, OREGON
OFFICE OF CITY ATTORNEY

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1220 S.W. 5th Avenue
Portland, Oregon 97204
(503) 823-4047

March 28, 1993

Katie:

1. Here is a draft. Is this what you want? Let me know if you want revisions or something different.

2. Thanks for having Mayor Vera Katz (Note: not "Alva Katz" as shown on draft agenda) do welcome to conference. She and her staff working very hard on conference preparation, security, etc., and important to include her as much as possible, plus attendance at lunch, etc.

3. Mayor and City still eager to host reception or meal of any sort if President and/or V.P. going to be here Thursday or Friday p.m.

4. Please send me final agenda when released.

5. I'm sending Ken Connally (sp?) list he requested of political supporters and friends as possible observers.

6. This week I'll continue constituent work, but also being called on by Kate Fielder, Carol Florman, Charlie Duncan, etc. to help with various things including Portland police arrangements, liason with Mayor, and yes, even preferred jogging routes. Let me know if there are things you particularly need done, otherwise I'll play it by ear as we go along.

7. I've cleared out the whole week to work full time on Conference, so call anytime day or night.

8. Great job by all of you so far. Certain to be an exciting week.

Jeff Rogers

IF I'M NOT REACHABLE,
USE MY VOICE MAIL IF YOU WANT
OFFICE DURING DAY 823-4047
OFFICE AFTER HOURS 823-4272
Home 294-0527

Jeffrey L. Rogers
503-823-4047
March 28, 1993

FOREST CONFERENCE
Regional Political Context

GENERALLY: Gratitude that President is fulfilling campaign promise of summit. Impressed with his personal involvement, along with V.P. and Cabinet. A few skeptics wonder why such extensive Administration focus on this controversy but not on other regions and industries suffering even greater job loss and dislocation. General wait and see attitude about Conference itself and subsequent policy. Mixed expectations. Some unrealistic hopes partly because talk of "balanced solution" means very different things to different people.

LABOR: Organized labor feeling included and believing that Administration cares. Much talk of Administration solving "timber supply problem," with many at grass-roots level believing "balance" means compromise settlement in traditional terms: cut enough old-growth to ensure supply and call it solved. Significant risk they will feel led on if final policy doesn't match expectations.

Others more realistic and know that situation has changed and new approaches needed. They know Administration can't turn back clock, but they are scared of future. Logging has been way of life and a matter of identity for generations. But, underneath, all want straight talk from Administration, and pride themselves on being tough, which includes being adaptable if necessary.

ENVIRONMENTALISTS: Wide range of groups and approaches. Small radical fringe groups will never be satisfied, and could try to be disruptive outside conference. However, all other groups, including even strong advocates like Oregon Natural Resources Council, optimistic they finally have supportive Administration and willing to be cooperative and not confrontive. But nagging apprehension that short-term compromise (similar to that proposed in unsuccessful 1989 timber summit) could be result of conference, rather than "principled" long-term protection of ecosystems. This concern increased somewhat by news reports that even Secretary Babbitt saying premise is to get timber flowing again, balanced with "reasonable job" of conserving environmental values.

Scattered concern that pre-conference visit itineraries were planned by BLM and Forest Service, included only low fly-overs not showing vast areas of bare ridges, and did not include enough environmental perspectives. Nonetheless, most are strongly wanting to help Administration succeed in what is recognized to be difficult undertaking of conserving a national resource while minimizing disruption of workers and families.

URBAN: Less visible in controversy, but key Democratic constituency. Many City dwellers place great value on Northwest's "quality of life," including recreation in forests and rivers affected by forest practices. Also, jobs and economy of metropolitan areas include forest products industry and log transporting and shipping. Urban constituents watching quietly, but definitely there, and should not be overlooked.

FOREST PRODUCTS INDUSTRY: Scattered early talk of boycotting Conference, because of suspicion that environmentalists running things. Extensive contacts by Administration in planning have overcome much of cynicism. Pre-conference visits also a big plus, giving early opportunity to showcase some innovative approaches. Nonetheless, some fears that Administration overtures just cover for radical agenda. Facets of industry hard-hit by mill closures in early 1990's and fearful that retooling for smaller logs, and other adjustments, will create new set of problems. Much discussion of what Administration will do about log exports.

TRIBES: Some feeling among tribes that they once again are being largely overlooked. Sovereignty of tribes means that including limited Indian representation in conference and pre-conference visits insufficient to create sense of inclusion among all, which is obviously logistically impossible. Some tribes economically dependent on forests. Many affected by dramatic decrease in salmon secondary, in part, to forest practices, and also by decrease in big game habitat and cultural vegetation in forests, used for both subsistence and ceremonial purposes.

COMMERCIAL AND RECREATIONAL FISHING COMMUNITY: Uncertain whether Conference will consider fish in more than token way. Believe forest practices major component in river health. Point out that salmon and other fish issues already becoming next big natural resource controversy in Northwest, and may be more complex and difficult than forests. Believe any forest solution must also address fish, but not optimistic.

GREENBERG • LAKE

THE
ANALYSIS GROUP
INC515 SECOND STREET NE
WASHINGTON DC 20002
202 547 5200

M E M O R A N D U M

TO: Rahm

FROM: Joe Goode

RE: Forest Conference Survey - Initial findings

DATE: March 24, 1993

- Awareness of the conference is high -- 70 percent say they have heard or read something about the Forest Conference.
- Expectations are high. Better than half of the public (53 percent) believe that the policy that comes out of the conference will be properly balanced between protecting the forest and protecting the timber industry.
- Jobs predominate as the major topic of discussion at the conference -- 42 percent say the most important issue at the conference is protecting timber jobs, 29 percent say protecting old growth forests.
- The public wants balance between protecting the forests and protecting jobs: 89 percent say protecting the timber industry is an important outcome of the conference, 84 percent say protecting the forests is an important outcome. By contrast, just 57 percent say protecting the spotted owl is important.
- Bill Clinton enjoys strong support in the state: he has a mean thermometer score of 59 degrees, 52 percent think he is doing an excellent or good job, 69 percent support his general policies and goals and 59 percent support his economic program.
- Al Gore remains a controversial figure. While he enjoys a mean favorable score of 54 degrees, just 31 percent think he strikes a good balance between protecting the forest and protecting lumber jobs. By way of contrast, 51 percent think Clinton strikes a good balance.

- A plurality blames exporting raw logs to Japan as the major reason for the loss of timber jobs (35 percent). Close to a quarter blame poor management by the timber companies (23 percent) or poor management by federal agencies (21 percent). Just 13 percent blame environmental policies.
- The top three convincing arguments for protecting old growth forests center on extinction, the relationship between Oregon's economy and the environment and the potential of the forests:

*95 percent of old growth forests have already been cut down.
When these forests are gone, they are gone forever.*

When we destroy the old growth forests, it has a domino effect on the entire community -- losing jobs in tourism and salmon fishing; destroying recreational opportunities and hunting and fishing for all of us, and endangering our water supplies

Ancient forests hold a number of known and unknown species which we cannot allow to go extinct. For example, scientists discovered Taxol, a possible cure for breast cancer, in the bark of the yew tree which grows in the ancient forests.

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ECONOMIC IMPACTS AND POLICY OPTIONS
FOR PACIFIC NORTHWEST FORESTS

THE FOREST CONFERENCE
April 2, 1993

RECENT TRENDS IN THE FOREST-BASED ECONOMY

Timber Harvests

The Forest Service and BLM manage about 25 million acres of lands in Washington, Oregon, and northern California in the spotted owl range west of the Cascades. About 43% of timberland in the affected region is owned by the Federal Government, with the rest in state or private hands. During the 1980s, about 30% of the lumber produced in the U.S. came from the northern spotted owl region, where about one-third of the timber harvests occur on Federal lands. Therefore, about 10% of domestic timber supply is potentially affected by spotted owl protection.

Timber harvests from Forest Service and BLM lands in the northern spotted owl region grew from a recession low of 2.4 billion board-feet (bbf) in FY 1982 to a peak of 6.7 bbf in FY 1988. Two-thirds of this total -- almost 4.5 bbf -- was harvested in Oregon, another 20% came from Washington, while 13% of the FY 1988 timber harvest in the spotted owl region came from northern California. Federal harvests in the spotted owl region have plummeted by 66% since the FY 1988 peak, due to the recession and the spotted owl and old growth controversy. By FY 1992, the overall Federal harvest in the spotted owl region had fallen to about 2.3 bbf.

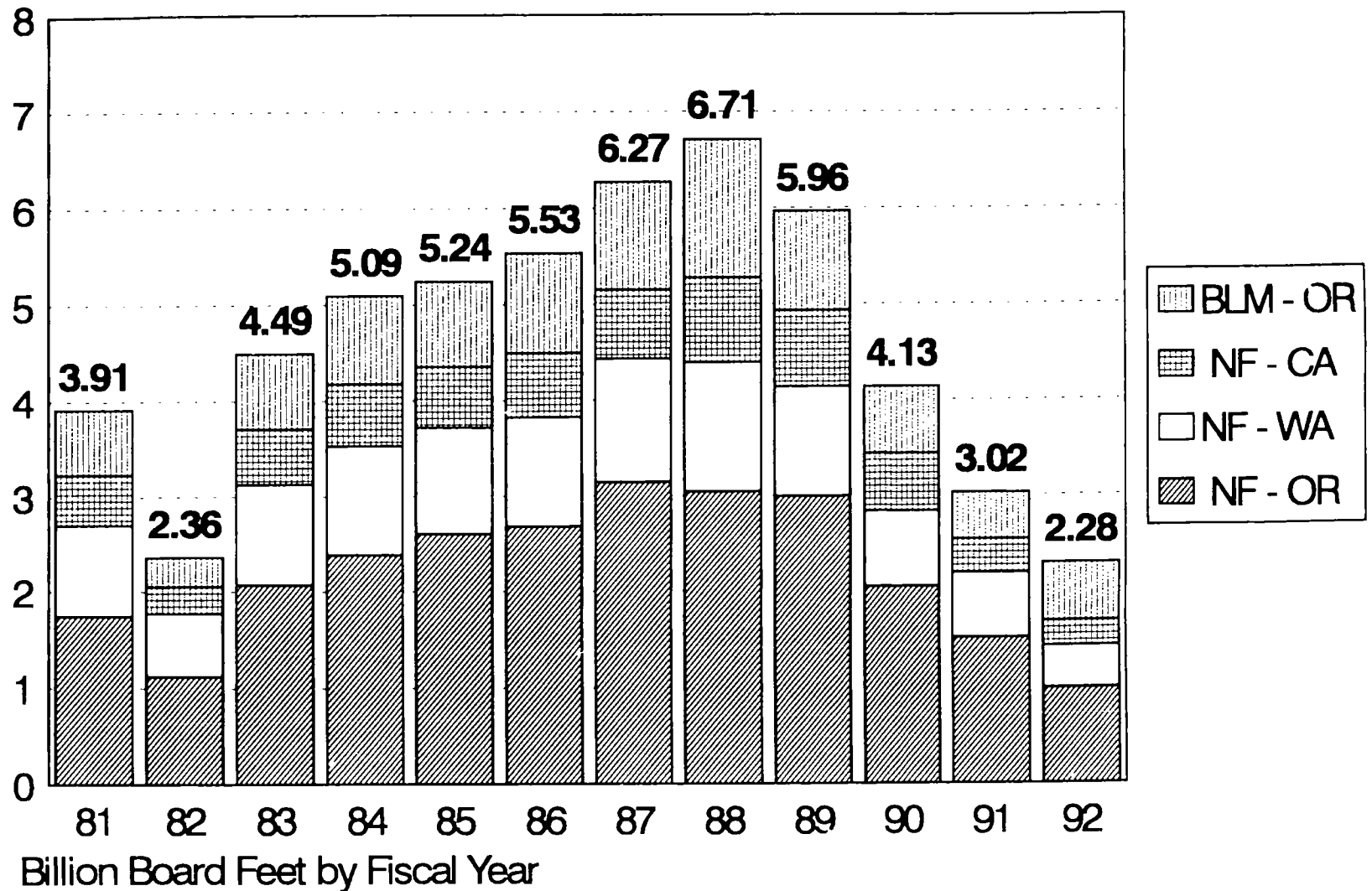
Employment and Income

The timber industry, though historically important as a source of employment in the northwest, has been declining in importance as other sectors of the economy have grown. In 1970, timber-related jobs accounted for about 10% of total regional employment. By 1989, employment in the forest-related product sectors in Washington and Oregon was at about 135,700 (about 4% of total regional employment) and has dropped to about 115,000 in 1992.

Increased mechanization in harvesting, transporting, and milling has reduced employment in the forest products industry. 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. This trend preceded the old-growth controversy; while the spotted owl is often blamed for weak employment in the forest-based economy, steady increases in labor productivity will continue to depress employment at any level of timber harvest.

Historic Timber Harvest

Northern Spotted Owl National Forests & BLM Districts



Real wages in the Northwest forest products sector also declined during the 1980s, as weak labor market conditions in rural areas offset potential wage gains from productivity improvements. Wages in the forest product industries have historically been higher than regional average wages, but this difference narrowed somewhat during the 1980s.

The number of mills has been declining steadily over the past 25 years; industry contraction predates the current spotted owl controversy. In 1968 Oregon had 300 sawmills and California had 216 sawmills, but by 1988 these figures had shrunk to 165 sawmills for Oregon and 93 for California. Figures for Washington are similar -- the number of sawmills fell from 182 in 1978 to 118 in 1988, while the total number of wood processing establishments (including veneer & plywood, pulp, shake and shingle plants and other operations) fell from 764 in 1978 to 351 in 1988.

Trade in Timber

There is a ban on exports of logs harvested on all Federal lands and from state lands in the Pacific Northwest region. However, substantial volumes of unprocessed timber cut from private lands in the Northwest are exported to Japan, Korea, and China. Softwood log exports from the region rose from 2.1 billion board feet in 1981, peaked at over 3.6 bbf in 1988, and fell to 2.5 bbf in 1991. Exporting raw logs rather than finished lumber products denies U.S. sawmill operators and workers the opportunity to add value to the product, but increases income to landowners and dockworkers. Some environmentalists and labor leaders have pushed for export constraints on private timber, which is fervently opposed by private landowners and agricultural export interests.

Timber companies receive approximately \$100 million in tax preferences annually from the Foreign Sales Corporation tax incentive program. Some environmentalists and labor leaders support the elimination of these tax preferences on raw log exports, which they contend would raise additional federal revenues and help maintain employment at domestic milling operations.

The U.S. also imports large quantities of Canadian lumber: about 30% of the lumber used in the U.S. comes from Canada. In May 1992, the International Trade Administration of the Department of Commerce imposed a countervailing duty on Canadian lumber imports of 6.51%, which is equal to the estimated Canadian subsidy for lumber production. Timber interests on both sides of the border accuse each other of receiving government subsidies.

Economic Conditions in Timber-Dependent Regions

Many rural counties, particularly in Washington and Northern California, have had significantly higher unemployment rates than Northwestern metropolitan areas or the U.S. as a whole. Timber-

dependent rural communities were particularly hard hit in the past few years, as (1) increased mechanization continued to decrease employment; (2) the recession of 1991-1992 reduced the demand for lumber; and (3) Federal timber harvests dropped sharply due to court-ordered injunctions restricting timber sales as a result of the spotted owl controversy.

The reduction in Federal timber harvests has effected timber-dependent communities in two main ways. First, timber related employment (e.g. logging and milling jobs) has declined and the lost income has depressed economic activity in some areas. Second, many communities that depend on receipts from logging on Federal lands to provide funding for community schools and roads have seen their county budgets fall significantly. The payments to counties in the spotted owl region peaked at \$374 million in FY 90, but had fallen to \$253 million in FY 92. The counties' share would have fallen more sharply without a "safety net" provision that sets a floor payment at 85% of the FY 86 - FY 90 average payment for each county. The combined impact of reduced labor income and strained public budgets has caused some communities to experience significant economic and social distress.

Timber Prices

Although lumber demand is now increasing, timber production in the Northwest is unable to respond with higher harvests partly because of court injunctions blocking Forest Service and BLM timber sales. This has contributed to a recent 90% run-up in nationwide lumber prices, but is not the sole cause. A recent Congressional Research Service study suggests that several factors are also contributing to the increase in lumber prices. These include regular seasonal price fluctuations (about 10% on average), the price increase normally associated with economic recovery in the housing sector (historically pushing prices up by about 30% at this point in a recovery) and the 6.51% countervailing duty on Canadian imports.

Economic Conditions in the Northwest Region

In general, economic growth in the past two decades has diversified a regional economy that was once much more heavily dependent on manufacturing and timber. Although many rural counties are vulnerable, overall economic conditions and trends in the Northwest show substantial strength. Employment growth in Washington and Oregon has consistently exceeded the U.S average rates, and the recent recession had a relatively mild impact on the overall regional economy. Although Boeing recently announced about 20,000 layoffs in Washington State, the region does not appear to be vulnerable to near-term base closings or other significant economic downturns.

II. IMPACTS OF FOREST MANAGEMENT PLANS

Economic Impacts

Even if timber production on Federal forestland is not restricted to protect habitat, harvests and employment would have declined. For example, forest plans drawn up before the spotted owl was listed projected Federal timber harvests to fall to 4.4 billion board feet by the mid-1990s, or roughly 2 bbf less than the peak harvests of the late 1980s.

Forest management plans that protect habitat restrict the amount of Federal land available for timber production and further reduce harvest levels. The economic costs of lower timber sales include:

- Reduced employment in the timber industry, lower profits, and lumber mill closings, and reduced employment in related industries;
- Lost income while people are unemployed or when they are reemployed at lower wages;
- Smaller contribution to Federal revenues from Federal forests;
- Smaller payments to counties from Federal timber revenues.

Some offsetting benefits will be created by the preservation of forestland and by the market response to higher timber prices likely to result from lower Federal timber harvests, including:

- Higher recreational use and higher aesthetic values in Federal forests;
- Better environmental conditions for salmon and other fish, preserving employment in the commercial fisheries sector;
- Higher timber production and profits from non-Federal lands in the Northwest and other regions. [However, increased timber production in other regions may have adverse environmental effects.]

There is no consensus regarding the magnitude of these impacts, nor any official Administration estimates (there have been some agency studies that estimate different impacts). For example, regional job loss estimates range from fewer than 10,000 to more than 100,000 jobs. The wide range of impacts result from different assumptions about employment effects in related industries, the potential for increased harvests and/or restrictions on private

lands, increased recreation spending, retirement and second home development, and other economic adjustments to reduced Federal harvests. Conference participants are likely to cite radically different estimates to support their views.

Some counties are particularly vulnerable to the economic effects of lower Federal timber harvests. The factors that limit the ability of rural areas to adjust to a rapid change in its economic base include:

- High dependence on Federal timber harvest for income and on Federal timber payments to counties;
- High percent of land owned by the Federal government, which can limit economic development alternatives;
- Past losses of timber employment, stagnant workforce skills and sluggish employment growth in other sectors.

Social Impacts

The economic effects of new forest management plans are expected to have significant social effects in timber dependent communities. A substantial part of the job displacement and loss of county revenues will occur in small rural communities that are highly dependent on timber for their economic base. Loss of employment prospects, income loss and cutbacks in public services could cause substantial stress in families in these communities.

In the past, the timber policies of the Federal Government have assured a sustained flow of timber to support their communities, rather than the boom and bust cycle that has been typical of extractive industries. Some people feel that the reduction in the Federal timber harvest needed to protect owl habitat represents a failure by the government to meet its commitment to sustain communities that developed in response to Federal timber policy.

Communities experiencing stressful economic change usually need increased social services such as counseling, job training and relocation, and health care. When these services are not provided, the social costs resulting from the economic stress are generally higher. If the counties' share of Federal timber sale receipts falls with reduced timber harvests, the lower supply of social services will contribute to higher social costs.

III. ECONOMIC POLICY OPTIONS TO MITIGATE IMPACT OF PROTECTION PLANS

Depending on overall economic trends and the final forest management plan, additional jobs in the Northwest forest products industry could be lost in the next few years. The Departments of

Labor, Commerce, Agriculture, Interior, and Housing and Urban Development therefore are analyzing a range of programs in the economic plan currently before Congress to help create jobs and help timber dependent communities. Specifically, the plan contains funds to create several thousand short-term "jobs in the forests" and it contains programs to stimulate rural community and economic development in the long-term. The components in the economic plan are designed to:

- create "jobs in the woods" and rural areas, through reforestation projects, for example;
- promote entrepreneurship through small business/micro-enterprise development;
- stimulate economic diversification for existing businesses;
- strengthen rural communities through community development programs; and
- create opportunities for youth in rural areas.

The stimulus plan and the economic plan will help begin to ease the harsh economic conditions in timber dependent counties as early as this summer. However, depending on the final forest management plan and the level of future timber harvests, additional programs and funding above and beyond the economic plan might be necessary to achieve "no net job loss."

Programs for Workers: Creating "Jobs in the Woods"

In the short term, the stimulus package will create several thousand jobs in rural areas in the Northwest, planting trees and repairing and maintaining roads, campgrounds and parks. The stimulus package includes about \$50 million for Forest Service reforestation projects and repair and maintenance of existing facilities in National Forests in Oregon, Washington and California. This will create approximately 2,500 short-term jobs in Oregon, Washington and northern California. The economic plan also contains \$46 million in funds for Interior Department programs which will create approximately 3,000 temporary jobs in the Northwest. The stimulus package also contains about \$16 million for Community Development Block Grants for rural communities in Oregon and Washington. States in the region will also have the opportunity to compete for Rural Development Administration loans and grants to help fund rural water and waste water treatment programs.

Stimulating Entrepreneurship in Rural Areas

Most job growth in rural areas stems from "micro-enterprises" which employ one person or a handful of people. In some cases, unemployment prompts motivated individuals to start their own businesses. Oregon and Washington have started several revolving loan programs and have supported small business marketing and technical assistance programs. The economic plan contains \$354 million to capitalize community development financial institutions (CDFIs) for both rural and urban areas, and an additional \$150 million in FY 94 for loans to micro-enterprises to be administered through the Rural Development Administration (RDA). A portion of these funds will go to the rural Northwest.

Helping Businesses Diversify

Diversifying into high-value added wood products is another important economic goal. Currently, cutting and exporting one million board feet of timber creates a handful of jobs for one year. However, as many as 20-60 jobs could be created per million board feet per year if that same wood is processed into high-value added wood products such as cabinets, furniture, modular housing and door and window framing. The economic plan also calls for the creation of over 100 manufacturing extension centers, some of which are likely to be located in the Northwest and contribute to an overall business development and diversification strategy. In addition, the proposed permanent investment tax credit for small businesses would help small mills and other wood product operations retool. The plan proposes a 7% investment tax credit in 1993 and 1994, followed by a permanent 5% investment credit. Rural enterprise zones with wage and investment incentives could also help local industries diversify into high-value added wood products. The economic plan also calls for \$2.4 billion in tax breaks over four years to create enterprise zones in rural and urban areas.

Strengthening Rural Communities

The economic plan contains several programs to strengthen rural communities as part of the Rural Development Initiative. The Commerce Department's Economic Development Administration (EDA) could assist impacted rural communities in the Northwest draw up strategic economic development plans. The economic plan also contains \$300 million in FY 94 for Farmers Home Administration loans to communities for rural development projects such as rural health care clinics and fire stations. Lastly, the plan proposes a \$30 million increase for Rural Development Administration (RDA) rural development grants in FY 94, with \$50 million increases in future budgets.

Youth Programs

In many rural areas, unemployed adults have taken jobs that have been traditionally filled by youth. The Department of Labor is seeking \$1 billion for 700,000 summer jobs nationwide, some of which will provide opportunities for young people from rural areas of the Pacific Northwest. In addition, the economic plan includes \$15 million to begin National Service programs this summer. This funding will support 4-10 National Service sites across the country, based on existing service and conservation corps programs. These sites will be geographically distributed throughout the country and could be in both urban and rural settings. The Pacific Northwest has a very robust network of state, local and county service and conservation corps, including the Oregon Youth Conservation Corps, the Washington (state) Conservation Corps, the Washington (state) Service Corps, the Seattle Conservation Corps and the Washington County (Oregon) Service Corps.



Legislation and Litigation

Litigation

There have been several major lawsuits filed against the federal government for failing to comply with federal environmental laws in relation to management of ancient forests and spotted owl habitat. There have been numerous other legal actions initiated by the timber industry, federal government, and conservation organizations related to the major lawsuits.

One major lawsuit challenges the U.S. Fish and Wildlife Service's decision to not list the northern spotted owl as a threatened species under the Endangered Species Act. Twenty-five groups filed suit in May, 1988, against the Agency asserting it failed to consider all the available scientific information and acted in an arbitrary and

apricious manner in denying the listing petition. The federal courts agreed and in November, 1988, ordered the agency to reconsider.

In June 1989, the agency finally proposed the owl for listing as a threatened species, and took final action in June, 1990 to list the owl.

A second major lawsuit was filed by conservation groups against the Department of Interior's Bureau of Land Management. That suit asserted that BLM's management plans, which permitted extensive logging of ancient forests, violated the National Environmental Policy Act and the Federal Land Planning and Management Act. The groups charged that BLM refused or failed to include new scientific information regarding the decline of the northern spotted owl in developing its logging plans.

Three times Congress in 1988, 1989, and 1990 enacted riders to the Interior Appropriations Act barring judicial review of federal land management agency actions, effectively prohibiting citizens from challenging the agencies in federal court. Although one federal district court judge found in 1989 that BLM had violated federal environmental law, the judge ruled that a congressional

rider on the FY 1989 Interior Appropriations Act prevented her from ordering BLM to comply with the law.

When Congress refused to reenact judicial review restrictions in the Fiscal Year 1992 Interior Appropriations Bill, the federal courts agreed that BLM had violated federal environmental law. In June, 1992, the federal courts imposed an injunction on all timber sales from BLM lands until the agency updated its management plans to reflect the impact of logging on the northern spotted owl and its habitat. BLM released drafts of the new management plans in the fall of 1992.

A third lawsuit was filed against the Forest Service. After exhausting the administrative appeals process within the agency, environmental groups filed suit against the Forest Service in February, 1989, alleging that its regional management plan for the spotted owl was inadequate because it too failed to consider all the available and new scientific information regarding the impact of logging on the spotted owl and its habitat.

After more than two years of motions, hearings, and an unusual eight-day evidentiary hearing, the court in May,

1991, imposed an injunction on timber sales from 17 national forests, ruling that the federal government had engaged in a "deliberate and systematic refusal to comply with the laws protecting wildlife." The court gave the agency until March, 1992, to implement a new plan.

In an attempt to get out from under the court injunction, the Forest Service proposed in August, 1991, to eliminate the very rule it violated — the biodiversity regulations (or viability regulations) under the National Forest Management Act. [REDACTED]

The Forest Service submitted a new plan to the court in March, 1992, and the court lifted the injunction. Environmental organizations immediately challenged the new plan as scientifically and legally inadequate and the court agreed. A new injunction blocking timber sales in owl habitat was issued and the court ordered the agency to develop and implement a new, revised management plan for the spotted owl by August, 1993.

HISTORY OF OREGON'S DEVELOPMENT

KIMBARK MACCOLL

Portland OR

Mr. MacColl will present an overview of the economic, social and cultural development of Oregon. He will establish the political framework of how Oregonians view themselves as independent people.

Oregonians cherish the natural resources of their state, and closely associate with those resources. Until recently, they didn't consider that they could deplete the forests or rivers. Salmon and douglas fir are intricate parts of the environmental ethos of Oregonians.

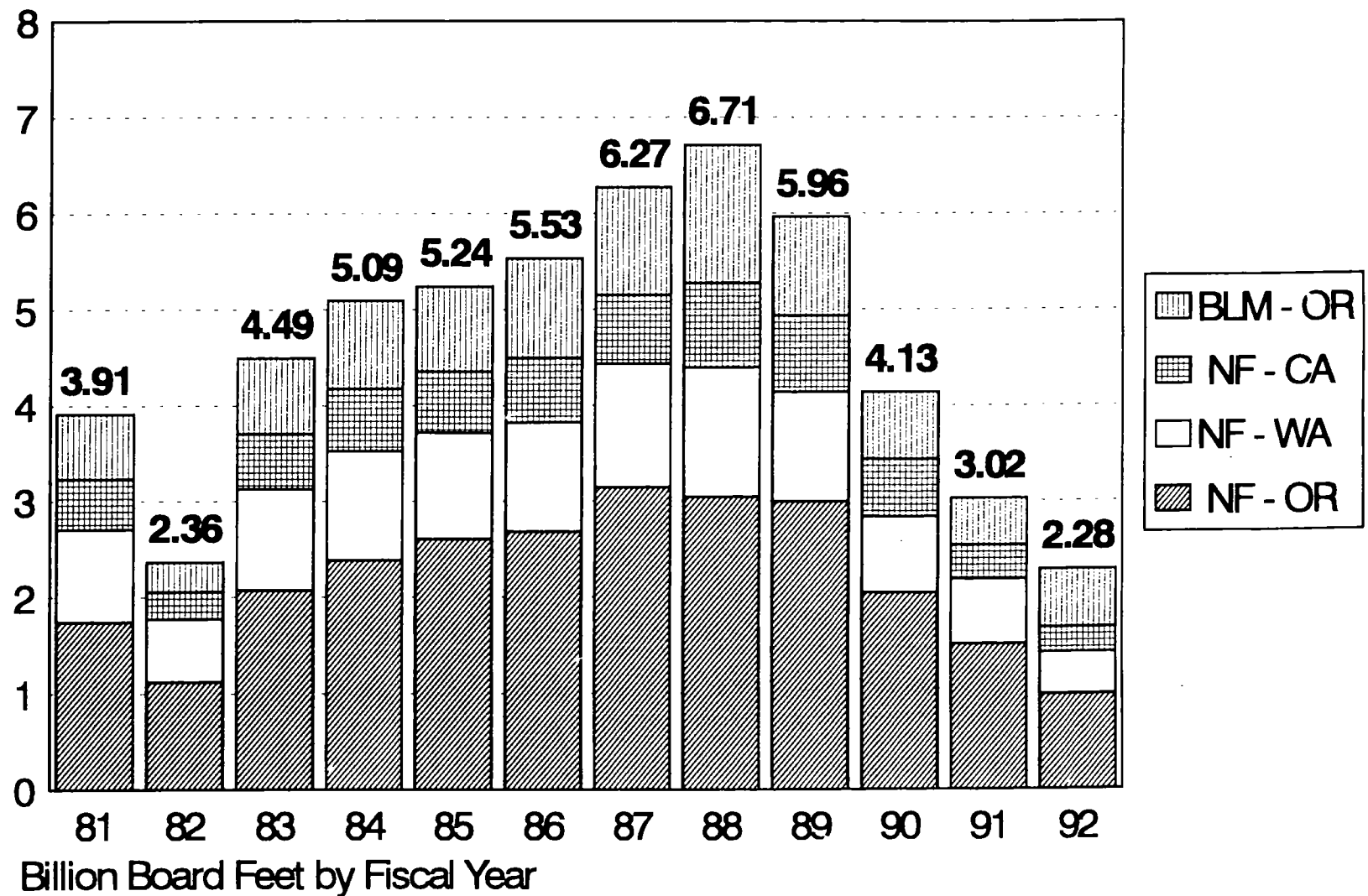
Oregonians also were influenced by the colonial presence of corporations from the east which stripped the timber and took the profits. That attitude continues today to a lesser degree regarding decisions on Federal forest lands.

Timber has played an important role in the development of Oregon. However, now many Oregonians feel that the timber industry is degrading their quality of life through over-harvesting, clearcutting, and polluting streams.

Oregonians are at a crossroad. They are looking to leadership to resolve the crisis situation that Oregon and other timber industry dependent states are facing.

Historic Timber Harvest

Northern Spotted Owl National Forests & BLM Districts



THE FOREST CONFERENCE OBJECTIVES AND LOGISTICS

PURPOSE: The Forest Conference will provide a comprehensive forum for a broad and diverse range of views on the issues associated with the management of federal forest lands in the northwest and northern California. This is not a forum for policy making, but instead, is a forum for the issues to be examined and discussed. The President, Vice President, and Cabinet Secretaries are in Portland to listen; to listen to the people who live with these issues every day, to demonstrate the President's and the entire Administration's concern and commitment to change the status quo. It's important to note that we consciously decided to allow only people from the region to participate in the roundtables -- there will not be any Washington, D.C. representatives speaking.

Specifically, the Conference will:

- o Enable the President, Vice President, and Cabinet Secretaries (Espy, Babbitt, Reich, R.Brown, Browner), OMB Deputy Director Rivlin, and Science and Technology Advisor Gibbons to learn about forest management and local community dependence on the forest industry first hand, from the people who live in this region;
- o Identify opportunities for innovative solutions to forest management, alternative economic development, and displaced worker assistance;
- o Provide the President with a strong public opportunity to direct Cabinet officials to work together to develop a comprehensive, long-term, and balanced plan. (In the closing statement to the conference)

The most important message we can deliver must focus on BALANCE: on a long-term, comprehensive policy that recognizes the importance of forests and timber to the economy and jobs in the region as well as the importance of America's precious old growth forests that, once they are destroyed, are gone forever.

THE AGENDA:

ROUNDTABLES: Essentially, the conference is three roundtables, one before lunch and two after lunch. Each will work in basically the same way. First, the President will introduce, one at a time, the four - six individuals (depending on the panel) who will give brief, three minute statements. Then, the President will open the discussion, much as the Economic Conference proceeded. **NOTE:** The second roundtable will operate a little differently -- While all of the participants will be seated at the table, in fact, there will be two sets of presenters, first, three people will speak on forest ecology, followed by a discussion of these forest ecology

issues. Then, two people will speak on economic and social issues, followed by a discussion of economic and social issues.

AGENDA

WELCOME FROM PORTLAND MAYOR VERA KATZ OREGON GOV. BARBARA ROBERTS (10 mins)

OPENING STATEMENTS FROM PRESIDENT AND VICE PRESIDENT (20 mins)

ROUNDTABLE 1: WHO IS AFFECTED AND HOW? (90 mins)

PURPOSE: This panel will focus on the human impact of the controversy. It is intentionally the first panel to demonstrate to the people in the region our concern for the circumstances and pressures they face. Expect a wide range of perspectives and an equally wide range of 'facts' on everything from jobs lost to environmental impacts. This will be the most emotional of the three panels.

PRESENTERS: **Mike Draper**, from the United Brotherhood of Carpenters, Western Council of Industrial Workers in Portland is the first speaker. He was very helpful during the campaign and has been helpful throughout the planning of this conference. As most forest industry workers are, he is deeply concerned about the impact on jobs. **Diana Wales**, a local attorney from Roseburg, OR, follows. Roseburg is one of the most timber dependent communities in the region. Her brother-in-law was laid off from his mill job but she remains a committed environmentalist, sensitive to community concerns but believing the people in the region are in denial. **Bob Spence**, the President of a lumber company in Seattle, is a small timber owner who thinks big. He is soft-spoken, but creative. **Patricia Lee**, runs an inn in Steamboat, OR, and is creating a 650-acre ranch as an environmental education center. **Archbishop Thomas Murphy**, is a Catholic Bishop from Hoquium, WA, who has long been involved in these issues.

PANELISTS: The remainder of the panelists represent a similarly broad range of views -- there are loggers, environmentalists, representatives of timber and non-timber related industries, and a member of the Hoopa Tribe from Hoopa, CA. This roundtable will include Nadine Bailey from Hayfork, CA. Her daughter participated in the ABC Town Meeting for Kids.

LUNCH BREAK (45 mins): The President and Vice President will return to their holding rooms for lunch.

ROUNDTABLE 2: ECOLOGICAL AND ECONOMIC ASSESSMENTS (90 mins)

Purpose: This panel will feature experts from public, private, academic, and non-governmental organizations to discuss the technical issues -- economic, environmental, and sociological, involved in forestry and forest related economics. In essence, though these participants bring different opinions, this panel

serves as a kind of "truth squad" of experts who deal in science and economics and sociology.

REMINDER: This panel will work a little differently than the other two in that the first half will focus on forest ecology issues with three presenters speaking, and the second half will focus on economic and sociological issues, with two presenters speaking. That is, the three forest ecology presenters will speak, then these issues will be discussed. Then, the two economic/sociological presenters will speak and these issues will be discussed. The roundtable is composed of forest ecology and economic experts.

Presenters: **On Forest Ecology issues:** **John Gordon** is a Professor at Yale's School of Forestry Management who spent the majority of his career at Oregon State University. He was a member of the "Gang of Four" the team of scientists who studied forest management issues and alternatives for the House Agriculture and Merchant Marine Committee. **Lorin Hicks** is a wildlife biologist at the Plum Creek Timber Company in Seattle who also was a contributing author of the Spotted Owl Recovery Plan, the Bush Administration's Department of Interior plan, never implemented, for the owl. **Chuck Meslow**, is Director of Interior's Fish and Wildlife Service Cooperative Unit in Corvallis, OR and a research biologist and professor of wildlife ecology at Oregon State. He was also a member of the Scientific Analysis Team that, in March, submitted its report to the court.

On Economic and Sociological issues: **Brian Greber**, a professor from Oregon State University in Corvallis, has done research on forest product markets and regional economics. He has been an advisor to several federal task forces, including the "Gang of Four" and the Endangered Species Committee; **Louise Fortmann**, a Professor at the University of California in Berkeley, is a rural sociologist who has focused on environmental protest and community well-being. She has conducted major ethnographic and statistical analyses in the region.

PANELISTS: The panelists are scientists, economists, and experts from business, government, and non-governmental organizations (such as the National Wildlife Federation) experienced in researching the environmental, economic, and human costs of our forest management policies.

BREAK (15 mins)

ROUNDTABLE 3: WHERE DO WE GO FROM HERE? (75 mins)

PURPOSE: This panel focuses on new and innovative ideas for forest management and economic development -- as a way to bring people together instead of continuing the polarization. It will address forest management and protection, how communities can change and adapt to the changing economy, and how to help workers and others who are affected.

PRESENTERS: **Julie Norman** is an environmental leader and president of Headwaters, a southwest Oregon grassroots working for federal forestry reform through policy research, timber sale monitoring,

public education, and negotiations/litigation. **Jim Geisinger** is President of the Northwest Forestry Association and a major industry spokesman. **Gus Kostopulos** is President of Woodnet in Port Angeles, CA, a networking organization promoting small, value-added forest products firms. He's a real innovator. **Roslyn Heffner** is from Vocational Counseling Service in Tualatin OR and has worked with Forest Service workers as well as with injured or displaced loggers. **Rich Nafziger** is the former Director of Washington State Timber Team. He is known and respected across the state and has spent the last four years working with communities trying to adapt to the changes. He has a very deep and practical understanding of both biological and economic issues.

PRESIDENT MAKES CLOSING STATEMENT (10 mins)

Here the President will make a strong statement, directing his cabinet to begin work on a comprehensive plan based on specific principles.

MEDIA AVAILABILITY: There is the possibility of a media availability immediately following the conference for the President, Vice President, and Cabinet.

MEETING WITH GOVERNORS (time TBA)

Following the conference (and, if it happens, following the media availability) there will be a brief meeting with the Governor's attending (Roberts, Lowry, Wilson, Andrus, and Hickel)

RECEPTION WITH MAYOR KATZ (time TBA, POTUS may not attend)

Portland Mayor Vera Katz is planning a post-conference reception for participants.

###

1:30 p.m.

ROUNDTABLE 2: ECOLOGICAL AND ECONOMIC ASSESSMENTS

This roundtable will feature experts from public, private, academic, and non-governmental organizations to discuss the technical issues -
- economic, environmental, and sociological --
involved in forestry and forest related economics.

PRESENTERS

On Forest Ecology Issues:

- o **JOHN GORDON**, Professor, Yale University School of Forestry, New Haven, CT. (Gordon spent the majority of his career at Oregon State Univ.)
- o **LORIN HICKS**, Plum Creek Timber Co., Seattle, WA
- o **CHUCK MESLOW**, Director, U.S. Department of Interior Fish and Wildlife Service Cooperative Unit, Corvallis, OR

On Economic Issues:

- o **BRIAN GREBER**, Professor, Oregon State University, Corvallis, OR.
- o **LOUISE FORTMANN**, Professor, University of California, Berkeley, CA

3:00 p.m.

BREAK

3:15 p.m.

ROUNDTABLE 3: WHERE DO WE GO FROM HERE?

This roundtable will focus on new and innovative ideas for forest management and economic development.

PRESENTERS:

- o **JULIE NORMAN**, Headwaters, Ashland, OR
- o **JIM GEISINGER**, President, Northwest Forestry Association, Portland, OR
- o **GUS KOSTOPULOS**, President, Woodnet, Port Angeles, WA
- o **ROSLYN HEFFNER**, Vocational Counseling Service, Tualatin, OR
- o **RICH NAFZIGER**, Former Director, Washington State Timber Team, Olympia, WA

4:30 p.m.

CLOSING STATEMENT BY PRESIDENT CLINTON

THE FOREST CONFERENCE

Agenda

Friday, April 2, 1993

10:30 a.m.

WELCOME

Portland Mayor Vera Katz
Oregon Governor Barbara Roberts

10:40 a.m.

OPENING STATEMENTS

President Clinton, Vice President Gore

11:00 a.m.

HISTORICAL PERSPECTIVE

Kimbark MacColl
Oregon Historical Society

11:15 a.m.

ROUNDTABLE 1: WHO IS AFFECTED AND HOW?

This roundtable will allow people from across the region to speak to how this controversy is affecting their lives.

PRESENTERS:(NOTE-each roundtable will begin with brief statements from some of the roundtable participants. After these brief statements, there will be general discussion among all the roundtable participants, including the President, Vice President, Cabinet and other Administration officials.)

- o MIKE DRAPER, Executive Secretary, United Brotherhood of Carpenters Western Council of Industrial Workers, Portland, OR
- o DIANA WALES, Attorney, member Audubon Society Roseburg, OR
- o BOB SPENCE, President, Pacific Lumber Sales Company, Seattle, WA
- o PATRICIA LEE, Innkeeper, Charter member of Oregon Trout, Streamside Inn, Steamboat, OR
- o ARCHBISHOP THOMAS MURPHY, Catholic Archdiocese of Seattle

12:45 p.m.

LUNCH

GREENBERG • LAKE

THE
ANALYSIS GROUP
INC515 SECOND STREET NE
WASHINGTON DC 20002
202 547 5200

MEMORANDUM

TO: Rahm

FROM: Joe Goode

RE: Forest Conference Survey - Initial findings

DATE: March 24, 1993

- Awareness of the conference is high -- 70 percent say they have heard or read something about the Forest Conference.
- Expectations are high. Better than half of the public (53 percent) believe that the policy that comes out of the conference will be properly balanced between protecting the forest and protecting the timber industry.
- Jobs predominate as the major topic of discussion at the conference -- 42 percent say the most important issue at the conference is protecting timber jobs, 29 percent say protecting old growth forests.
- The public wants balance between protecting the forests and protecting jobs: 89 percent say protecting the timber industry is an important outcome of the conference, 84 percent say protecting the forests is an important outcome. By contrast, just 57 percent say protecting the spotted owl is important.
- Bill Clinton enjoys strong support in the state: he has a mean thermometer score of 59 degrees, 52 percent think he is doing an excellent or good job, 69 percent support his general policies and goals and 59 percent support his economic program.
- Al Gore remains a controversial figure. While he enjoys a mean favorable score of 54 degrees, just 31 percent thinks he strikes a good balance between protecting the forest and protecting lumber jobs. By way of contrast, 51 percent think Clinton strikes a good balance.

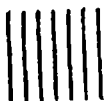
- A plurality blames exporting raw logs to Japan as the major reason for the loss of timber jobs (35 percent). Close to a quarter blame poor management by the timber companies (23 percent) or poor management by federal agencies (21 percent). Just 13 percent blame environmental policies.
- The top three convincing arguments for protecting old growth forests center on extinction, the relationship between Oregon's economy and the environment and the potential of the forests:

*95 percent of old growth forests have already been cut down.
When these forests are gone, they are gone forever.*

When we destroy the old growth forests, it has a domino effect on the entire community -- losing jobs in tourism and salmon fishing; destroying recreational opportunities and hunting and fishing for all of us, and endangering our water supplies

Ancient forests hold a number of known and unknown species which we cannot allow to go extinct. For example, scientists discovered Taxol, a possible cure for breast cancer, in the bark of the yew tree which grows in the ancient forests.

GREENBERG • LAKE

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- A plurality blames exporting raw logs to Japan as the major reason for the loss of timber jobs (35 percent). Close to a quarter blame poor management by the timber companies (23 percent) or poor management by federal agencies (21 percent). Just 13 percent blame environmental policies.
- The top three convincing arguments for protecting old growth forests center on extinction, the relationship between Oregon's economy and the environment and the potential of the forests:

*95 percent of old growth forests have already been cut down.
When these forests are gone, they are gone forever.*

When we destroy the old growth forests, it has a domino effect on the entire community -- losing jobs in tourism and salmon fishing; destroying recreational opportunities and hunting and fishing for all of us, and endangering our water supplies

Ancient forests hold a number of known and unknown species which we cannot allow to go extinct. For example, scientists discovered Taxoll, a possible cure for breast cancer, in the bark of the yew tree which grows in the ancient forests.

GREENBERG • LAKE

THE
ANALYSIS GROUP
INC515 SECOND STREET NE
WASHINGTON DC 20002
202 547 5200

MEMORANDUM

TO: Rahm

FROM: Joe Goode

RE: Forest Conference Survey - Initial findings

DATE: March 24, 1993

- Awareness of the conference is high -- 70 percent say they have heard or read something about the Forest Conference.
- Expectations are high. Better than half of the public (53 percent) believe that the policy that comes out of the conference will be properly balanced between protecting the forest and protecting the timber industry.
- Jobs predominate as the major topic of discussion at the conference -- 42 percent say the most important issue at the conference is protecting timber jobs, 29 percent say protecting old growth forests.
- The public wants balance between protecting the forests and protecting jobs: 89 percent say protecting the timber industry is an important outcome of the conference, 84 percent say protecting the forests is an important outcome. By contrast, just 57 percent say protecting the spotted owl is important.
- Bill Clinton enjoys strong support in the state: he has a mean thermometer score of 59 degrees, 52 percent think he is doing an excellent or good job, 69 percent support his general policies and goals and 59 percent support his economic program.
- Al Gore remains a controversial figure. While he enjoys a mean favorable score of 54 degrees, just 31 percent thinks he strikes a good balance between protecting the forest and protecting lumber jobs. By way of contrast, 51 percent think Clinton strikes a good balance.

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"PREZ"

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Clinton Presidential Records

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

This marker identifies the former location of a 3.5 floppy diskette. The files from this diskette have been processed and are available on compact disc.

The compact disk will be placed in a folder located at the end of this collection in the Electronic Records section.

Collection/FOIA: 2012-0769-F

Diskette Title: Prez

Folder Title: Forest Conference II [1] [OA/ID 2617]

Economic Impacts and Policy Options for Pacific Northwest Forests

March 23, 1993

The old-growth forest controversy has ignited an acrimonious debate about the intrinsic value of ecological resources, the changing circumstances in natural resource-dependent economies, and the role of Federal policies in ensuring the livelihood and economic vitality of rural areas. This background memo will describe the Northwest timber industry and recent economic trends in the region, the economic impact of possible forest management plans, and the policies available to mitigate economic distress caused by reduced timber harvests.

I. THE FOREST-BASED ECONOMY IN THE NORTHWEST: RECENT TRENDS

Timber Harvests

The Pacific Northwest contains some of the most productive and valuable timber sites in the country. The Forest Service manages about 23 million acres of lands in Washington, Oregon, and northern California in the spotted owl range west of the Cascades. In addition, the Bureau of Land Management (BLM) manages about 2.4 million acres in the spotted owl region of western Oregon. About 43 percent of timberland in the affected region is owned by the Federal Government, with the rest in state or private hands.

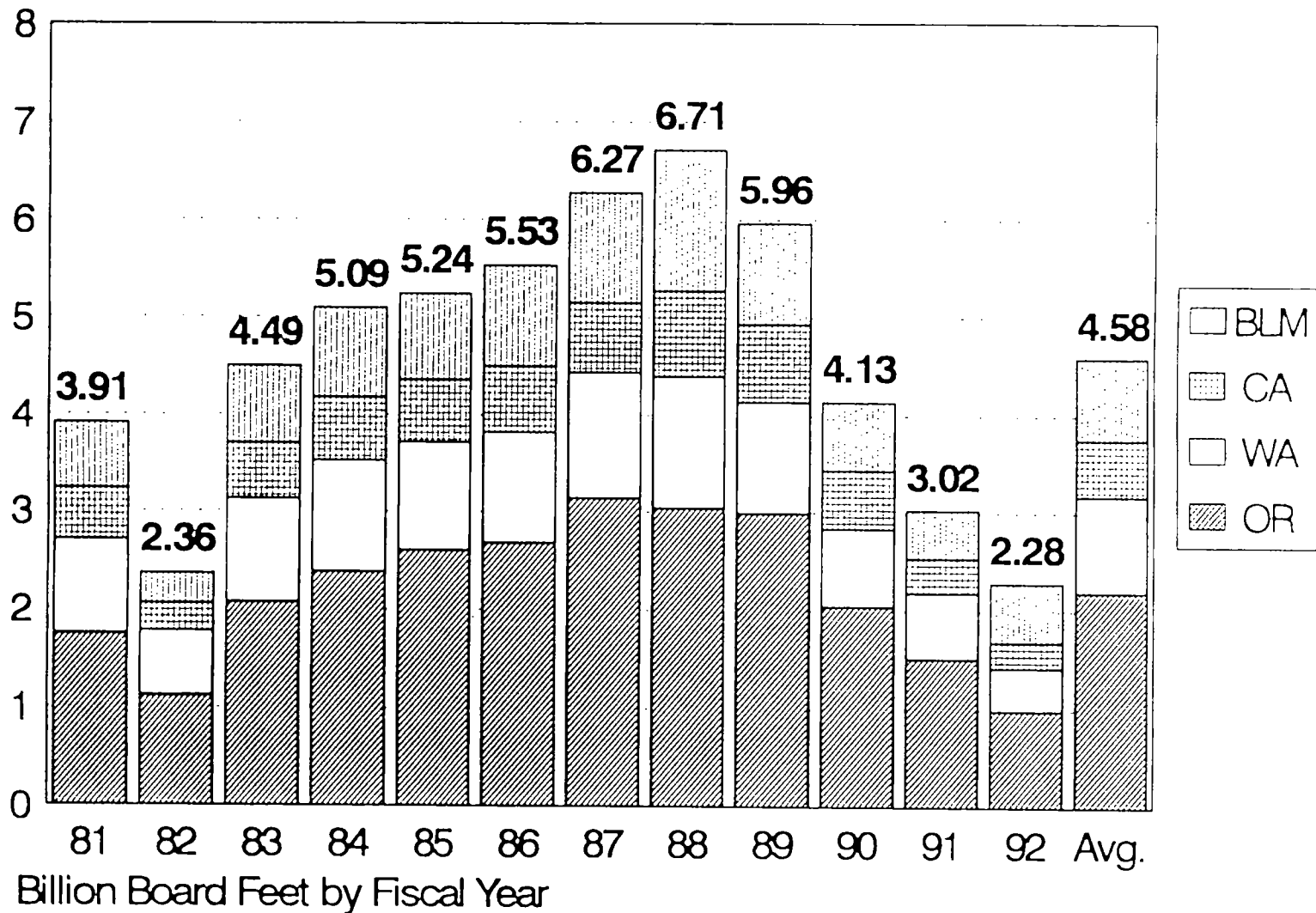
By the late 1980s, Federal lands accounted for more than one-third of the 16 billion board feet (bbf) per year of timber harvested in the region. Timber harvests from Forest Service and BLM lands in the northern spotted owl region grew from a recession low of 2.4 billion board-feet (bbf) in FY 1982 to a peak of 6.7 bbf in FY 1988 (see Figure 1). Two-thirds of this total -- almost 4.5 bbf -- was harvested in Oregon, with National Forest lands contributing more than 3.0 bbf and BLM lands adding another 1.4 bbf. Another 20 percent came from Washington, while 13 percent of the FY 1988 timber harvest in the spotted owl region came from northern California.

Federal harvests in the spotted owl region have plummeted by 66 percent since the FY 1988 peak, due to the recession and the spotted owl and old growth controversy. By FY 1992, the overall Federal harvest in the spotted owl region had fallen to about 2.3 bbf, with the Oregon spotted owl region harvest falling to 1.6 bbf (1.0 bbf from Forest Service lands, 0.6 bbf from BLM).

How important is the Federal timber in the owl region to the U.S. wood products industry? During the 1980s, the northern spotted owl region accounted for more than 30 percent of the lumber

FIGURE 1 Historic Timber Harvest

Northern Spotted Owl National Forests & BLM Districts



produced in the United States. Since about one-third of recent timber harvests in the owl region occur on Federal lands, about 10 percent of domestic timber supply is potentially affected by spotted owl protection.

Employment and Income

The timber industry, though historically important as a source of employment in the northwest, has been declining in importance as other sectors of the economy have grown. In 1970, timber-related jobs accounted for about 10% of total regional employment. By 1989, timber employment was at about 140,000, which represented about 4% of total regional employment.

Labor productivity gains since 1981 have been an major cause of reduced employment in the forest products industry. 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. This labor productivity trend preceded the old-growth controversy; while the spotted owl is often blamed for weak employment in the forest-based economy, the long term projection indicate steady declines in employment for any given level of timber harvest.

While increased mechanization reduces employment, jobs that remain generally require higher skills and would ordinarily command higher wages. However, real wages in the Northwest forest products sector declined during the 1980s, as weak labor market conditions offset potential wage gains from productivity improvements. Wages in the forest product industries have historically been higher than regional average wages, and this difference narrowed somewhat during the 1980s. Remaining wage premiums in the timber industry are at least partly due to the demanding physical work and considerable bodily risk that accompany employment in the sector.

The number of mills has been declining steadily over the past 25 years. In 1968 Oregon had 300 sawmills and California had 216 sawmills. By 1988, these figures had shrunk to 165 sawmills for Oregon and 93 for California, suggesting that the industry contraction predated the current spotted owl controversy. Figures for Washington are similar -- the number of sawmills fell from 182 in 1978 to 118 in 1988, while the total number of wood processing establishments (including veneer & plywood, pulp, shake and shingle plants and other operations) fell from 764 in 1978 to 351 in 1988.

Trade in Timber

By law, logs from Federal Lands cannot be exported abroad, and log exports from western State lands are highly restricted. However, substantial volumes of timber cut from private lands in

the Northwest are exported to Japan, Korea, and China, with minimal domestic processing. Softwood log exports from the region (the Seattle and Columbia-Snake River Custom Districts) rose from 2.1 billion board feet in 1981, peaked at over 3.6 bbf in 1988, and fell to 2.5 bbf in 1991. Exporting raw logs rather than finished lumber products represents foregone value added for U.S. sawmill operators and workers, but increased income to landowners and dockworkers. Large volumes of raw log exports during a period of sawmill closures have prompted environmentalists and labor leaders to push for export constraints on private timber. This is fervently opposed by private landowners and agricultural export interests. Companies that export raw logs receive approximately \$100 million in tax breaks annually from various export promotion incentives. Eliminating these tax preferences on raw log exports could raise additional federal revenues and help maintain employment at domestic milling operations.

The U.S. also imports large quantities of Canadian lumber: about 30 percent of the lumber used in the U.S. comes from Canada. The International Trade Administration of the Department of Commerce imposed a 6.51% countervailing duty on Canadian lumber imports in May 1992. The duty is equal to the estimated Canadian subsidy for lumber production. Both the U.S. and Canadian governments are heavily involved in the timber industry on their public lands, and timber interests on both sides of the border accuse each other side of receiving subsidies. This has been a constant source of dispute under the US-Canadian Free Trade Agreement.

II. RECENT ECONOMIC CONDITIONS IN THE NORTHWEST

Economic Conditions in the Timber Region

Many rural counties, particularly in Washington and Northern California, have had significantly higher unemployment rates than the Northwestern metropolitan areas or the U.S. as a whole. Eight rural counties in Washington, five rural counties in Northern California, and three counties in Oregon had average unemployment rates in the 1984-90 period that were greater than 10%, while the nation as a whole averaged less than 7% unemployment during the same period.

Timber-dependent rural communities were particularly hard hit in the past few years. First, long run trends of increased mechanization and labor productivity have decreased employment in the timber industry, which would have declined even if harvest levels had remained constant. Second, the recession of 1991-1992 reduced the demand for lumber as homebuilding slowed significantly. Finally, Federal timber harvests have dropped sharply due to court-ordered injunctions restricting timber sales as a result of the spotted owl controversy.

The reduction in Federal timber harvests has effected timber-dependent communities in two main ways. First, timber related employment (e.g. logging and milling jobs) has declined and the lost income has depressed economic activity in some areas. Second, many communities that depend on receipts from logging on Federal lands to provide funding for community schools and roads have seen their county budgets fall significantly. The payments to counties in the spotted owl region peaked at \$374 million in FY1990, but had fallen to \$253 million in 1992 (see Figure 2). The counties' share would have fallen more sharply without a "safety net" provision that sets a floor payment of 85% of the FY1986 - FY1990 average payment for each county. The combined impact of reduced labor income and strained public budgets has caused some communities to experience significant economic and social distress.

Although lumber demand is now increasing, timber production in the Northwest is unable to respond fully because of court injunctions blocking Forest Service and BLM timber sales. This has contributed to a recent 70 percent run-up in lumber prices, but is not the sole cause. A recent Congressional Research Service study suggests that several factors are also contributing to the increase in lumber prices. These include regular seasonal price fluctuations (about 10 percent on average), the price increase normally associated with economic recovery in the housing sector (historically pushing prices up by about 30 percent at this point in a recovery) and a recently imposed 6.5% countervailing duty on imported lumber from Canada. Despite these other contributing factors, lumber companies and building industries have blamed the spotted owl controversy for the recent price increases.

Economic Conditions in the Northwest Region

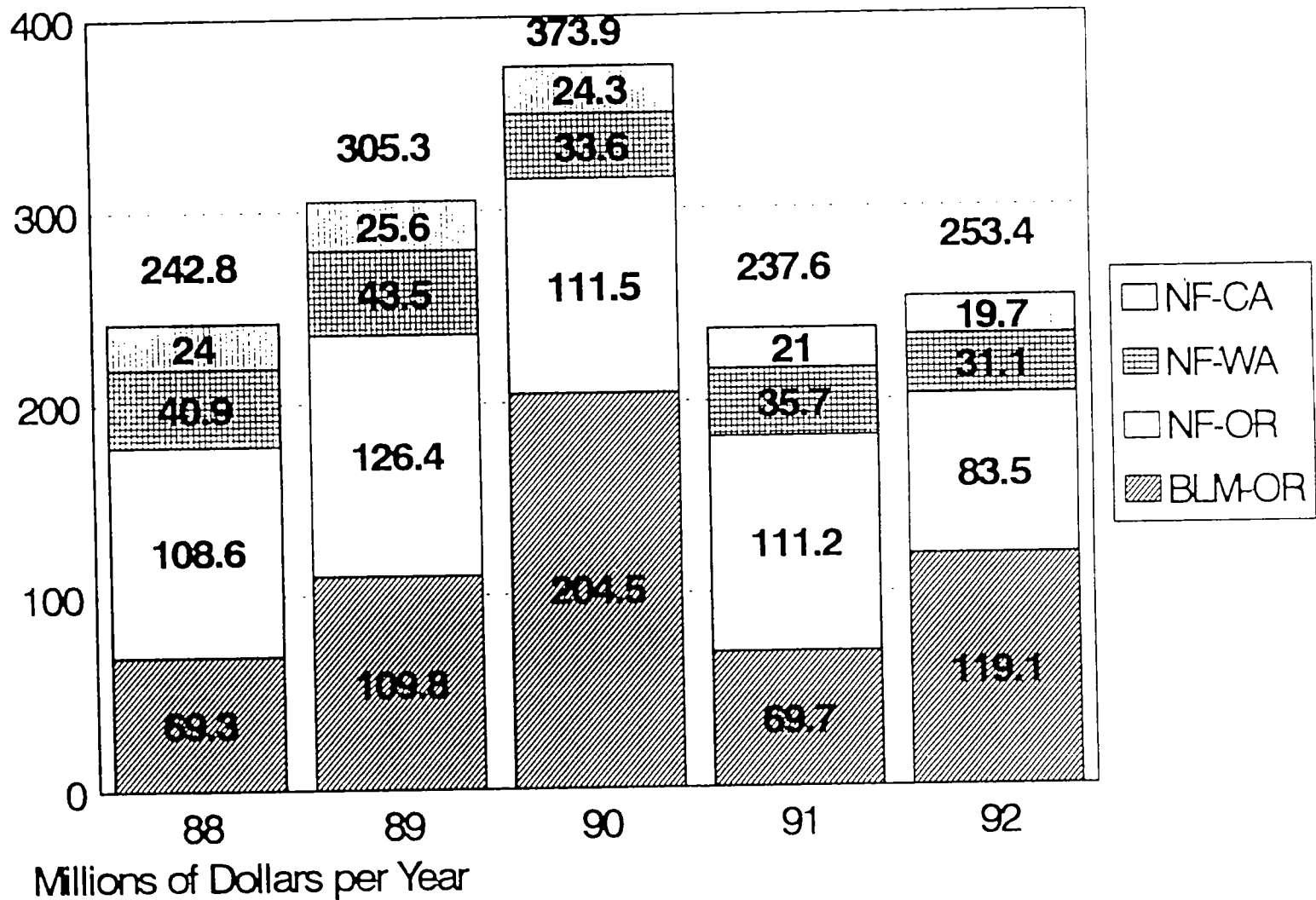
In general, economic growth in the past two decades has diversified a regional economy that was once much more heavily dependent on manufacturing and timber. For example, the percentages of total employment occurring in manufacturing and in the timber industry were significantly lower in the late 1980s than in the early 1970s in all three Northwestern states.

Although 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 Washington and Oregon exceeded the U.S. average in every year since 1986. The recent recession had a relatively mild impact on the overall economies of Washington and Oregon.

Even during the booming Federal timber harvests of the mid-1980s, employment growth in the Northwest was led by non-manufacturing services. Between 1982 and 1989, employment in the services sector grew 35%; employment in manufacturing grew 27%,

Payments to Northern Spotted Owl Counties

BLM and National Forest Lands in OR, WA, and CA



while employment in the timber industry increased by only 13%, even though Federal timber harvests more than doubled. Growth has been especially vigorous in computer services and other high-tech sectors of the economy. The recently announced layoffs at Boeing Aircraft will have a small negative impact on the regional economy, and additional defense cutbacks could also reduce growth in some of the high-wage industries in the region.

Although much of the recent economic growth has occurred in the large metropolitan areas of Seattle-Tacoma and Portland, the economies of non-metropolitan areas also grew vigorously during the 1980s. The trends in employment growth in non-metropolitan areas mirror those of the region as a whole: employment in both services and manufacturing grew 37% between 1982 and 1989. In broad terms, both urban and non-urban areas experienced employment growth during the 1980s, but the rural areas most highly dependent on forest-based industries have experienced significant economic decline during the past five years.

III. IMPACTS OF FOREST MANAGEMENT PLANS

Economic Impacts

The effects of habitat protection need to be clearly distinguished from the effects of other factors affecting the timber industry. Even if timber production on Federal forestland is not restricted to protect habitat, timber industry employment would decline from improved labor productivity and reduced harvest levels. For example, the forest plans in effect before the spotted owl was listed as threatened projected Federal timber harvests to fall to 4.4 billion board feet by the mid-1990s, a level which many analysts still considered unsustainable. Thus, the 1980s average harvest of 5 bbf per year from spotted owl regions were not sustainable; some contractions in output and employment were inevitable.

Prospective forest management plans that protect habitat for the spotted owl and other species restrict the amount of Federal land available for timber production and reduce harvest levels. The economic costs of lower timber sales include:

- Reduced employment in the timber industry, lower profits and closings of lumber mills;
- Lower employment in related industries and in timber dependent communities;
- Lost income while people are unemployed or when they are reemployed at lower wages;

- Smaller contribution to Federal revenues from Federal forests;
- Smaller payments to counties from Federal timber revenues.

Some offsetting benefits will be created by the preservation of forestland and by the market response to higher timber prices likely to result from lower Federal timber harvests, including:

- Higher recreational use and higher aesthetic values in Federal forests;
- Better environmental conditions for salmon and other fish, which helps preserve employment in the commercial fisheries sector;
- Higher timber production and profits from non-Federal lands in the Northwest and other regions. [However, increased timber production in other regions may have adverse environmental effects.]

While there is significant variation in the factors affecting the size of the economic effects, the Department of Interior has developed some rough rules of thumb to estimate the effects of habitat protection. While not universally accepted, the magnitudes lie within the broad ranges cited by other studies:

<u>Economic Indicator</u>	<u>Average Value</u>
Average loss in timber harvest due to land withdrawal:	350 board-feet per acre
Average stumpage value (economic value of timber):	\$350 per 1,000 board-feet
Average timber value lost per acre withdrawn:	\$125 per acre
Average total employment:	14 jobs per million board-feet
(Direct employment)	8 jobs per million board-feet
(Indirect employment)	6 jobs per million board-feet

These relationships are reflected in estimates of the likely effects of new forest plans. For example, the Spotted Owl Recovery Plan would reduce annual Federal timber harvest by roughly 2.4 billion board feet, or about 55% of the projected mid-1990s Federal harvest in the region of 4.4 bbf. [This baseline assumes that no habitat is protected, and is used to estimate the impact of species

protection plans from a no-policy baseline.] A reduction in the Federal timber harvest of this magnitude would:

- Reduce the economic value of timber harvest by 55%, or \$830 million per year;
- Reduce timber industry employment by 30%, or roughly 19,000 jobs
- Reduce (non-metropolitan) related employment by roughly 13,000 jobs;
- Reduce wages earned by displaced workers by \$1.6 to \$1.8 billion;
- Reduce Federal timber sale receipts by \$740 million per year; and
- Reduce the affected counties' share of Federal receipts by \$280 million per year.

There have been some claims that spotted owl protection will cost more than 100,000 jobs in the region, based mainly on different assumptions about related employment effects in metropolitan areas and the effects of Endangered Species Act restrictions on timber harvests on private forestland. On the other side, some analysts assert that losses due to habitat protection will be substantially offset by increased harvests on private lands, increased recreation spending, retirement and second home development, and other economic adjustments to reduced Federal harvests. Economists have not reached consensus regarding the potential economic and job losses from forest management alternatives, and the conference participants are likely to cite radically different estimates to support their views.

The economic conditions in many counties make them particularly vulnerable to the economic effects of lower Federal timber harvests. The factors that limit the ability of rural areas to adjust to a rapid change in its economic base include:

- High dependence on Federal timber harvest for income and on Federal timber payments to counties;
- High percent of land owned by the Federal government, which can limit economic development alternatives;
- Past losses of timber employment and stagnant workforce skills;
- Sluggish employment growth in other sectors.

Estimates of employment losses for the Spotted Owl Recovery Plan

suggest that the following counties would experience the greatest percentage reductions in direct timber employment:

<u>Oregon</u>	<u>Washington</u>	<u>California</u>
Douglas	Chelan	Trinity
Curry	Lewis	Siskiyou
Wasco	Kittitas	Humbolt
Tillamook	Skamania	
Hood River	Clallam	
Lane		
Jackson		

NOTE: See Figure 3, Figure 4, and Figure 5 for maps of affected county locations.

Many of these counties rely substantially on a share of the Federal timber sale receipts for public funds. In some counties, these revenues are a significant percent or even the majority of the total county budget. Based on recent Federal revenue shares in county budgets, the following counties are vulnerable to substantial revenue shortfalls:

<u>Oregon</u>	<u>Washington</u>	<u>California</u>
Josephine	Skamania	Trinity
Douglas		
Jackson		
Curry		
Coos		
Columbia		

Social Impacts

The economic effects of new forest management plans are expected to have significant social effects in timber dependent communities. A substantial part of the job displacement and loss of county revenues will occur in small rural communities that are highly dependent on timber for their economic base. Loss of employment prospects, income loss and the lack of funds for public service are expected to cause substantial stress in families in these communities.

People in these communities have chosen to live and work in the forest environment and hold strongly to a set of values that includes the work ethic and self-reliance. In the past, the timber policies of the Federal Government have assured a sustained flow of timber to support their communities, rather than the boom and bust cycle that has been typical of extractive industries. Some people feel that the reduction in the Federal timber harvest needed to

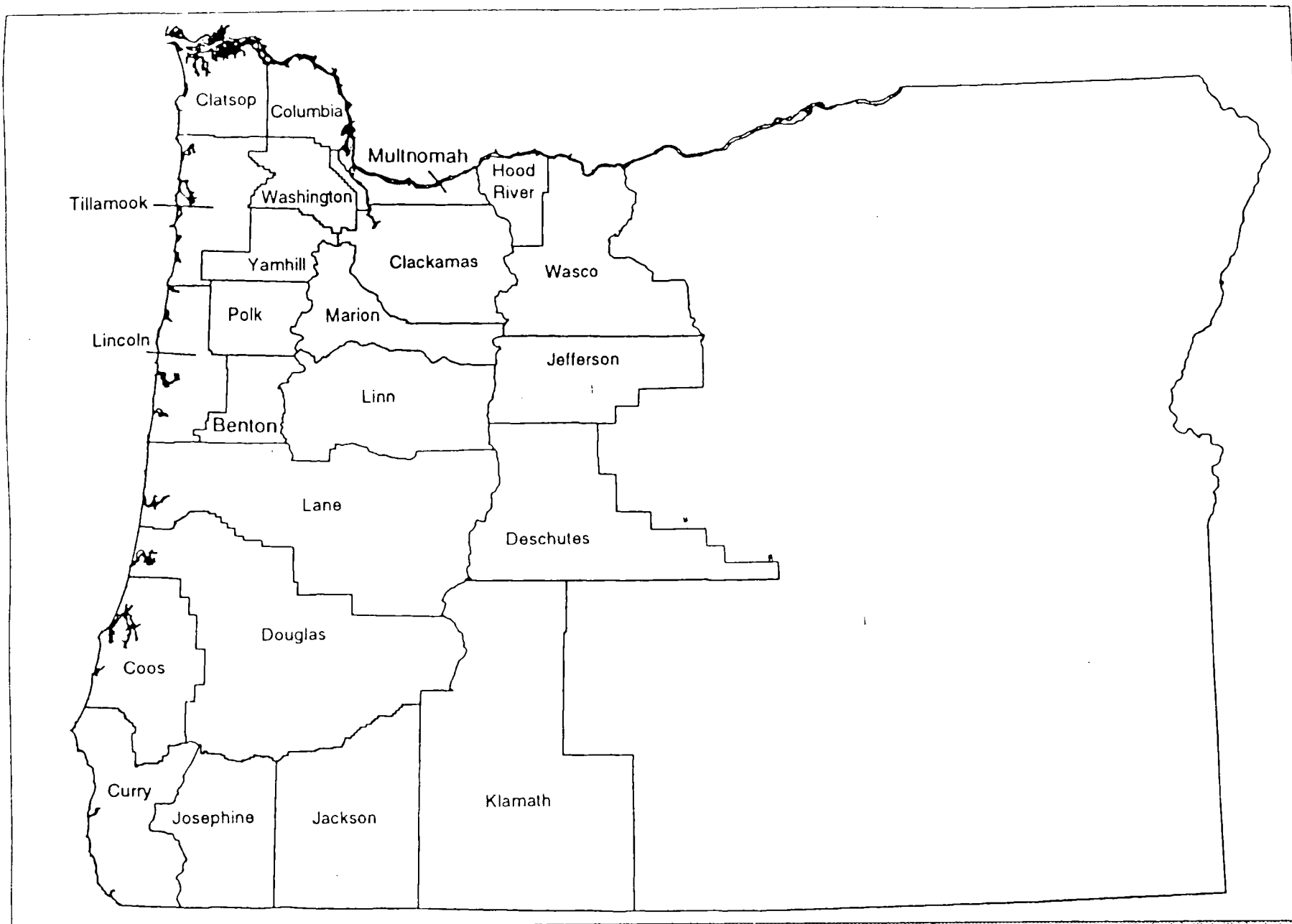


Figure 3. Oregon Counties Affected by Spotted Owl Management Plans

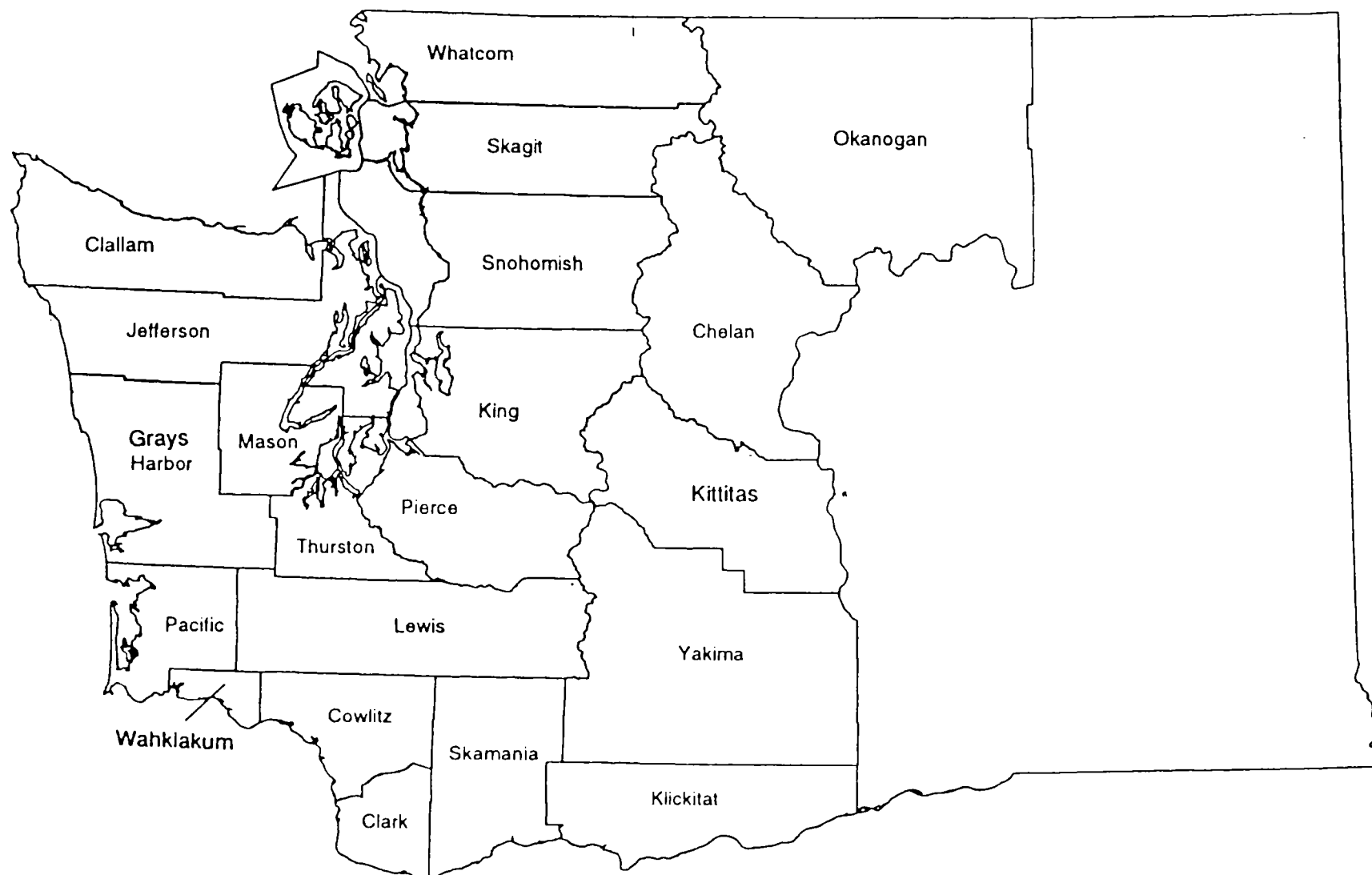


Figure 4. Washington Counties Affected by Spotted Owl Management Plans



Figure 5. California Counties Affected by Spotted Owl Management Plans

protect owl habitat represents a failure by the government to meet its commitment to sustain communities that developed in response to Federal timber policy.

Communities experiencing stressful economic change usually need increased social services such as counseling, job training and relocation, and health care. If such services are not provided, the social costs resulting from the economic stress are generally higher. Many of the social services in timber dependent communities are supported by the funds which the county governments receive from the sharing of federal timber sale receipts. If these receipts are lower because of reduced timber harvest, the lower supply of social services will contribute to higher social costs.

IV. ECONOMIC POLICY OPTIONS TO MITIGATE IMPACT OF PROTECTION PLANS

Depending on overall economic trends and the final forest management plan, additional jobs in the Northwest forest products industry could be lost in the next few years. In order to achieve "no net job loss" in the Northwest, the Departments of Labor, Commerce, Agriculture, Interior, and Housing and Urban Development have a range of "economic tools" in the economic plan currently before Congress to help create jobs and help timber dependent communities. Specifically, the plan contains funds to create several thousand short-term "jobs in the forests" and it contains programs to stimulate rural community and economic development in the long-term. The components in the economic plan are designed to:

- create "jobs in the woods" and rural areas, through reforestation projects, for example;
- promote entrepreneurship through small business/micro-enterprise development;
- stimulate economic diversification for existing businesses;
- strengthen rural communities through community development programs; and
- create opportunities for youth in rural areas.

Many of these proposals depend on individual initiative on the part of workers, entrepreneurs, mill owners and community leaders. If enacted, the stimulus plan and the economic plan will help begin to ease the harsh economic conditions in timber dependent counties as early as this summer. However, depending on the final forest management plan and the level of future timber harvests, additional programs and funding above and beyond the economic plan might be necessary to achieve "no net job loss."

Programs for Workers: Creating "Jobs in the Woods"

In the short term, the stimulus package will create several thousand jobs in rural areas in the Northwest, planting trees and repairing and maintaining roads, campgrounds and parks. If approved by Congress, these programs will fulfill a campaign pledge to accelerate reforestation in order to create jobs in the short term and to improve timber supply in the future. For the Department of Agriculture, the stimulus package includes \$188 million in FY 1993 for Forest Service reforestation projects and repair and maintenance of existing facilities. Of that \$188 million, approximately \$50 million is devoted to work in National Forests in Oregon, Washington and California. According to the Department of Agriculture, these jobs will create approximately 2,500 short-term jobs in Oregon, Washington and northern California.

The economic plan also contains \$46 million in funds for Interior Department programs which will create approximately 3,000 temporary jobs in the Northwest. For example, the plan contains \$5.6 million for reforestation projects in Bureau of Land Management (BLM) Oregon and California (O&C) lands. The plan also has \$9.4 million for BLM road and bridge maintenance and repair in Oregon and California. As for the National Park Service, Olympic, Mount Rainier and Crater Lake National Parks are scheduled to hire additional summer employees as rangers and as laborers for park maintenance and repair. In addition, the Fish and Wildlife Service has requested additional funds for river and watershed restoration programs to improve fish habitat. Lastly, there is \$15 million for reforestation and other natural resource programs on Indian reservations. (There are several large Indian reservations in the Northwest.)

If enacted, the economic plan will also create long-term jobs in infrastructure programs in rural areas. In the Department of Agriculture, the plan authorizes an additional \$180 million in loans and \$120 million in grants in FY 94 for the Rural Development Administration's rural water and waste water treatment programs, with additional funds in FY 95-97. Oregon and Washington will have the opportunity to compete for these loans and grants, along with other rural states. The stimulus package also contains \$2.5 billion for community development block grants. According to HUD, rural communities in Oregon and Washington would receive about \$16 million for rural infrastructure programs.

Stimulating Entrepreneurship in Rural Areas

Because new small businesses are the single greatest engine of job creation in rural areas, the key to rural economic development is creating new small businesses. Most job growth in rural areas stems from "micro-enterprises" which employ one person or a handful of people. In some cases, unemployment prompts motivated

individuals to start their own businesses. One of the participants in the meeting with the timber families in Oregon, for example, was an unemployed logger who started a plastics welding business in his garage.

One of the greatest hurdles for rural entrepreneurs is lack of access to capital. This problem is especially acute in the Northwest, where traditional lenders are concerned about the uncertainty surrounding future timber harvests on federal lands. To overcome the capital gap and to stimulate micro-enterprises, Oregon and Washington have started several revolving loan programs and have supported small business marketing and technical assistance programs. In addition, Washington state received funds from the Department of Labor for a demonstration program to promote entrepreneurship. The program gave unemployment insurance in a lump sum to unemployed people who met certain training criteria.

As outlined during the campaign, the Community Development Plan called for a network of 100 community development banks and 1,000 micro-enterprise programs to stimulate entrepreneurship and to strengthen businesses and communities. In keeping with this guidance, the economic plan contains \$354 million to capitalize community development financial institutions (CDFIs) for both rural and urban areas. A joint DPC/NEC task force is currently working on a plan to create at least 50 community-based lending institutions, but it is unlikely to recommend any in rural areas. The economic plan also contains an additional \$150 million in FY 94 for loans to micro-enterprises to be administered through the Rural Development Administration (RDA).

Another hurdle for entrepreneurs is access to technical and marketing assistance. Both Washington state and Oregon have supported marketing programs and manufacturing extension, modeled after agricultural extension programs. The states have also helped small companies identify new markets, such as the Japanese wood products market, and have promoted "manufacturing networks" where small manufacturers band together for marketing support.

The economic plan also calls for the creation of over 100 manufacturing extension centers. Many local business and political leaders in the Northwest hope that the federal government will support manufacturing, marketing and technical extension services for entrepreneurs as well as small- and medium-sized mills as part of a business development and diversification strategy.

Helping Businesses Diversify

Diversifying into high-value added wood products is another important economic goal. Currently, cutting and exporting one million board feet of timber creates a handful of jobs for one year. However, as many as 20-60 jobs could be created per million board feet per year if that same wood is processed into high-value

added wood products such as cabinets, furniture, modular housing and door and window framing. Some firms are working on innovative recycling programs to recycle phone books and to manufacture pencils from recycled paper. Both Oregon and Washington are trying to help small mills diversify into high-value added wood products markets and to identify new sources of wood supplies, such as alder and tanoak to keep mills operating. However, the states face difficult budget tradeoffs and have not been able to expand these programs to meet the needs in impacted communities.

The plan contains several programs which could promote economic diversification. One of the most popular proposals is to increase the number of manufacturing extension centers, some of which could be geared toward the Northwest wood products industry. The proposed permanent investment tax credit for small businesses would help small mills and other wood product operations retool. The plan proposes a 7% investment tax credit in 1993 and 1994, followed by a permanent 5% investment credit. Rural enterprise zones with wage and investment incentives could also help local industries diversify into high-value added wood products. To create enterprise zones in urban and rural areas, the economic plan calls for \$2.4 billion in outlays over four years for wage and investment incentives to be administered through HUD and USDA. Lastly, the Department of Agriculture has included \$16 million in the economic plan in FY 94 for research to extend "the use of wood as a raw material."

Strengthening Rural Communities

Along with the Community Development Block Grants for rural areas described above, the plan contains several programs to strengthen rural communities as part of the Rural Development Initiative. The Commerce Department's Economic Development Administration (EDA) has \$94 million in the economic plan to help defense dependent communities, south Florida, and riot-damaged parts of Los Angeles. Some of this funding could be designated to help impacted rural communities in the Northwest draw up strategic economic development plans. The economic plan also contains \$300 million in loans to communities in FY 94 for rural development projects, such as rural health care clinics, fire stations and other proposals. These loans will be administered by the Farmers Home Administration. Lastly, the plan proposes a \$30 million increase for Rural Development Administration (RDA) rural development grants in FY 94, with \$50 million increases in future budgets.

Youth Programs

In many rural areas, unemployed adults have taken jobs that have been traditionally filled by youth. In some areas, adults deliver newspapers and work in fast food chains, two areas which have traditionally employed young people. To address youth

employment in general, the Department of Labor is seeking \$1 billion for 700,000 summer jobs nationwide. Presumably, some of these jobs would be filled by young people from rural areas of the Pacific Northwest.

In addition, the economic plan includes \$15 million to begin National Service programs this summer. This funding will support 4-10 National Service sites across the country, based on existing service and conservation corps programs. These sites will be geographically distributed throughout the country and could be in both urban and rural settings. The Pacific Northwest has a very robust network of state, local and county service and conservation corps, including the Oregon Youth Conservation Corps, the Washington (state) Conservation Corps, the Washington (state) Service Corps, the Seattle Conservation Corps and the Washington County (Oregon) Service Corps.

FOREST CONFERENCE BRIEFING BOOK

LEGAL ISSUES

- I. Introduction
 - A. Current Legal Situation
 - B. General Observations
- II. Attachment I - Statutes Affecting Federal Agency Management of Pacific Northwest Old-Growth Forests
- III. Attachment II - Federal Agency Cases Related to Management of Pacific Northwest Old-Growth Forests
- IV. Attachment III - Chronology of Key Actions Relating to the Northern Spotted Owl and Other Northwest Forest Issues

FOREST CONFERENCE BRIEFING BOOK

LEGAL ISSUES

The principal laws that impact forest management in the region are:

The National Environmental Policy Act (NEPA): NEPA requires federal agencies to prepare environmental impact statements (EISs) analyzing the impacts of and alternatives to all agency actions that could significantly affect the quality of the human environment.

The National Forest Management Act (NFMA): NFMA mandates the development of comprehensive land management plans for each unit of the National Forest System. The NFMA overlaps with NEPA to some extent (for example, both require public involvement). NFMA regulations require that the Forest Plans be accompanied by an EIS.

NFMA also requires that regulatory guidelines for Forest Plans "provide for diversity of plant and animal communities...in order to meet overall multiple-use objectives." Forest Service regulations implementing this provision require the agency to maintain the "viability" of native and desired non-native vertebrate species within each planning area (National Forest). The "viability" requirement, independent of the Endangered Species Act, places a heavy scientific and management burden on the agency and may go beyond the requirements of the NFMA.

Laws Applicable Only to the Bureau of Land Management (BLM): The BLM in the Department of the Interior manages significant acreage of old growth forest in Oregon. Like the Forest Service, it is subject to NEPA and the ESA. But it is not subject to the NFMA. Instead, BLM manages most of the Oregon forests under its jurisdiction under the Oregon and California Revested Lands Act (O&C Act, enacted in 1937), and the Federal Land Policy & Management Act (FLPMA, enacted in 1976). These statutes differ somewhat from the NFMA, principally by not containing an explicit "diversity" or "viability" component. BLM prepares resource management plans (RMPs) for its forest lands that serve essentially the same purpose as Forest Service plans.

The Endangered Species Act (ESA): ESA requires federal agencies to conserve species formally identified ("listed") by the Fish & Wildlife Service (FWS) in the Department of the Interior or the National Marine Fisheries Service (NMFS) in the Department of Commerce (for certain fish species such as salmon) as "threatened" or

"endangered." ESA also requires federal agencies that are considering any "action" that might affect listed species to consult first with the FWS or the NMFS. Under the consultation process, FWS or NMFS may suggest restrictions on the action to prevent adverse impact on the species, or may issue a "jeopardy opinion" which, as a practicable matter, likely forecloses a federal action harmful to a listed species.

Under the terms of the ESA, the decision whether to "list" a species (and bring into play the consultation requirements) is determined solely on a biological basis, without considering economic or social impacts. The ESA also requires the FWS or NMFS to designate the "critical habitat" of a "listed" species, and to prepare a recovery plan for the species. These latter two processes may, under the ESA, consider economic factors. They also may trigger the NEPA requirement to prepare an EIS.

As a result of a court order, the FWS in 1990 listed the northern spotted owl (NSO) as an endangered species. NSO habitat overlaps much of the remaining old growth forests on federal lands in Oregon, Washington and northern California. Other species that are directly affected by timber harvesting in old growth forests in the Pacific Northwest have also been listed under the ESA more recently, including a small bird called the marbled murrelet and several species of salmon. These other species may lead to overlapping and/or additional timber harvesting restrictions in the region. In a broad sense, the legal battles over the protection to be accorded all these species are surrogates for the broader dispute over how much old growth forest to preserve from timber harvesting.

CURRENT LEGAL SITUATION

Currently, the Forest Service and the BLM are under separate injunctions restraining most timber harvesting on the lands they manage for failing to prepare or preparing inadequate EISs on various aspects of northern spotted owl (NSO) protection. There are several pieces of litigation brought by various coalitions of environmental groups pending before several different courts in Oregon and California and on appeal before the Ninth Circuit.

The Forest Service, which manages approximately 85% of federal NSO habitat, has been enjoined from offering new timber sales since 1989 on the ground that it has failed to develop an appropriate NSO protection standard, with full compliance with NEPA, to satisfy its species "viability" regulation implementing the NFMA. The latest injunction, entered by federal district Judge Dwyer in Seattle Audubon Society v. Moseley, is on appeal to the Ninth Circuit.

In the meantime, the Forest Service is currently drafting a supplemental environmental impact statement (EIS) under NEPA to correct the deficiencies identified by the federal court. Even assuming no new policy initiatives, the procedural requirements for public

comment will prevent the agency from implementing a new NSO protection standard and returning to federal court before September 1993.

BLM is currently under two injunctions - one under the ESA for failure to consult with the Fish & Wildlife Service (FWS) on its NSO protection strategy (Lane County Audubon Society v. Lujan), and a second for failure to comply fully with NEPA in its preparation of forest resource management plans (Portland Audubon Society v. Lujan). BLM is currently producing new EISs on six Resource Management Plans for lands it administers to cure these defects. The final EISs and plans are scheduled to be finished early this fall.

Significantly, in 1990, BLM took a path different from the Forest Service in dealing with the northern spotted owl on its lands. It adopted what came to be known as the "Jamison strategy," named after Cy Jamison, BLM Director under President Bush. This strategy rejected the constraints recommended by the Interagency Scientific Team (the so-called "Gang of Four" report, prepared by Jack Ward Thomas and three other scientists), and instead rested on the notion that lesser constraints would yield more timber harvesting. Part of this strategy involved seeking exemptions from the ESA requirements for 44 timber sales. In May 1992 the Endangered Species Committee created by the ESA (the so-called God Squad) exempted 13 of the 44 sales.

Environmental groups challenged the God Squad decision, arguing among other things that the White House illegally put pressure on God Squad members to exempt sales. In February 1993, the Ninth Circuit ruled that such pressure, if proved, would make the decision illegal, and it ordered a prompt inquiry into the facts. The federal defendants have sought to stay this inquiry pending the forest conference.

A few other pending lawsuits were brought by local governments or others resisting restrictions on timber harvesting. In one such suit, a federal district court in Oregon recently found that the FWS's failure to prepare an EIS on its designation of critical habitat for the owl violated NEPA (Douglas County v. Lujan).

GENERAL OBSERVATIONS

Compliance by the Forest Service and the BLM with applicable laws in old growth forests has been made more complex by, among other things, (1) the emergence of new scientific information (such as that leading to the listing of new species; e.g., the marbled murrelet); (2) the fact that agency land areas managed by particular agencies do not coincide with the broad landscape areas needed for "ecosystem management;" and (3) the fact that agency management strategies have not been consistent with each other, even though management issues sometimes cross the boundaries of an agency's jurisdiction.

For example, Judge Dwyer found the Forest Service's EIS on its owl strategy inadequate because after its preparation the BLM adopted the "Jamison strategy" and received an exemption from the Endangered Species Committee for some of its timber sales. The effect of BLM's "Jamison strategy" has been to increase, both practically and legally, the constraints on timber harvesting on the national forests. This is because the national forests must provide increased protection for the owl to "pick up the slack" left by the BLM's more timber-production-oriented approach.

Assuming a joint management strategy for old growth forests is developed by the Forest Service, BLM, and FWS, procedural compliance with applicable laws - principally, the requirement to solicit and consider public comments - could require the remainder of this year. Further delay could result from new court challenges and the emergence of new scientific information.

Private Land Timber Management: NEPA, the NFMA, and the O&C Act have no direct applicability to private lands. The court injunctions to date have applied only the first two of these laws, and have involved timber harvesting only on federal lands. (Interestingly, while the ESA has been an underlying factor in most of these cases, the courts are primarily enforcing NEPA and the NFMA in these cases, not the ESA.) The ESA does have some applicability to private lands, however, because it also prohibits anyone (private or public) from "taking" a listed endangered or threatened species. "Take" is defined broadly to include harassment or destruction of habitat. Therefore, companies logging on private land in NSO habitat need to be concerned with the ESA. So far there has been little direct effort to apply the Act to shut down private timber harvesting, but concern about "taking" a protected species during timber harvesting is a growing constraint on private timber management.

ATTACHMENT I

STATUTES AFFECTING FEDERAL AGENCY MANAGEMENT OF PACIFIC NORTHWEST OLD GROWTH FORESTS

March 22, 1993

Endangered Species Act (ESA)

ESA is administered by FWS and (1) requires FWS to list species, subspecies or distinct populations of a species which is in possible danger of extinction; (2) requires FWS to design a Recovery Plan to eventually delist the species and designate critical habitat (in practice often done long after a species is listed, if ever); (3) requires other agencies, such as BLM and FS, to "consult" on actions which may affect a listed species, and to forego actions which receive a "jeopardy" opinion; (4) prohibits "taking" of listed species even on private lands. Current listed species affecting forest policy in the Northwest are the NSO, marbled murrelet, and two runs of salmon.

- **No balancing allowed** between species protection and economic concerns for listing a species or during consultation with federal agencies -- issue is determined by scientific analysis only.
- **Balancing allowed** in Recovery Plans and designation of critical habitat, but the final result must protect the species.
- **Delays and cancellations** result in timber sales and other projects from the consultation, and can even affect on-going projects if a new species is listed or new information becomes available.
- **Additional delays will now occur** because of recent decision in Douglas County v. Lujan which requires an EIS before critical habitat can be designated, and which implies that an EIS would be required before a Recovery Plan is adopted.
- **Additional species may soon be listed** in the Northwest, especially stocks of Salmon and other anadromous fish which are greatly affected by forest practices in watersheds as far inland as Idaho.
- **Consultation must be reinitiated** if agency changes its management or new information becomes available.

National Environmental Policy Act (NEPA)

NEPA requires an Environmental Impact Statement (EIS) on major federal actions significantly affecting the environment, including FS/BLM Plans and individual timber

sales. NEPA presents particularly difficult problems for land management because of continuous development of new scientific information, continuous changes in the land to be managed, and requirements that areas outside the management control of the agency be analyzed.

- **Delays** amending or implementing FS/BLM Plans and Regional Guides by nine months to one year in order to produce a draft EIS, allow for public comments, and produce a final EIS. After Plans are adopted, another EIS (or smaller EA) must be written for each individual timber sale or project.
- **New information** developed after final EIS is written can require the EIS to be supplemented. New information can include a new species being listed under ESA, the publication of new scientific studies about the effects of timber harvesting or the biology of a listed species, or announcement that
- **Injunctions** are often issued by courts against all actions evaluated by the EIS if an EIS is not properly written or has not responded to new information.

National Forest Management Act (NFMA)

Federal Land Policy and Management Act (FLPMA)

These statutes require the Forest Service (under NFMA) and BLM (under FLPMA) to produce comprehensive "Plans" for each national forest or BLM district displaying intended management activities for the next 10-15 years. Regional Guides are created by Forest Service regulation for multi-Forest planning, but cannot replace Forest Plans. Extensive public involvement is required in producing the Plans. After these plans are adopted, timber sales and other projects must be separately proposed and must comply with the plans.

- **Delays in changing management policy** occurs as significant changes in the Plans can require producing a proposed plan amendment, a three month public comment period, and a final plan amendment.
- **New information**, such as the listing of a new species under ESA, can render a plan obsolete and courts may enjoin future management activities until the Plan is amended.
- **Additional protection on Forest Service lands** is required by the "viability" regulation implementing NFMA, which requires FS to manage so as to ensure the viability of species, even those not listed under ESA. The "viability" standard is greater than ESA and places a monumental scientific and management burden on FS. The viability regulation is arguably more extensive than required by NFMA.

Section 314 of FY 1988 and FY 1989 Interior Appropriation Act ("Section 314")
Section 318 of FY 1990 Interior Appropriation Act ("Section 318")

These appropriation riders insulated some BLM and FS timber sales from judicial review under ESA and NEPA. Many of these sales are still proceeding and a few have not yet been sold yet.

Section 322 of FY 1993 Interior Appropriation Act ("Section 322")

Appropriation rider modified the Forest Service appeals process (which was not required by statute) to require administrative appeals on individual timber sales and other projects, along with automatic stays of the project until a decision is rendered.

- **3 1/2 to 5 month delay** will be required before harvesting can begin after a timber sale decision notice is signed.

Other Statutes

Administrative Procedures Act (APA)
 American Indian Religious Freedom Act
 Antiquities Act
 Archeological Resources Protection Act
 Clean Air Act
 Clean Water Act
 CERCLA (Superfund)
 Coastal Zone Management Act
 Federal Insecticide, Fungicide and Rodenticide Act (FIFRA)
 Forest and Rangeland Resources Renewable Planning Act (RPA)
 Migratory Bird Treaty Act (MBTA)
 National Historic Preservation Act
 Resource Conservation and Recovery Act (RCRA)
 Safe Drinking Water Act
 Surface Mining Control and Reclamation Act
 Wild and Scenic Rivers Act
 Wild Horse and Burrow Protection Act
 Wilderness Act

ATTACHMENT II

FEDERAL AGENCY CASES RELATED TO MANAGEMENT OF PACIFIC NORTHWEST OLD-GROWTH FORESTS

March 22, 1993

Northern Spotted Owl Issues

FOREST SERVICE

February, 1989 - Seattle Audubon Society v. Robertson (D. Wash. [Judge Dwyer] & 9th Cir. & U.S. Supreme Court) - Court issued preliminary injunction finding the Forest Service 1988 Spotted Owl Amendment to Regional Guide likely violated NEPA and NFMA viability regulation. Case evolved into Seattle Audubon Society v. Evans.

October, 1990 - Seattle Audubon Society v. Evans (D. Wash. [Judge Dwyer] & 9th Cir., amended complaint from Seattle Audubon Society v. Robertson) - Court found illegal the procedures used to adopt ISC recommendations for NSO management by Federal Register notice. Case evolved into Seattle Audubon Society v. Moseley, but attorneys fees are still pending.

March 6, 1992 - Sierra Club v. Butruille (W.D. Wash. [Judge Dwyer]) - Court found illegal the failure to decide administrative appeals related to NSO issues on three FS Forest Plans. Statutes involved are NFMA, NEPA and APA. Attorneys fees are still pending.

March 25, 1992 - Seattle Audubon Society v. Moseley (W.D. Wash. [Judge Dwyer]) - Court found EIS deficient for 1992 FS Regional Guide Amendment for Northern Spotted Owl for not considering (1) BLM not adopting the ISC strategy and ESC exemption, (2) new NSO demographic information, and (3) the effect of the NSO strategy on the viability of all other species to comply with NFMA viability regulation. Judge Dwyer has issued a broad injunction prohibiting disturbance of suitable NSO habitat in Oregon, Washington and northern California. FS ordered to correct deficiencies in the EIS by August 20, 1993.

BUREAU OF LAND MANAGEMENT

October 19, 1987 - Portland Audubon Society v. Lujan (D. Ore. [Judge Frye] & 9th Cir.) - Court held BLM's failure to supplement EISs for seven Timber Management Plans with new information about NSO violated NEPA, and issued a broad injunction against selling timber until new EIS is produced. Decision pending in 9th Cir.

April 4, 1991 - Lane County Audubon Society v. Jamison (D. Ore. [Judge Jones]) - Court found the failure to consult on the "Jamison Strategy" for NSO protection violated ESA and issued injunction against affected timber sales.

March 3, 1992 - Sierra Club v. Lujan (D. Ore. [Judge Marsh]) - Court held BLM violated ESA by not obtaining ESA consultation on a right-of-way agreement which would facilitate timber harvesting on private inholdings containing NSO habitat.

June 1992 - Portland Audubon Society v. Endangered Species Committee (9th Cir.) - On 2/10/93, court ordered ALJ to be appointed to investigate whether illegal ex parte communication occurred between the White House and members of the Endangered Species Committee.

FISH AND WILDLIFE SERVICE

May 5, 1988 - Northern Spotted Owl v. Lujan (W.D. Wash. [Judge Zilly]) - Court has held that FWS decision to not list the NSO violated ESA and FWS subsequently listed NSO as threatened. Case then evolved into a challenge to FWS not designating critical habitat and FWS has subsequently designated critical habitat. Case has not yet been dismissed.

June 14, 1991 - Sweet Home Chapter of Communities v. Lujan (D.D.C. [Judge Johnson] & D.C. Cir.) - District court denied challenges to certain FWS regulations implementing ESA. Plaintiffs have appealed to the D.C. Cir.

October 1, 1991 - Douglas County v. Lujan (D. Ore. [Judge Hogan]) - Court FWS failure to produce an EIS before designating critical habitat for the NSO violated NEPA. Court is currently considering whether to issue an injunction.

July 31, 1992 - Trinity County v. Lujan (D.D.C. [Judge Holloway Johnson]) - Challenge to FWS critical habitat designation for the NSO for not properly considering economic costs. Oral argument is not yet scheduled.

Marbled Murrelet Issues

FISH AND WILDLIFE SERVICE & FOREST SERVICE

April 17, 1991 - Marbled Murrelet v. Lujan (W.D. Wash. [Judge Rothstein]) - Court found the FWS illegally delayed listing the marbled murrelet under ESA. After FWS listed the marbled murrelet on 9/28/92, plaintiffs challenged FS Forest Plans for compliance with NFMA viability regulation. FS has voluntarily ceased new timber sales of marbled murrelet habitat. Decision is currently pending.

Salmon and Anadromous Fish Issues

FOREST SERVICE

July 1, 1992 - Forest Conservation Council v. Madigan and Mountain State Legal Foundation v. Madigan (D. Idaho) - Section 7 consultation (salmon) and NEPA on a road permit to Yellow Pine, Idaho. Statutes involved are ESA, NEPA, and APA.

August 5, 1992 - Aluminum Co. of America v. Brown et al. (D. Ore.) Challenge to salmon management by FS, FWS, COE, BPA, BLM, and NMFS. Statutes involved are ESA and APA.

October 26, 1992 - Oregon Rivers Council v. Robertson (D. Ore.) - Challenge to failure to consult on Umatilla and Wallaw-Whitman NF forest plans because of 1992 salmon listing. Statutes involved are NFMA and NEPA.

February 22, 1993 - Idaho Conservation League v. Clark (D. Id.) - Challenge to FS grazing permits in the Stanley Basin Sawtooth NF focusing on listed salmon and other fish. Statutes involved are NFMA, NEPA, and ESA.

Old Growth Issues

FOREST SERVICE

May 15, 1992 - Pilchuck Audubon Society v. USFS (E.D. Wash.) - Challenge to Wenatchee, Okanogan and Colville NF Forest Plans on forest health grounds. Statutes involved are NFMA and NEPA.

June 29, 1992 - Save Chelan Alliance v. USFS (E.D. Wash.) - Challenge to timber harvesting in Lake Chelan watershed Wenatchee NF. Statutes involved are NEPA and NFMA.

September 9, 1992 - Oregon National Resources Council v. Lowe (D. Ore.) - Challenge to old growth Forest Plan amendment on Winema NF. Statutes involved are NEPA and NFMA.

APA -	Administrative Procedure Act
BLM -	Bureau of Land Management (Department of the Interior)
ESA -	Endangered Species Act
FS -	Forest Service (Department of Agriculture)
FLPMA -	Federal Land Policy Management Act
FWS -	Fish and Wildlife Service (Department of the Interior)
MBTA -	Migratory Bird Treaty Act
NEPA -	National Environmental Policy Act
NFMA -	National Forest Management Act
NSO -	Northern Spotted Owl

ATTACHMENT III

CHRONOLOGY OF KEY ACTIONS RELATING TO THE NORTHERN SPOTTED OWL AND OTHER NORTHWEST FOREST ISSUES

March 22, 1993

- | | |
|----------|--|
| Jun 1960 | Congress enacts Multiple-Use, Sustained Yield Act (MUSYA) ratifying Forest Service's renewable resource policy and granting broad discretion to consider the relative values of the various resources. |
| Sep 1964 | Congress enacts the Wilderness Act providing for preservation of certain areas of public lands untrammelled by man. |
| Dec 1969 | Congress enacts the National Environmental Policy Act (NEPA) with an action forcing provision for detailed statements for major federal actions significantly affecting the quality of the human environment. |
| Dec 1973 | Congress enacts the Endangered Species Act (ESA) providing for listing of threatened and endangered species, Federal agency consultation on actions affecting, duty to conserve, prohibitions on taking, critical habitat designation and recovery plans. |
| Aug 1974 | Congress enacts Forest and Rangeland Renewable Resources Planning Act (RPA). Establishes President's Statement of Policy, 10-year Renewable Resources Program, 5-year Resources Planning Act Program (RPA Program) and provides for "unit planning." |
| Oct 1976 | Congress amends RPA and enacts specific land use planning requirements for Forest Service in the National Forest Management Act (NFMA), and enacts the Federal Lands Policy and Management Act (FLPMA) for the Bureau of Land Management. NFMA and FLPMA provide no express direction on coordination with other land management and environmental protection laws or judicial review of agency actions. |
| Nov 1978 | Congress amends ESA adding notice and comment for listing, consideration of social and economic values in critical habitat designation, and creates the Endangered Species Committee. |
| Sep 1979 | USDA publishes NFMA Forest Planning Regulation with a provision for fish and wildlife habitat to be managed to maintain viable populations of all existing native vertebrate species. 36 CFR 219.12(g) (1979). The viability regulation was amended in 1982. 36 CFR 219.19 (1992). |
| Aug 1983 | USDA establishes sensitive species policy to maintain viable populations of |

existing native and desired non-native plants, fish and wildlife species.

- Mar 1984 Forest Service adopts guidelines for managing NSO habitat on national forests in Washington and Oregon as part of Region 6 Regional Guide to fulfill NFMA viability requirements.
- Oct 1987 PAS v. Hodel (D. Ore.) filed alleging the BLM's practices in Oregon and California violate NEPA, the O&C Act, FLPMA, and MBTA.
- Dec 1987 Congress enacts Section 314 of the FY 1988 Interior Appropriations Act to prohibit judicial review of BLM timber plans that do not incorporate new information.
- Apr 1988 Court dismisses PAS v. Hodel on the grounds that it constitutes a "new information" claim of the type Section 314 prohibits.
- May 1988 Environmentalists file Northern Spotted Owl v. Hodel (W.D. Wash.) alleging that Fish and Wildlife Service (FWS) decision not to list the NSO violates ESA.
- Sep 1988 Congress reenacts Section 314 without change in the FY 1989 Interior Appropriations Act.
- Oct 1988 Congress amends ESA. Requires notice and opportunity for public comment on Recovery Plans.
- Nov 1988 Court rules in NSO v. Hodel rules the FWS decision not to list the NSO violates ESA and gives FWS until May 1, 1989 to reconsider its decision.
- Dec 1988 Secretary of Agriculture orders reconsideration of NSO protection and the Forest Service adopts the Spotted Owl Habitat Area (SOHA) approach to management of NSO habitat with an Environmental Impact Statement (EIS).
- Jan 1989 Ninth Circuit reverses the April 1988 ruling in PAS v. Lujan and remands it for further proceedings.
- Feb 1989 Timber industry and environmental groups file challenges to the Forest Service's December 1988 NSO Regional Guide amendment.
- Mar 1989 Court issues a preliminary injunction against the Forest Service in SAS v. Robertson because the SOHA strategy likely violates NFMA and NEPA.
- May 1989 In PAS v. Lujan, court finds BLM violated NEPA by failing to consider new information about the NSO, but that such claims were prohibited by Section

314.

- Jun 1989 FWS proposes to list the NSO as a threatened species.
- Sep 1989 Ninth Circuit affirms ruling in Portland Audubon Society that Section 314 strips the courts of the ability to hear any NEPA challenge to the BLM's timber sale program. However, it reverses ruling on non-NEPA claims, dissolves the temporary injunction pending appeal, and sends the case back to the district court for further proceedings.
- Oct 1989 Congress adopts Section 318 of the FY 1990 Interior Appropriations Act, which attempts to insulate Forest Service and BLM timber sales from judicial review. The Forest Service is ordered to revise its NSO protection by September 30, 1990. Section 312 of the Interior Appropriations Act contains the same language that was in Section 314 of the FY 1988 and 1989 Acts.
- Oct 1989 Forest Service and BLM ask courts to dismiss SAS v. Robertson and PAS v. Lujan in light of the Section 318 legislation.
- Nov 1989 Court lifts preliminary injunction against the Forest Service in SAS v. Robertson.
- Dec 1989 Court dismisses PAS v. Lujan.
- Feb 1990 Ninth Circuit rules that even challenges to individual timber sales are barred by Section 312, allowing those sales specified by Section 312 to proceed.
- Apr 1990 Interagency Scientific Committee (ISC), known popularly as the Thomas Committee, releases its report proposing a joint federal strategy to conserve NSO habitat.
- Jun 1990 FWS lists the NSO as threatened, but does not also designate "critical habitat".
- Sep 1990 Ninth Circuit rules that Section 318(b)(6)(A) of the FY 1990 Interior Appropriations Act is unconstitutional because it impermissibly interferes in ongoing litigation by telling the courts how to rule in two specific cases involving Forest Service and BLM management of the NSO. Supreme Court reversed the Ninth Circuit.
- Sep 1990 The BLM announces the "Jamison Strategy" for NSO protection and timber harvesting rather than the ISC strategy adopted by the Forest Service.
- Sep 1990 Department of Agriculture announces in the Federal Register its intent to

"conduct timber management activities in a manner not inconsistent" with the ISC report and in full compliance with ESA.

- Feb 1991 In NSO v. Hodel, Court rules that the FWS violated ESA by not designating critical habitat concurrent with the listing of NSO without EIS.
- Mar 1991 In SAS v. Evans, court finds the Forest Service violated NFMA regulations by not preparing an EIS while adopting ISC.
- Apr 1991 Lane County Audubon Society v. Jamison (D.Ore.) is filed challenging the BLM's failure to consult with FWS on the "Jamison Strategy" (Lane County).
- May 1991 U.S. House of Representatives Committee on Agriculture and Committee on Merchant Marine and Fisheries requests assistance of scientific panel, known as the "Gang of Four", to identify alternative strategies for protection of old growth forest ecosystems and the NSO.
- May 1991 In SAS v. Evans, court issues an injunction against timber sales of suitable NSO habitat in 17 national forests until the agency complies with NEPA and NFMA procedures and adopts a plan for protecting the NSO and orders the agency to have the new protection in place by March 5, 1992.
- Jun 1991 FWS proposes listing the marbled murrelet as a threatened species in Washington, Oregon and northern California.
- Jul 1991 In PAS v. Lujan, court rules that Section 312 of the bars "new information" claim against BLM under NEPA.
- Sep 1991 In Lane County, court rules that the BLM violated the ESA by failing to consult with FWS on the Jamison Strategy. The BLM is enjoined from implementing the Strategy until it consults with FWS regarding its impact on the NSO.
- Sep 1991 Secretary Lujan convenes the Endangered Species Committee to review BLM's application to exempt 44 timber sales under ESA.
- Sep 1991 Forest Service releases its draft EIS and NSO management plan as required by NFMA regulations and NEPA to comply with May 1991 order in SAS v. Evans.
- Dec 1991 In NSO v. Hodel, the court denies the FWS request to further delay designating critical habitat for the NSO.
- Dec 1991 Ninth Circuit upholds the May 1991 ruling and injunction in SAS v. Evans. Ninth Circuit also reverses the July 1991 ruling in PAS v. Lujan that Section

314 is still in effect and remands the case back to the district court to consider whether BLM has complied with NEPA in preparing its timber sale program.

- Mar 1992 Ninth Circuit upholds the September 1991 ruling in Lane County holding that the BLM violated the ESA by refusing to consult with FWS on the Jamison Strategy. The court also enjoins any future BLM timber sales until the BLM consults with FWS on the individual sales, on the Jamison Strategy, and on any other NSO conservation plan, including the existing timber management plans.
- Mar 1992 Assistant Secretary Moseley signs a ROD and EIS to fulfill the procedural requirements of May 1991 order in SAS v. Evans. Similar to the September 1990 Federal Register announcement, it adopts a NSO protection strategy on Forest Service lands not inconsistent with ISC.
- Mar 1992 A new lawsuit is filed in federal district court in Washington challenging the Record of Decision issued by the Forest Service on grounds that the agency failed to comply with NFMA and NEPA, Seattle Audubon Society v. Moseley (W.D. Wash).
- May 1992 Endangered Species Committee grants an exemption for 13 of the 44 BLM timber sales at issue, with the condition that the BLM abide by the NSO recovery plan until it adopts its new 10-year forest management plans (RMPs).
- May 1992 NMFS lists salmon stocks under ESA. First Salmon case filed August 1992. There are currently several lawsuits regarding salmon protection involving FWS, NMFS, FS, BLM, U.S. ACE, and BPA. The lawsuits allege violations of the ESA, NEPA, APA, and NFMA viability regulations.
- May 1992 The Department of the Interior releases its draft recovery plan for NSO.
- May 1992 In SAS v. Moseley, the court rules that EIS violated NEPA because it failed to consider: (1) the BLM ESC exemption, (2) new demographic NSO information, and (3) low viability rating of other old growth species. The court issues a preliminary injunction against new Forest Service timber sales in NSO national forests.
- Jun 1992 In PAS v. Lujan the court rules that BLM violated NEPA by refusing to update its forest management plans to reflect the impact of logging on the NSO and its habitat. A permanent injunction is issued that halts all new BLM timber sales in NSO habitat in Oregon until the agency updates its plans.
- Jun 1992 Ten environmental groups file Portland Audubon Society v. Endangered Species Committee (9th Cir.) seeking to overturn the Endangered Species

Committee's decision to exempt 13 timber sales in Oregon (PAS v. ESC).

- Jul 1992 The court issues an injunction in SAS v. Moseley barring any new Forest Service timber sales in NSO habitat in Regions 5 and 6 until revised standards and guidelines complying with NEPA and NFMA are in effect.
- Jul 1992 Chief of the Forest Service orders a Scientific Analysis Team (SAT), led by Jack Ward Thomas, to examine several scientific issues related to SAS v. Moseley.
- Aug 17 1992 In SAS v. Moseley, the court rejects a Forest Service request to lift the injunction barring logging of NSO habitat and orders it to complete a new ROD by August 10, 1993 and to provide the court with compliance progress reports on November 20, February 26 and May 21.
- Sep 15 1992 In Marbled Murrelet, the court rules that FWS delay in listing the marbled murrelet violates ESA. The marbled murrelet habitat overlaps with NSO habitat along the Pacific coast.
- Sep 28 1992 FWS lists the marbled murrelet as a threatened species.
- Nov 20 1992 In SAS v. Moseley, the Forest Service reports to the court that the SAT is analyzing the scientific issues and a committee has been appointed to preparing a Draft Supplement to the Environment Impact Statement on Management for the NSO and filed a schedule for complying with the court order.
- Dec 04 1992 In Douglas County v. Lujan, the court rules that FWS failed to comply with NEPA when designating critical habitat for the NSO.
- Jan 13 1993 Forest Service announces Interim Guidelines to amend the Regional Guide and 11 Forest Plans to provide protections for the California Spotted Owl (CSO). The Interim Guidelines are expected to be in effect for two years while a more permanent strategy is developed and significantly reduce timber harvest in the Sierran Province of California to comply with the NFMA viability regulation. Because of the additional protections, the FWS does not list the CSO under ESA.
- Jan 28 1993 Forest Service announces that it will not offer any additional timber sales in marbled murrelet habitat until its scientists can complete a habitat conservation assessment study and more permanent strategy can be developed.
- Feb 10 1993 In PAS v. ESC, Ninth Circuit orders appointment of an Administrative Law Judge to determine whether ex parte communications occurred in the 1992

ESC consideration of the BLM exemption application.

- Feb 26 1993 In SAS v. Moseley, the Forest Service reports to the court that it is working on the Draft EIS and that an announcement on a Forest Conference is expected soon. The Forest Service offers to file another status report on March 19.
- Mar 10 1993 White House announces the President will convene a Forest Conference on April 2 in Portland.
- Mar 19 1993 In SAS v. Moseley, the Forest Service reports to the court that it is releasing the SAT report but that it will be unlikely to meet the August 20, 1993 deadline for producing a new ROD and EIS.
- Mar 19 1993 FWS sends a pre-draft Biological Opinion to the Forest Service giving "jeopardy" opinions on 102 timber sales, all Section 318 sales. 96 "jeopardy" opinions are for impacts to marbled murrelets and 6 are for impacts to NSO.

Political Background:
The Pacific Northwest Forest Conference

1. Overview

The controversy and political debate surrounding how to best manage and protect the Pacific Northwest's forests has been raging for more than five years. Government handling of the Northwest forest crisis has made the situation a struggle between environmental protection and job preservation. It has pitted management and labor against environmentalists; rural dwellers against urbanites.

The recent release of a scientific report from the U.S. Forest Service--on environmental impacts of forest management on spotted owls--addresses a need for a more comprehensive ecosystem approach to forest management in the Northwest. This report will continue to fuel the panic within both labor and industry that if science prevails, little or no federal timber will be harvested, though realistic environmental concerns and existing law may in fact require severe reductions in harvest levels.

That report, it should be noted, was produced because of a court order--part of an increasingly tangled web of lawsuits and court decisions prompted by the sloppy and confused policy of the Bush Administration and the strong views of those on every side of this controversy.

This struggle also hit a cultural nerve. The scientific need for forest ecosystem protection now threatens the timber industry and timber communities--long an important part of the region's economy and its heritage. People who have made their livelihoods in the forests are strong, proud and independent; like those in the defense industry, they are facing a difficult economic transition.

The Northwest forest crisis is also a symbol of the changing Western landscape. It graphically depicts how limited and precious our natural resources have become. The days of unmanaged consumption of a seemingly endless supply of resources appear to be running out. And the broader symbol of what the crisis represents has become national--even international--in scope.

2. The 1992 Presidential Campaign

The forest issue played into the Clinton/Gore presidential campaign strategy in the region, particularly in Oregon and Washington. (Though Northern California has many timber-dependent communities, the issue was not as prominent.)

In an attempt to pull off Reagan Democratic voters in the region, George Bush attacked candidates Clinton and Gore as environmental extremists who cared more about spotted owls than about helping people and protecting their jobs.

Forest Conference/2

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THE FOREST CONFERENCE BACKGROUND

The controversy centers on 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.

The Forest Conference represents an urgent and critically needed step toward a comprehensive and balanced long-term policy that recognizes the importance of the timber industry to the economy and jobs in the region as well as the importance of America's old growth forests that are a part of our national heritage. In addition, the Conference represents an opportunity to demonstrate that economic health does not need to be sacrificed to -- but in fact depends on -- sound environmental policies. Here, the timber industry is in crisis because environmental laws were not followed.

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 (and the living things dependent on them) as well as the needs of the workers, businesses, and communities dependent on timber sales. 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. Most remaining old growth forests are on these federal lands. Old growth forests are those at least 200 years old or older. Nearly 90 percent of the region's old growth forests already have been logged.

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

FEDERAL FOREST LANDS:

The vast coniferous forest ecosystem of the Pacific Northwest and northern California has provided the foundation for the region's economy for the past century. Currently, the timber industry accounts for only 4 percent of employment in the region. However, some rural areas depend almost totally on forest industries. Across the region, forest products industries provide more than 140,000 jobs and bring billions of dollars into the regional economy. In addition, local communities receive between \$200 and \$500 million dollars annually from federal timber sales.

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 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 their health 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.

NORTHERN SPOTTED OWL

Summary:

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.

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." Currently, because of court action, almost all timber sales on National Forests and BLM lands in the region have been delayed.

Background:

Using the Endangered Species Act (ESA) and "viable populations of species" standard of 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. National Forest Management Act regulations call for maintenance of **viable** populations of native vertebrates **well distributed** within the area.

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.

These court decisions and legislation passed in the 1970s, such as NEPA and ESA, have caused a significant de facto policy shift from management of federal forests as commodities to management for conservation.

In the wake of this shift as well as economic conditions, federal timber harvests in western Oregon, Washington, and northern California have gone from a 10-year annual average of 5 billion board feet (bbf) to 2.3 bbf in 1992. Timber harvests from Federal lands in the region peaked in FY 1988 at 6.7 bbf.

Timber contracts sold and available for harvest from Federal lands now total approximately 2.3 bbf. These will likely be harvested in 1993. Accordingly, the forest industry is about to exhaust available supply of timber from federal lands when this 2.3 bbf is cut this year. The Forest Service has approximately 2.2 bbf "in the pipeline," that is ready to be sold in FY 93 and available if injunctions were lifted. Without new timber sales in the summer

and fall of 1993, workers in all segments of the industry will face massive layoffs.

SCIENTIFIC ANALYSIS TEAM REPORT

The scientific understanding of 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.

It is important to bring your attention to the most recent scientific assessment on this issue, which was released last Friday, March 19. This report was prepared by a team of 24 government scientists (called the Scientific Analysis Team (SAT)) in response to a court order. The conclusion of these scientists is that significant acreage (no specific numbers) of public forest land will need to be protected if old growth species are to survive.

The SAT report responds to specific questions raised by Judge Dwyer. The team considered not just protection of the spotted owl, but protection of the entire old growth ecosystem as a way to prevent a piecemeal and crisis-driven approach to land management. Its conclusions identify some 482 additional species that rely on old growth forests. The scientists on the panel concluded that land managing agencies should adopt the following measures to meet requirements of the ESA and NFMA:

- 1) build on the ISC Strategy to protect spotted owls;
- 2) create Riparian Habitat Conservation Areas along streams and lakes to protect anadromous and resident fish;
- 3) reserve all suitable habitat within 50 miles of the coast (35 miles in southern Oregon and California) to protect marbled murrelets.

This information will be an important part of the forest conference debate. Environmental interests will speak in support of its conclusions while industry and labor groups will question them.

THE FOREST CONFERENCE

The Forest Conference fulfills a promise President Clinton made to people in the northwest to bring all sides in the controversy together to break the gridlock and work toward a solution. This is not a forum for policy making, but instead, is a forum for the issues to be examined and discussed. The people in this region, regardless of where they stand in this controversy, have taken President Clinton's campaign promise very seriously. They have responded well to the announcement that the conference he promised will be held.

Work on the conference began during the transition. Since the election, the transition team has requested input from more than 1,500 people regarding the conference process and outcome. More than 400 people responded. Currently, we continue seeking broad public participation, working with elected officials at every level, with organized labor, with timber and other industry representatives, with environmentalists, with community interests, and others.

Specifically, the conference will:

- o enable the President, Vice President, and Cabinet Secretaries (Babbitt, Espy, Reich, R. Brown, Browner, Gibbons) to learn about the forest management and local community dependence on forest industry.
- o hear from affected individuals and experts;
- o identify opportunities for innovative solutions to forest management, alternative economic development, and displaced worker assistance;
- o provide you a public opportunity to direct Cabinet officials to work together to develop an Administration plan to submit to Congress, if necessary, which will enable timber sales to proceed.

Agenda:

The format for the conference itself is based on the roundtable discussions of the economic conference, where President Clinton and Vice President Gore were directly involved in the discussion and sat with participants (rather than separated from them as in a hearing-style format). The conference itself is divided into three "round tables." Our planning assumed it was most important to directly involve the President and Vice President first in a comprehensive discussion of the impacts on the people and the communities in the northwest and northern California; that is the substance of the first roundtable.

MESSAGE:

The single most important message we must communicate prior to, during, and after the conference is BALANCE. We must demonstrate that President Clinton is committed to a balanced and comprehensive long-term policy that recognizes the importance of the timber industry to the economy and jobs in the region as well as the importance of America's precious old growth forests that are part of our national natural heritage.

It does not make sense (and, in fact, would be destructive) to have the Conference turn into a debate as to how many board feet of timber should be cut from Federal lands. In addition, because people in the region already believe we care about the environment, it is especially important we focus on and show an interest in economic issues. If we succeed in reassuring those in the northwest and northern California that we will be fair and balanced, that we care and understand their problems, then it will be infinitely easier to craft a final policy.

OUTCOME:

At the end of the Conference, President Clinton will direct his Cabinet to develop a comprehensive Administration proposal based on broad principles which will become clear during the Conference. The principles will include a commitment to comply fully with existing laws and regulations. The charge will be to break the gridlock that has blocked resolution and develop a balanced approach to managing Federal forest lands in a way that provides certainty regarding timber sales and meets conservation goals.

A thorough policy review is already underway. Staff in the Departments of Agriculture, Interior, Commerce, and Labor are diligently working together to develop the comprehensive Administration package. The objectives of the Administration proposal will be to:

- 1) provide a short-term solution to the timber supply crisis;
- 2) direct Federal agencies to adopt long-term land management practices that are consistent with the best scientific information on the conservation of biological diversity, including protection of endangered/threatened species habitat;
- 3) assist communities to develop alternative bases for local economies;
- 4) assist displaced workers find new employment commensurate with their skills;

Agencies are likely to have authority to implement much of the proposed package. However, some components will require legislation. We expect to have the comprehensive package developed by June 1.

KEY PLAYERS:

Forest Service (Department of Agriculture) manages approximately 23 million acres of National Forest lands in Washington, Oregon, and northern California in the range of spotted owls. Approximately 6 million acres are spotted owl habitat.

Bureau of Land Management (Department of the Interior) manages approximately 2.4 million acres of forest lands in western Oregon and California. Approximately 1.0 acres are northern spotted owl habitat.

Fish and Wildlife Service (Department of the Interior) implements the Endangered Species Act. It consults with Federal agencies to assure that their activities "do not jeopardize the continued existence" of endangered or threatened species.

Forest industry as represented by numerous trade associations on behalf of a variety of (often competing) interests, such as large forest product companies, small mill operators, loggers, truckers, and home builders. They seek continued timber sales from Federal lands at historic levels.

Environmental groups (Ancient Forest Alliance, Wilderness Society, National Audubon Society, National Wildlife Federation, and others) have forced Federal agencies to list endangered or threatened species and fully comply with procedural laws (National Environmental Policy Act and NFMA) to protect environmental amenities. They seek to protect endangered species habitat in remaining stands of old growth forest ecosystems and identify new methods of logging which are not as environmentally damaging.

Organized labor as represented primarily by the Brotherhood of Carpenters have sought to assure continued harvests from public lands at historic levels. They also seek increasing assistance programs for displaced workers.

County and local governments depend on sales of timber from Federal lands as the basis for payment-in-lieu-of-taxes. They generally favor continuing sales at historic levels or having Federal payments remain constant through other means.

Congress has been unable to resolve this issue after several attempts. Jurisdiction is divided among three House committees (Natural Resources, Agriculture, and Merchant Marine and Fisheries) and three Senate committees (Agriculture and Forestry Committee and

Energy and Natural Resources Committee). Key individuals include Speaker Foley, Committee chairs Bennett Johnston, Patrick Leahy, and Max Baucus in the Senate and George Miller, Kika de la Garza, and Gerry Studds in the House, as well as leading Members of delegations.

Governors in Oregon and Washington have consistently called for a balanced approach to resolving the issue. They are tired of Federal mismanagement and gridlock.

KEY TERMS:

"Certainty" implies a legislative remedy to the current situation which will mandate that certain timber harvest levels are guaranteed and beyond legal challenge by environmental or industry groups. The guarantee may apply for a limited or indefinite period. Industry and labor groups favor "certainty"; environmentalists oppose it.

Gang of Four (Report) was prepared by four leading independent scientists (Norman Johnson, Jack Ward Thomas, Jerry Franklin, and John Gordon) to provide options for management and protection of old-growth forest ecosystems and species which depend on them. Delivered to Congress in October 1991.

ISC (Interagency Scientific Committee) was composed of leading Federal forest and wildlife scientists, and chaired by Dr. Jack Ward Thomas. The Strategy centered around protecting blocks of owl habitat called Habitat Conservation Areas (HCAs) and protecting other areas which provided suitable habitat. The ISC delivered its report in April 1990.

Old growth forest describes tracts of virgin coniferous Douglas fir-Sitka spruce forest on the west side of the Cascade Mountains. Forests attain old growth characteristics after about 200 years.

"Sufficiency" implies a legislative solution to the issue wherein Congress specifies that a particular land management strategy sufficiently meets environmental statutes, thereby circumventing judicial review. Legal "sufficiency" provides "certainty" of timber sales at a specific level.

FOREST CONFERENCE TALKING POINTS

- PRESIDENT CLINTON AND VICE PRESIDENT GORE ARE COMMITTED TO A BALANCED AND COMPREHENSIVE LONG-TERM POLICY THAT RECOGNIZES THE IMPORTANCE OF THE TIMBER INDUSTRY TO THE ECONOMY AND JOBS IN THE REGION AS WELL AS THE IMPORTANCE OF AMERICA'S PRECIOUS OLD GROWTH FORESTS THAT ARE A PART OF OUR NATIONAL HERITAGE.
- THE FOREST CONFERENCE REPRESENTS A CRITICAL, AND URGENTLY NEEDED STEP TOWARD THAT BALANCED APPROACH. WE WILL NOT IN ONE DAY FIND THE ANSWERS TO PROBLEMS THAT HAVE BEEN BUILDING FOR YEARS, BUT WE WILL BRING TOGETHER ALL THOSE WHO HAVE AN INTEREST IN THESE ISSUES TO BEGIN WORKING TOWARD SOLUTIONS -- NO SMALL ACCOMPLISHMENT CONSIDERING THE ADVERSARIAL RELATIONSHIPS THAT HAVE DEVELOPED IN THE REGION.
- FOR TOO LONG, THE DEBATE HAS BEEN POLARIZED AND PROGRESS HAS BEEN BLOCKED. WE ARE DETERMINED TO BREAK THAT GRIDLOCK AND MOVE FORWARD WITH A BALANCED APPROACH THAT WILL CONFRONT THE ECONOMIC AND ENVIRONMENTAL CHALLENGES WE FACE. FOR TOO LONG, THIS ISSUE HAS BEEN LEFT UNRESOLVED WITH SERIOUS CONSEQUENCES FOR THE PEOPLE, THE ECONOMY, AND THE ENVIRONMENT IN THE NORTHWEST AND NORTHERN CALIFORNIA. IT DEMANDS ACTION.
- ECONOMIC ISSUES WILL BE CENTRAL TO THIS CONFERENCE. THE UNCERTAINTY AND CONFUSION BRED BY THE BAD POLICY-MAKING AND POLITICAL GAMES OF THE PREVIOUS ADMINISTRATION HAVE CREATED SERIOUS PROBLEMS FOR THE WORKERS AND BUSINESSES IN THE REGION. ANY SOLUTION CRAFTED MUST RECOGNIZE THE ECONOMIC IMPACTS AND THE NEED FOR A LONG-TERM COMPREHENSIVE APPROACH.
- AMERICA'S OLD GROWTH FORESTS ARE A UNIQUE AND PRECIOUS RESOURCE, AS MUCH A PART OF OUR NATIONAL HERITAGE AS THE GRAND CANYON OR YOSEMITE.
- THERE ARE NO EASY, SIMPLE, OR PAINLESS ANSWERS. IF THERE WERE, THEY WOULD HAVE BEEN FOUND AND WE WOULDN'T BE WHERE WE ARE TODAY. WE UNDERSTAND FULLY HOW DIFFICULT THESE ISSUES ARE AND HOW MANY DIFFICULT DECISIONS LIE AHEAD. WE ARE CONFRONTING YEARS OF BAD POLICY AND THE COMPLICATED PROBLEMS THAT POLICY CREATED.
- PAST ADMINISTRATIONS HAVE CONTRIBUTED TO THE PROBLEM, WE ARE COMMITTED TO WORKING TOWARD A BALANCED AND COMPREHENSIVE SOLUTION. WHEN DIFFERENT AGENCIES IN THE SAME ADMINISTRATION WORK AGAINST EACH OTHER INSTEAD OF WITH EACH OTHER, AND APPEAR MORE COMMITTED TO PLAYING POLITICAL GAMES THAN REALLY HELPING PEOPLE IN TROUBLE, THEN IT'S NO WONDER THERE'S NO PROGRESS AND THE DEBATE BECOMES POLARIZED. THAT'S WHAT HAPPENED IN THE BUSH ADMINISTRATION. THAT'S NOT GOING TO HAPPEN HERE. PRESIDENT CLINTON IS BRINGING HIS ADMINISTRATION TOGETHER TO ORGANIZE THIS CONFERENCE AND TO CRAFT A BALANCED POLICY THAT WILL REALLY HELP THE PEOPLE, THE ECONOMY, AND THE ENVIRONMENT IN THE REGION.

○ THIS CONFERENCE WILL PROVIDE THE PRESIDENT AND THE VICE PRESIDENT, AND KEY MEMBERS OF THE CABINET A **FIRST-HAND UNDERSTANDING OF THE IMPORTANT FACTS SURROUNDING THESE ISSUES, AND ALLOW THEM TO TALK DIRECTLY TO THE PEOPLE** OF THE NORTHWEST AND NORTHERN CALIFORNIA.

○ THE CONFERENCE WILL PROVIDE A **COMPREHENSIVE DISCUSSION OF THE MAJOR ISSUES**: HOW ARE COMMUNITIES AND PEOPLE IN THE REGION AFFECTED; HOW ARE THE ECONOMY AND JOBS AFFECTED; HOW IS THE ENVIRONMENT AFFECTED; WHAT IS THE RELEVANT SCIENTIFIC FINDINGS, AND WHAT TYPES OF INNOVATIVE APPROACHES ARE BEING IMPLEMENTED IN THE REGION. WE WILL FOCUS ON THESE ISSUES AS THEY RELATE TO THE FOREST MANAGEMENT PROBLEMS ON THE WEST SIDE OF THE CASCADES.

BASIC FACTS

○ PRESIDENT CLINTON WILL CONVENE THE SUMMIT WITH VICE PRESIDENT GORE AND MEMBERS OF THE CABINET, INCLUDING THE SECRETARIES OF INTERIOR, AGRICULTURE, LABOR, COMMERCE, AND THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY, THE CHAIRMAN OF THE COUNCIL OF ECONOMIC ADVISORS, AND THE DIRECTOR OF THE OFFICE OF SCIENCE AND TECHNOLOGY POLICY.

○ THE CONFERENCE WILL BE APRIL 2 IN PORTLAND, OREGON AT THE OREGON CONVENTION CENTER. IT WILL BE COMPLETELY OPEN TO THE MEDIA.

○ WE ARE SEEKING BROAD PUBLIC PARTICIPATION, WORKING WITH ELECTED OFFICIALS AT EVERY LEVEL, WITH ORGANIZED LABOR, WITH TIMBER AND OTHER INDUSTRY REPRESENTATIVES, WITH ENVIRONMENTALISTS, WITH TRIBES, WITH COMMUNITY INTERESTS AND OTHERS TO IDENTIFY PARTICIPANTS.

○ PRIOR TO THE CONFERENCE, THE SECRETARIES OF INTERIOR AND AGRICULTURE WILL VISIT THE REGION TO GAIN A FIRST-HAND UNDERSTANDING OF THE ISSUES. SECRETARY BABBITT WILL BE IN OREGON AND NORTHERN CALIFORNIA MARCH 26-28. SECRETARY ESPY WILL BE IN WASHINGTON STATE MARCH 28-29.

○ THE CONFERENCE IS BEING ORGANIZED BY A TEAM OF PEOPLE FROM ACROSS KEY AGENCIES IN THE ADMINISTRATION AND INCLUDING TOP OFFICIALS IN THE WHITE HOUSE. AGENCIES INVOLVED INCLUDE: INTERIOR, AGRICULTURE, LABOR, COMMERCE, AND THE ENVIRONMENTAL PROTECTION AGENCY.

○ WE ARE CALLING IT A CONFERENCE TO MORE ACCURATELY REPRESENT WHAT IT WILL BE AND WHAT WE HOPE TO ACCOMPLISH. THIS WILL BE AN OPPORTUNITY FOR PEOPLE WHO MAY NOT HAVE WORKED TOGETHER IN THE PAST TO COME TOGETHER TO SHARE INFORMATION, IDEAS, AND TO BEGIN THE HARD JOB OF FINDING SOLUTIONS.

○ WE HAVE INVITED MEMBERS OF CONGRESS TO DETERMINE WHAT ROLE THEY WISH TO PLAY IN THE CONFERENCE. THEY UNDERSTAND THAT OUR PRINCIPLE GOAL IS TO HEAR FROM THE PEOPLE WHO LIVE AND WORK IN THE REGION AS WELL AS THOSE WHO HAVE CAREFULLY STUDIED THE SCIENTIFIC, ECONOMIC, AND ENVIRONMENTAL ISSUES.

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