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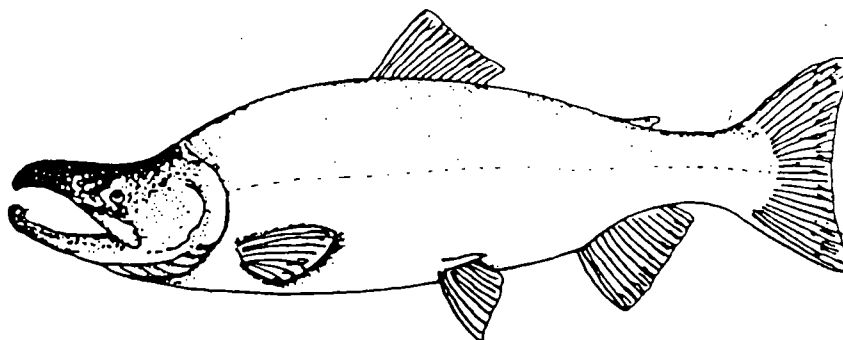
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WATERSHED AND SALMON HABITAT RESTORATION IN THE PACIFIC NORTHWEST:

RATIONALE AND FRAMEWORK FOR LEGISLATION



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I. THE PROBLEM

The Pacific Northwest is facing a regionwide riverine ecological crisis, symbolized by the wild salmon. At least 106 populations of West Coast salmonids (salmon, steelhead, trout, and char) have been driven to extinction and over 210 additional salmonid populations are currently at risk of extinction in the region according to the American Fisheries Society.

However, more than just salmon are at risk. The endangered salmon are just symptomatic of a range of riverine and riparian biodiversity losses occurring across the Pacific Northwest. For example, at least 132 species of riparian associated animals, including 3 birds, 4 mammals, 12 amphibians, 45 mollusks, 34 arthropods and over 700 out of 1100 native fishes on 348 streams were found to be at risk of extinction just within the west-side range of the Northern Spotted Owl (DRAFT USFWS Northern Spotted Owl Recovery Plan, Appendix D). Further, diminished water supplies, non-point source pollution, contaminated drinking water supplies and in-stream flow and water-right disputes are all growing, human caused problems that indicate wide spread watershed degradation. These problems make operations of businesses that depend on healthy watersheds and fisheries difficult. Associated public health threats have high social costs and consume tax dollars.

Historically, watershed ecosystems and salmon habitat were degraded due to the combination of agriculture, urbanization, damming, timber harvest, road building and other practices. Although the media have generally focused on mainstem dams as the root of the salmon problem, the cumulative loss of watershed ecosystems and riverine habitat is the single most consistent contributor to the decline of the more than 210 populations identified by AFS. Forest practices, notably including road building, have been shown to be major factors in riverine habitat damage both on and off National Forest lands.

Over time, human activities have degraded once productive lowland habitats. Generally, highly productive watersheds and habitat remain only in lightly impacted mid-basin and headwater areas, higher up in the watersheds. Almost all of these areas are on public lands. These areas constitute the remaining "refuges" for at risk salmonids. Protection of these remaining salmon refuges across the region is the highest and most pressing watershed and salmon habitat priority in the Pacific Northwest, since the threats to these areas are imminent and irreversible.

In the Pacific Northwest even the best remaining watershed refuges on public land are not secure. Despite the massive dollar investment in forest planning over the last decades, the resulting protection and management of fish habitat on public land is inadequate and the agencies have not adopted contemporary science into their planning for habitat management. For example, the Forest Service now concedes that the management of fish habitat on public land is directed by Forest Plans that "...do not contain the specificity necessary to determine whether or not long term viability of selected fish stocks can be ensured." The Forest Plans are legally vulnerable on exactly this point.

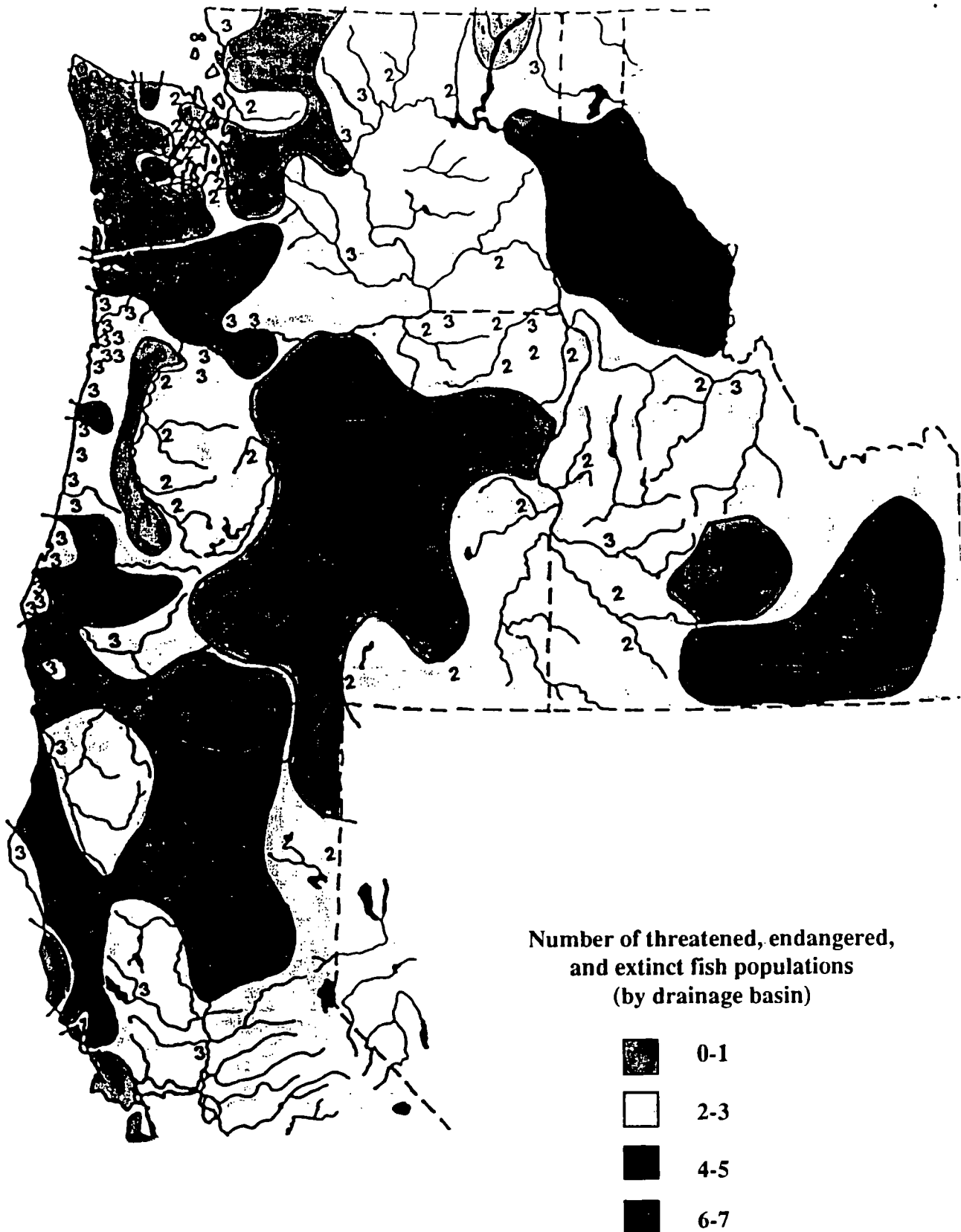
However, even without any new management in these areas, they remain seriously threatened: during the severe winter storms that are natural to the Pacific Northwest even the best watersheds will be severely degraded by landslides and sediment torrents of human origin. The existing forest road systems represent the largest single source of potentially devastating sediment. The 1990 Skagit Valley (Washington) floods demonstrated the risk that faces salmon across the Northwest.

The most urgent watershed and salmon habitat restoration task in the region is therefore the immediate prevention of landslides, mass erosion and sedimentation in the remaining healthier key watershed/salmon refuges.

Insofar as possible, watershed refuges must be secured from the human-caused consequences of the next great winter storms. Without "stormproofing" the key watersheds, wild salmon and many other riverine-riparian species will continue to be lost and regional watershed and salmon recovery will be substantially delayed, perhaps prevented.

Stormproofing the remaining healthier key watersheds is just the first step, however. Following this, watershed level restoration strategies must be implemented. This process includes identifying and protecting the best remaining habitat patches found throughout the riverine system, linking these areas through riparian and floodplain restoration and eventually expanding the healthier areas. Thus, restoration should be built upon the best remaining key watersheds and habitat patches, and not on the speculative and immensely costly strategy of focusing on the most degraded systems and segments.

The Distribution of Endangered Fish in the Pacific Northwest



Adapted from Chris Frissell

II. NEEDED ACTION

Existing ecologically significant old growth combined with existing Wilderness Areas, National Parks, Wild and Scenic Rivers and other legislated reserves form the only existing anchors of watershed and salmon habitat protection and the base for eventual recovery. However, these protections are inadequate. A Watershed and Salmon Habitat Restoration Act must be a central pillar in the resolution of Northwest public land, ancient forest and endangered salmon debates. Watersheds regionwide are highly imperilled, however, and if ancient forest issues remain unresolved, consideration must be given to free-standing watershed and salmon habitat restoration legislation.

A Watershed and Salmon Habitat Restoration Act should:

- 1) Identify and protect Riverine Biodiversity Management Areas (RBMA's): healthy watershed that function as refuges for at risk salmonids and other riverine-riparian species.
- 2) Secure the RBMA's from further degradation caused by past management activities.
- 3) Establish appropriate management of the riverine ecosystems that connect RBMA's including riparian and floodplain ecosystem protection on all streams on public lands.
- 4) After establishment of restoration programs that secure the RBMA's, as discussed in Step 2 above, subsequent restoration can legitimately be expanded to other important habitats. Restoration that is not preceded by protection is a waste of tax payer money, and not supportable.
- 5) Establish on-going monitoring programs to determine protection and restoration effectiveness.

These five elements are part of a comprehensive package and will most certainly fail if implemented alone or in some limited combination.

Salmon are faced with a host of problems -- protection of watershed habitat alone will not guarantee the maintenance or recovery of the salmon. But without habitat protection, salmon cannot recover and more extinctions can be guaranteed. Dramatic changes must be implemented on public lands if widespread extinctions are to be prevented and if the seed stock for the future is to be preserved. A comprehensive solution for salmon will need to address critical genetic, management, and passage questions.

Not all parts of the riverine landscape are equally as critical important salmon habitat. A large share of the current production of salmon occurs in "hot spots" -- generally, intact, complex, low-gradient alluvial reaches within largely intact watersheds. These hot spots of high quality habitat -- where they still exist -- are disproportionately important in maintaining current populations, and may be the sources for migrants that could eventually recolonize degraded areas as those areas

recover. Further loss of these hot spots would be particularly destructive both to current populations and to eventual salmon recovery. Favorable conditions in these hot spots can only be maintained if relatively natural conditions are maintained or restored within the watershed, so that reasonably normal rates and patterns of flow of sediment, water and nutrients are delivered from the watershed to the stream.

Restoration is a cornerstone of the proposed legislation because restoration is good economics as well as good science. Both the direct restoration work that is needed to secure the existing patches of good habitat within watersheds, the return of salmon themselves, and other potential benefits such as maintenance and recovery of multitudes of at-risk riverine-riparian species and increased summer flows are clearly in the best social and economic interest of the Pacific Northwest.

Restoration proposals have traditionally been aimed at recovering the most degraded stream segments rather than protecting, linking and expanding the healthier areas found throughout a riverine system. In general the traditional strategies have not worked. While restoration priorities that target "the worst first" are intuitively appealing, in fact they are unconscionably risky -- such programs let the good areas continue to deteriorate, while investing in the speculation that bad areas can be made good. In truth it has not been shown that seriously degraded watersheds can be restored nor that the salmon populations and other species they once supported can be recovered. In the meantime, traditional programs neglect to secure the few remaining prime areas that remain, and have even accelerated human disturbances. Speculative work in degraded areas must not be allowed to substitute for an affirmative effort to protect the remaining healthier watersheds from known threats, and then to build system-wide restoration programs around those areas.

III. THE ECONOMIC AND JOB BENEFITS OF WATERSHED RESTORATION

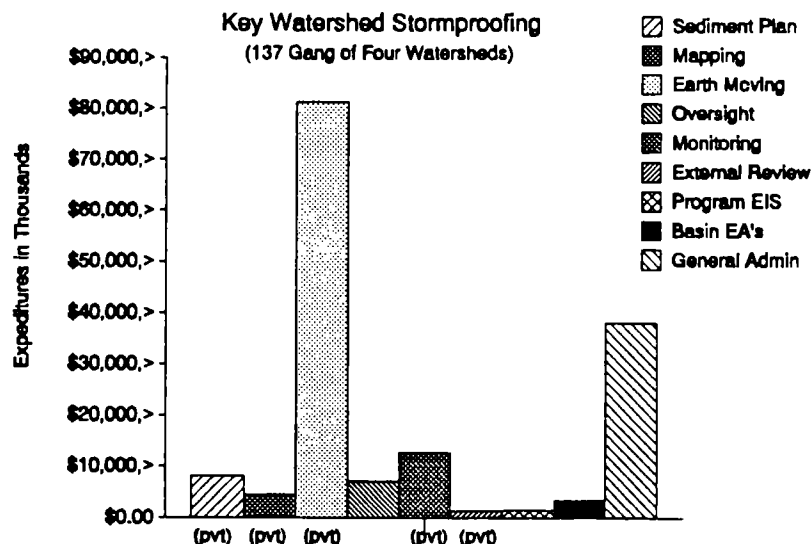
The first step in any realistic regional watershed and salmon habitat restoration program must be to secure the watersheds with the remaining high quality salmon habitat. The Scientific Panel on Late Successional Forest Ecosystems identified 137 public land watersheds within the range of the Northern Spotted Owl housing critical habitat for salmonid stocks and species known to be at risk of extinction. This model provides a starting point to identify and protect key watershed refuges regionwide. Unfortunately, even if protected the 137 watersheds would remain at risk from the cumulative effects of past logging, roadbuilding, and natural events.

The following expenditures would be necessary to help "secure" those 137 watersheds identified by the Scientific Panel from catastrophe during severe winter storms. Once secured, or "stormproofed," these watersheds can serve as the anchor of a regionwide riverine and salmon restoration effort. The largest single task needed is heavy equipment work to reduce or eliminate potential landslides and sediment torrents, triggered by past logging and roadbuilding.

At this time, projected cost of the program would be [draft] \$156,832,440, and would generate income for [draft] 7121 to 11054 jobs -- using wage scales and indirect employment models from **Alternatives for Management of Late Successional Forests of the Pacific Northwest**, page 11 and Table 11.

More than 65% of the total budget would be direct contracts with private industry -- over \$100,000,000. [These payouts to private contractors are indicated on the graph as (pvt).] The remaining 35% expenditures would primarily benefit individual Forest Service Ranger Districts -- who are significant employers in the small communities where they are frequently located. Subsequent expansion of the program to the host of other west side watersheds and to the east side of the region would be of substantial benefit to the entire region.

Budget Item:	Dollars:
1) Sediment plans: 9030 mi ² @ \$900.00/mi	8,127,000
2) Mapping: 9030 mi ² @ \$500.00/mi ²	4,515,000
3) Earth Moving: 10 million yds ³ @ 7.50/yd ³	81,270,000
4) Contract Oversight: 7.5%	7,043,225
5) Effectiveness Monitoring: 12.5%	12,619,000
6) External Review: Ongoing @	1,396,000
5) Programmatic EIS: 1@	1,500,000
6) Watershed-level Environmental Assessments: 137 @ \$25,000	3,425,000
7) General Overhead and Administration: 33%	36,937,215
Total (DRAFT)	\$156,832,440



IV. ECONOMIC IMPACTS OF COMMERCIAL AND SPORT FISHERIES IN THE PACIFIC NORTHWEST AND THE RATIONALE FOR PROTECTING EXISTING HABITAT ON PUBLIC LANDS

Economic Impacts of Fisheries

In the Pacific Northwest (Northern California, Oregon, Washington, and Idaho) Pacific salmonids including trout, steelhead, salmon, and char support commercial and recreational fishing industries that produce over \$1 billion in personal income per year and the equivalent of more than 60,000 jobs in the region. These figures include the economic impact of wild fish and hatchery fish, since both ultimately depend on the integrity of the habitat that supports them.

The Connection With Habitat on Public Lands

These economies depend on the quality of the fish habitat. Most of the remaining high-integrity salmonid habitat is on public land where, under current management practices, the habitat is steadily being lost. Without substantial changes in land management, continued loss of habitat will continue to erode the economic impact of these fisheries. Therefore, the high-integrity habitat on public lands must be protected to maintain these fisheries.

Initially, fishing-related economic impacts are generated from: (1) expenditures from commercially caught fish; (2) anglers' expenditures on recreational fishing; and (3) public agencies' expenditures on the management of the resource. In the commercial fishery, consumers purchase fresh fish, processed fish, fish byproducts, and restaurant meals that include fish. These expenditures create direct impacts in the form of jobs and income for fishermen and fish processors. The fishermen and fish processors, in turn, buy goods and services from supporting industries, which buy goods and services from still other industries, and so on, creating indirect impacts throughout the economy. Employees of each industry spend their paychecks generating induced impacts which augment the direct and indirect impacts. The economic impacts reported here are the sum of direct, indirect, and induced impacts occurring within the state or region.

In the recreational fishery, participants pay for fishing gear, fuel, charter services, lodging and so forth. Similarly, economic impacts are generated as public agencies use funds for resource management and restoration over and above what is taken in from licenses and taxes on fish. In each case, these expenditures generate direct, indirect and induced income and employment impacts throughout the economy, similar to those that occur with the commercial fishery.

A review of the combined total of Personal Income Impacts (PII) for both recreational and commercial fisheries in 1988 dollars shows that these fisheries generated **\$275 million in Oregon, \$416 million in Washington, \$467 million in Northern California, and \$93 million in Idaho.** These figures were derived from both public agency and academic sources including the Sport Fishing Institute, US Fish & Wildlife Service, and the National Marine Fisheries Service.

After the existing habitat is protected, the economic impacts of the fisheries may be increased through restoration. Comprehensive regional estimates of the economic impacts of restoration are not yet available. Such estimates would need to include the economic impacts of substantial

watershed level analysis and planning, road repair, relocation and retirement, reforestation, instream habitat restoration, and related watershed-specific needs. The economic impacts of such work could be large, given that the economic impacts of each increased spawner returning to these watersheds can be large.

Summary of the Economic Impacts of Fisheries

To protect endangered salmon and the economic benefits they produce, the strategy must be protection first, then restoration. But the concept of protection of salmonid habitat needs to be understood as the protection of jobs also. The debate in the Northwest has frequently focused on jobs lost, but in both the commercial and recreational fisheries sound economics calls for aggressive protection of the remaining habitat.

State	Commercial (in 1000's)	Recreational (in 1000's)	PII Total (in 1000's)
Oregon	89,062	186,200	275,262
Washington	136,249	279,300	415,549
Northern California	94,723	372,400	467,123
Idaho	NA ^a	93,100	93,100
Pacific Northwest Total	320,034	931,000	1,251,034

^aCommercial PII for Idaho negligible.

State	Commercial	Recreational	Total
Oregon	4,450	9,500	13,950
Washington	6,800	14,250	21,050
Northern California	4,000	19,000	23,000
Idaho	NA ^a	4,750	4,750
Pacific Northwest Total	15,250	47,500	62,750

^aCommercial jobs for Idaho negligible.

Taken from "The Economic Imperative of Protecting Riverine Habitat in the Pacific Northwest," a research report published by the Oregon Rivers Council.

V. FRAMEWORK FOR A WATERSHED AND SALMON HABITAT RESTORATION ACT

It shall be the policy of the United States to establish, protect, and restore a national system of Riverine Biodiversity Management Areas and connecting riverine habitats; and to aid rural communities strongly affected by changes in forest management through substantial investment in riverine restoration activities.

SECTION ONE: Riverine Biodiversity Management Areas

I. The Secretary of Agriculture and the Secretary of Interior shall promptly, and not later than within one year, adopt regulations that establish a system of Riverine Biodiversity Management Areas (RBMA), RBMA management, restoration, and long-term monitoring. RBMAs are habitats delineated on watershed boundaries that convey protection to biotic communities at temporal and spatial scales sufficient to maintain threatened salmonids and other riverine-riparian species. The Secretaries shall:

A. Identify RBMAs. RBMAs shall be generally watersheds greater than 30 square miles that meet the criteria established in the Alternatives for Management of Late-Successional Forests of the Pacific Northwest or other equally protective criteria that the Secretaries shall find more appropriate to other regions:

1. Where RBMAs or key watersheds have already been identified by the Scientific Panel on Late-Successional Forest Ecosystems or the Eastside Forests Scientific Society Panel, the Secretaries shall adopt changes specified in I (B) and subsequent sections.

2. In any region where RBMAs have not been identified they shall: convene an independent panel, consistent with the Panels in I(A)(1), and cause that panel to identify RBMAs, consistent with the intention of this Act.

B. Identify the threats to the integrity of the RBMAs over the time periods required to reestablish other important riverine habitats and connecting habitats. These findings shall be reported to Congress within one year of any RBMAs identified in section I(A).

C. Amend the Forest Plans, Resource Management Plans, and other equivalent plans in order to adopt RBMA management regulations consistent with the standards in Table Five of the Alternatives for Management of Late-Successional Forests of the Pacific Northwest or other equally protective criteria that the Secretaries shall find more appropriate to other regions. Amendments will be prefaced by an analysis and description of the rates patterns and intensity of natural disturbance within each RBMA. At minimum the amendments shall:

1. Establish appropriate harvest rotation age.
2. Protect old growth forests.
3. Withdraw unstable slopes and erosion prone soils from the timber base.
4. Establish appropriate grazing restrictions.

D. Minimize or eliminate human caused risk to the RBMAs identified by the Scientific Panel on Late-Successional Forest Ecosystems and the Eastside Forests Scientific Society Panel. In addition to whatever other steps may be required to minimize these risks, the Secretaries shall minimally:

1. Inventory and map refuge geology, hydrology, and soils.
2. Map land use history and disturbance to vegetation, soils and streams.
3. Map and prioritize sediment sources.
4. Treat priority sediment sites.
5. Report yearly on cost-effectiveness monitoring.
6. Repeat step 2 yearly on the basis of monitoring.

E. Designate a network of the most intact "Benchmark Watersheds", and add them to the Research Natural Area system or other equivalent system. Benchmark Watersheds are areas that meet the criteria in Section I(A) and that have the characteristics of relatively intact riverine ecosystems that can serve as long-term monitoring and "control" watersheds. Research Natural Area (or other equivalent area) restrictions shall be sufficiently stringent to ensure permanent protection of Benchmark Watersheds. The United States Geological Survey shall develop a monitoring program for these watersheds. Monitoring these control watersheds would provide the baseline data against which to measure the success of restoration.

F. The Secretaries shall convene a panel of independent scientists to review and report on the management of RBMAs, and shall publish their report within one year.

SECTION TWO: Riverine Ecosystems Connecting RBMAs

II. The Secretaries shall, without delay, adopt regulations that protect and restore connecting riverine ecosystems, insofar as possible from the headwaters to the sea, including but not limited to the following:

A. Forest Plans, Resource Management Plans and other equivalent plans shall be amended to adopt management regulations consistent with the purposes of this Act, particularly including regulations implementing the riparian standards in Table Five, in Alternatives for Management of Late-Successional Forests of the Pacific Northwest, Johnson, et al., 1991.

B. The United State Geological Survey shall promptly determine water quantities sufficient for the recovery of all native riverine-riparian species in each RBMA and for migration corridors to the RBMA. The Secretaries shall ensure protection of those flows.

C. No agency or department of the federal government shall issue any license, permit or exemption for any dam, diversion, electrical generation or similar facility on any federal lands with identified Section I RBMAs until that agency has established a "Protected Rivers Program" that identifies river reaches that contribute to the ecological functioning of the RBMAs. No license, permit or exemption shall be issued in Protected River Areas. Protected River Areas shall be withdrawn from mineral entry.

D. The Secretaries shall convene a panel of independent scientists to review and report on the management of riverine ecosystems that connect RBMAs, and shall publish their report within one year.

SECTION THREE: Roads

III. The Secretaries shall create a Road Management Program on all federal lands, with the aim of reducing and minimizing road system mileage, substantially improving road drainage, and reducing sediment.

A. No new road shall be established in any inventoried roadless area.

B. Roads within each RBMA shall be prioritized for removal, on the basis of their potential for delivery of sediment to active channels of streams that bear sensitive riverine-riparian species, or that drain to such streams.

C. On all remaining roads in each National Forest and BLM District, National Wildlife Refuge or other federal management area a systematic drainage program shall be promptly adopted, if not already in place, with priority attention to roads that deliver or may deliver sediment to active channels, as in III(B).

D. The Secretaries shall convene a panel of independent scientists to review and report on the management of roads, and shall publish their report within one year. A yearly review of Road Management Program will be made as part of the performance rating of each Forest Supervision, Regional Forester, District Manager, and State Director.

SECTION FOUR: External Review

IV. The Secretaries shall convene a panel of independent scientists and economists to develop criteria for the identification of other important riverine habitats and report to Congress on the direct and indirect economic effects of protecting, reconnecting and restoring such habitats. The Panel shall report within one year.

SECTION FIVE: Funding

A. \$50 million per year for three years shall be appropriated for implementing Section I(D) on the west side of the Pacific Northwest. At least \$50 million is needed to secure east-side RBMAs as well. Contract size for sediment treatment contracts shall be no more than \$50,000 so that they may most closely accrue to local firms and communities.

Other funding options are needed and are in the process of being investigated.

VI. FUNDING OPTIONS FOR WATERSHED AND SALMON HABITAT RESTORATION IN THE PACIFIC NORTHWEST

The Pacific Rivers Council is currently investigating a number of potential sources of funding for regionwide watershed restoration, several of which will be briefly outlined here. A full funding proposal should be completed by March, 1993.

Immediate Funding Options

In the near term, once clear and specific protection and restoration prescriptions are legislatively established, the vast majority of the funds required to implement the initial stormproofing component of the restoration strategy can most likely be found within existing federal agency budgets. Therefore, only a limited amount of additional appropriated dollars may be required.

For example, funding may be possible through reprogramming the Forest Service road budget for restoration, because each dollar gives twice the benefit -- decreasing sediment from existing roads while not adding new sediment from inappropriate new roads. In addition, the Forest Service, BLM and other federal agencies have funds already allocated to salmon restoration, ecosystem management and other riverine related programs. At present, the agencies have a difficult time identifying exactly how most of the funds are used, and very little has actually been spent on the ground.

Through the Congressional appropriations process, a set percentage of the \$160-170 million Forest Service road budget could be reprogrammed to be spent on road removal and stabilization each year. Because an estimated 25-50% of existing Forest System roads have negative impacts on riverine and watershed health, a similar percentage could be allocated to road removal and other restoration work.

Similarly, some portion of "ecosystem management" funds could be dedicated for restoration. Pursuant to the Forest Service's recently proclaimed commitment to "ecosystem management" Congress has earmarked \$50 million of the FY 1993 budget for this purpose nationwide, including earmarks for fish, endangered species and watershed -- over \$6.7 million total will go for Regions 5 & 6. Although much of this money will probably go for planning, there may be opportunities to capture future appropriations into this category for watershed restoration. At this point, perhaps the greatest significance of this allocation may be that "ecosystem management" promises to develop into the dominant paradigm for forest management, providing a meaningful framework for the application of multiple use principles. Advocating funds for actual "on-the-ground" restoration work would help insure that the new paradigm becomes more than agency rhetoric.

A large amount of those dollars can be reallocated to the specific northwest watershed and salmon habitat restoration program, with a specific legislative mandate to "stormproof" 30-50% of the RBMAs each year, over three years. This will not only help fund the program, it will provide much needed accountability to the use of agency funds. It is possible that perhaps 50-75% of the overall program budget can be funded in this manner.

In addition, many states have funds targeted for watershed and salmon restoration (Oregon's Governor's Watershed Enhancement Board, for example), and the Northwest Power Planning Council and Bonneville Power Administration have funds available for habitat restoration within the Columbia basin.

These and other sources must be identified and packaged into a full funding strategy. It is important to note that some of the balance of the immediate funds needed may have to come through the appropriation process.

Long Term Options

Regardless of the actual source of funds (e.g. tax revenues, timber receipts, resource user fees), PRC recommends that a Riverine Habitat Restoration Trust Fund be created to provide dependable, long-term support for restoration work on both federal and private lands regionwide. Such a fund could be modeled after the Restoration Fund recently created from water transfer surcharges and increased charges to water and power beneficiaries of the Bureau of Reclamation's Central Valley Project in California. Under the Reclamation Projects Authorization and Adjustment Act of 1992, Congress is authorized to appropriate up to \$50 million annually to a habitat restoration fund, to be administered by the Secretary of the Interior. The unique aspect of this fund is that the Appropriations Committee itself must act to authorize the collection of most of the charges which will constitute the Fund, in addition to acting to appropriate the Fund for use in a particular year. This mechanism is important (if unusual) because it ensures that the Appropriations Committee receives "credit" for the money accruing to the Fund pursuant to spending caps imposed on Congressional committees as part of the budget resolution process. Because it receives credit for the funds, the Committee has a greater incentive to actually appropriate the money than if it were simply "scored" against the Committee's spending limits. In addition, the legislation provides that if Congress does not appropriate the authorized \$50 million per year, in 1998 the Secretary of Interior may act to, in effect, directly appropriate any funds which Congress previously failed to appropriate to the Fund.

In sum, the Central Valley Restoration Fund model is sensitive to Congressional resistance to expensive new federal programs in two ways: 1) it eliminates the disincentive to appropriate funds created by internal spending caps, and 2) it creates a fund which is still subject to Congressional oversight through the appropriations process, at least until 1998.

The most dependable way to finance a Restoration Fund, however, would be to create a permanently appropriated trust fund analogous to existing agency trust funds such as the Sale Area Betterment Fund (also known as the Knutson-Vandenberg (KV) fund) which now pays for most of the reforestation conducted by the Forest Service. The major obstacle to setting up this type of fund is that it is not subject to Congressional oversight through appropriations and thus is almost certain to face substantial political opposition from some of the most powerful members of Congress.

Other Potential Sources of Long Term Restoration Funds

In this deficit conscious era, in order to create any type of permanent Restoration Fund, new funding sources must be identified. PRC has begun an investigation into possible sources of funding. Based on this preliminary investigation, we have identified the following potential funding sources:

1. Revenues Generated by Ending Tax Subsidies for Exports of Raw Timber from Private Lands. Currently, the foreign tax code subsidizes the exportation of raw logs harvested from private lands primarily through the Foreign Sales Corporation and inventory sales sourcing rules of the code. The Joint Committee on Taxation estimates that these and other rules provide a \$100 million annual subsidy for the export of raw logs. Rep. Pete Stark's bill (HR 4208), introduced last

Congress, would recapture this foregone revenue. Even without earmarking this money for riverine habitat restoration, simply ending the tax subsidy would accomplish significant environmental and social goals: pressures to cut timber on federal lands would be reduced and domestic jobs would be created. The Governor's Office of the State of Washington estimates that if just 25% of raw log exports could be diverted to domestic mills, 3000 mill jobs and a similar number of indirectly associated jobs would be saved. The American Woodworkers Association has estimated that as many as 10,000 jobs are associated with ending the tax subsidy. This bill would not prevent log exports, it would simply stop subsidizing these exports through the tax code. These funds could then be dedicated for watershed restoration on both federal and private lands.

2. Funds from Default Timber Sales. Close to a billion dollars is owed to the Forest Service and the BLM by timber contractors who failed to meet their contract terms. When these contractors default on sales, the timber may be sold at less than the contracted price, generating damages equal to the difference between the contract price and the sale price. Over 90% of the money owed is associated with timber sales in Forest Service Region 6 (Oregon and Washington) and the BLM Oregon. Some of these funds can be collected from the bonding companies that underwrote the sales. A number of contracts and performance bonds are currently in litigation. In Forest Service Region 6, \$175.9 million in contract damages are currently being litigated, while the BLM Oregon has \$3.6 million at stake in similar proceedings. Almost \$41 million in damages has been collected by the Department of Justice to date. PRC is investigating the possibility of dedicating some portion of the funds collected to watershed restoration.

3. Timber Tariff Revenues. Approximately \$250-300 million per year is collected on wood imports, about \$35 million of which currently goes into a the Forest Service's reforestation trust fund. Part of these revenues could be captured for watershed restoration.

4. Expanded Use of KV and other Trust Funds for Use in Watershed Restoration. The Forest Service benefits from fourteen special accounts and trust funds which are independent of the annual Congressional appropriations process because they were "permanently" funded out of timber sale receipts when Congress created them. This means that funding occurs automatically unless Congressional action is taken, although these amounts are nonetheless included in the overall budget, of which they comprise about one-third. Special Accounts are distinguishable from Trust Funds only in that interest on trust funds accrues to the fund, while interest to special accounts accrues to the U.S. Treasury. Financing and agency spending authority are identical.

The Knutson-Vandenberg fund ("KV" or "Sale Area Betterment Fund") is the second largest permanently appropriated trust fund, amounting to \$294,490,000 in FY 1993 -- most of which will go to reforestation. Funds may currently be used for "sale area improvements" necessary to protect and improve the future productivity of the renewable resources on timber sale areas, including such activities as watershed restoration and wildlife habitat management as well as reforestation and timber stand improvement. Under the current authorizing legislation, funds must be used on the national forest where the money was collected. KV funded activities are to be consistent with direction established in forest plans, identified in projects with NEPA documentation and included in an approved sale area improvement plan.

At present, very little KV money is actually spent on resource enhancement, including watershed restoration. Most of the fund now goes to reforestation and stand improvement, with overhead accounting for over a third of all KV funds spent -- more than all non-timber uses (watershed, range, wildlife and recreation) combined. Overall, about 13% of the fund goes for nontimber

resources: 9% to wildlife, 2% to recreation and 1% each for range and recreation. Considering that most of the nontimber money goes to mitigate the effects of current or previous timber sales, only 3-5% (about \$10 million per year) goes to actually improve resources such as wildlife, timber and watershed. Compared with PRC's assessment of the ecosystem restoration that needs to be done, current levels of funding are painfully inadequate.

Over the long term it does not make rational policy to depend on timber sales for restoration funds, but it may be feasible to earmark some of these receipts for watershed restoration over the short-term. PRC is currently investigating proposals which have previously been fielded to accomplish similar results.

5. Cooperative Fish and Wildlife Fees Under the Sikes Act. Under the Sikes Act, the Forest Service and the BLM may sign cooperative agreements with state fish and wildlife agencies to collect fees from hunters and anglers who use federal lands. These fees are shared between the agencies and used for fish and wildlife habitat improvement. To date, such agreements have been signed on forests in a few states, such as New Mexico, Virginia and South Carolina.

The dynamics behind the widespread failure of the Forest Service and the BLM to make use of this authority deserve further study. In Oregon, the BLM and the Forest Service recently made a joint proposal to the ODFW to institute a fee program under the Sikes Act. This proposal was not well-received by the Department, which claims that it could not identify many areas where the collection of fees could be justified by habitat improvements from which the payors would actually benefit. Information received so far indicates that the potential for increased fees to the federal agencies under this program may be limited, but that the potential for adding new Sikes Act programs could be enhanced if fishing and hunting constituencies were mobilized in support.

6. Elimination or Reduction of Subsidies for Other Resources. Recreation is not the only natural resource whose use is subsidized on federal lands. Federal timber receipts, grazing fees and mineral-related income are all inadequate to cover the government's cost of administering these programs, yet all of these programs contribute to riverine ecosystem degradation. PRC is investigating proposals to increase federal income from timber, range and minerals, all of which could generate additional revenues for riverine habitat restoration.

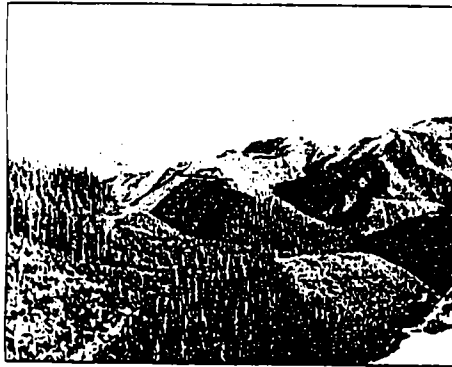
7. Other Sources. A number of other options for funding may also exist for riverine habitat restoration, including fees related to hydroelectric relicensing and water and power surcharges on beneficiaries of Bureau of Reclamation and Army Corps projects, similar to those imposed for the Central Valley Project. These and other options will continue to be investigated.

SUPPORTING DOCUMENTS

USA TODAY

No. 1 IN THE USA... 6.6 MILLION READERS A DAY

USA TODAY • MONDAY, JUNE 22, 1992 •



OLD GROWTH GONE: The Olympic National Forest in Washington shows the effects of clear-cutting, which has removed much of the old-growth timber.

Salmon swimming against logging tide

Former President Jimmy Carter says bill moving toward House floor must be made strong enough to ensure survival of Northwest's forests, fish.

Along with thousands of other Americans who enjoy fishing, camping and other outdoor experiences, I am deeply concerned about further threats to the Pacific Northwest from destruction of the last 10% of the region's old-growth forests. The highly publicized altercation over the endangered spotted owl is just one small part of the overall environmental crisis.

Scientists and economists now tell us that if the ancient forests are lost, there's a good chance a majority of the salmon stocks in the Pacific Northwest will disappear, too. And with them goes an important cog in the region's economy — the \$1 billion sport and commercial fishing industry providing jobs to 60,000 people. Salmon also hold a unique cultural position as a symbol of the region's wilderness character.

The loss of salmon stocks already has been devastating, and prospects for recovering the lost stocks are not encouraging. The National Marine Fisheries Service has listed four salmon species as threatened under the Endangered Species Act. Environmental scientists are urging similar action for at least three more salmon species. Moreover, according to the American Fisheries Society, some 106 populations of West Coast salmon are extinct, and at least another 214 salmon stocks in the Pacific Northwest are at risk of extinction.



USA TODAY
By Jimmy Carter, former president of the United States.

Several factors explain this decline, but perhaps the most universal and insidious is the decades of excessive logging on public lands throughout the region. Most of the spawning and

rearing habitat for wild salmon in the Pacific Northwest is located on, or directly downstream from, national forests and other federal lands. Much of this habitat has been severely degraded by logging of old-growth forests and associated road building, which increase the amount of fine sediment in streams by as much as 1,000 times. This smothers spawning beds and severely disrupts the feeding patterns of the young salmon. Old growth is the anchor of healthy salmon streams, providing permanent sources of stability, shade and nutrients.

Now, the Bush administration wants Congress to approve a plan that would waive key federal environmental laws to allow clear-cutting on 4 million acres of ancient forest in Oregon and Washington, habitat for the owl, salmon and nearly two dozen threatened or endangered species.

Salmon would absorb some of the worst impacts. Clear-cutting includes removal of shade trees along stream banks and the loss of downed trees in streams, which provide salmon with in-stream pools and side channels used for shelter, rest and protection.

The Bush plan, if executed, would pose a serious threat to forests, fish and families that rely on the non-timber bounty of the ancient forests.

The dilemma over ancient forest protection long ago lost its two-dimensional character. What is now at stake is the survival of a total ecosystem that embodies a variety of values and benefits that typify the Pacific Northwest's unique quality of life.

The watersheds that provide habitat for salmon are also the source of clean water for hundreds of Northwest communities and thousands of businesses. They offer recreational opportunities forming the backbone of a multibillion-dollar tourism industry in the region.

Fortunately, we still have time to act to protect the ancient forests. A scientific panel chartered by Congress identified 137 watersheds in the west-side ancient forests that should be protected. The House Agriculture Committee already has approved its version of a bill to protect the Pacific Northwest ancient forests, and the House Interior Committee should issue a bill soon. Any version of the legislation put before the House should urge reduced logging and road building to protect 90 fish stocks identified as at risk of extinction in the ancient forest ecosystem. A strong bill must be passed to ensure the survival of the forests and fish.

By establishing permanent protection for the last 10% of the ancient forests, we create an opportunity to repair an ecosystem and chart a course for sustainable economic development in the region. New ways must be found to cope with the increasingly complex problems facing the ecosystems in our public lands.

Protection of the ancient forests and watersheds, and all of their jewels, such as salmon, is not a choice but an imperative.

Tougher protection sought for wild fish

By KATHIE DURBIN
of The Oregonian staff

Six fishing and conservation groups have petitioned U.S. Agriculture Secretary Edward Madigan to adopt rules protecting wild salmon and other sensitive fish from the effects of logging, grazing and road-building.

At a Portland news conference Wednesday, conservationists said they would sue under the National Forest Management Act if the U.S. Forest Service did not promptly begin formal rule-making to adopt tougher fish protection measures for national forests in Oregon, Washington, Idaho and California.

"We have tried formal approaches and informal approaches, but the needed changes have never come," said Larry Tuttle, Oregon director for The Wilderness Society. "Now we are prepared to go to court to force the Forest Service to obey the law."

Forest Service officials said they hadn't seen the proposed rules and could not comment. Over the last two years, several scientists, including fisheries biologists within the Forest Service, have warned that logging and grazing practices in national forests pose a continuing risk to wild fish. An internal review of new national forest plans for Oregon and Washington found that some plans fell far short of providing adequate buffers along fish-bearing streams.

The Endangered Species Committee of the American Fisheries Society, a professional association of fish-

eries biologists, reported in 1992 that 101 Pacific salmon and steelhead runs were at high risk of extinction. For coastal runs, the primary culprits were logging, grazing and road-building, not dams, the committee said.

The National Forest Management Act requires the Forest Service to ensure viable populations of "all native and desired non-native fish species" throughout their historic range. Existing rules violate the act by establishing a presumption that forest lands are suitable for timber production unless proven otherwise, the petition says.

Besides The Wilderness Society, the petitioners are the Pacific Rivers Council, Friends of the Rivers, Pacific Coast Federation of Fishermen's Associations, Oregon Natural Resources Council and United Anglers of California.

"Our industry has been hit hard by declining salmon runs," said Zeke Grader of the Pacific Coast Federation. "It is time to make sure that fish habitat is protected and restored. Fish depend on it, and we depend on the fish."

Among conservationists' demands are that the Forest Service:

- Construct no more roads in remaining roadless areas, streamside areas or areas of high landslide risk on national forests.
- Allow harvest only in areas where loggers can guarantee that it won't irreversibly damage soil, slopes or water quality, and only where the land can be adequately reforested within five years.

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Thursday, January 23, 1992

Saving salmon saves jobs

Fishermen, like loggers, have a story to tell

Jobs vs. fish. This is the drumbeat that the Northwest Power Planning Council will hear from the timber industry in coming months as the council adopts policies to restrict forest practices that damage fish habitat in watersheds.

Jobs vs. fish, though, is a non sequitur. That is, the facts don't follow the slogan. The plea simply won't work for threatened or endangered salmon the way it works in the spotted owl controversy.

Unlike the spotted owl, salmon support an industry, just as trees support forest-products manufacturers.

The economic debate that best characterizes the conflict between cutting trees near a stream bank and saving fish is jobs vs. jobs.

In the discussions to save the salmon, there has been little mention of the large number of jobs that result

from healthy, thriving fisheries.

A recent regionwide study of the economic impact of the Northwest salmon fishing industry found that salmon, steelhead and trout harvests produce more than \$1 billion in personal income per year and support more than 60,000 jobs.

The Oregon Rivers Council, which conducted the study, also pointed out that these figures represent the economic impact of a fishery that is only one-tenth the size of historic levels.

The Northwest fishing industry has a large stake in protecting wild and hatchery salmon runs. One of the chief causes of the fishery's decline has been loss of habitat, much of it caused by continued logging and mining practices and cattle grazing.

Indeed, the fishery cannot be rebuilt unless the council adopts strict policies to restore the spawning beds and improve the stream conditions critical to juvenile fish survival.

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Sunday, February 2, 1992

Fisheries provide jobs

The conflict over the fate of the Northwest's old growth forests is often cast in terms of a choice between economic and environmental values — jobs vs. owls. A new report from the Oregon Rivers Council sheds new light on the issue, illuminating the fact that forests provide more than one type of employment. More jobs of one kind may mean fewer of another.

The council's report states that salmon, steelhead and trout fisheries provide 60,000 jobs in the Northwest and contribute \$1 billion a year in personal income to the region. Those are big numbers, and many people will discount them because of the rivers council's interest in highlighting the importance of river-dependent fisheries. Yet it's undeniable that large numbers of people obtain their livelihoods from sport and commercial fishing, and healthy rivers are vital to their economic well-being.

Fish that live and spawn in rivers face several threats — dams, overfishing and a loss of habitat. The loss of habitat is most frequently caused by muddy runoff from roads or logged-over hillsides, which clogs spawning beds. The council's report cites studies counting 106 stocks of salmon, trout and steelhead that have become extinct, some in coastal streams where the loss of habitat has been the main problem. Whenever a stock of fish is wiped out, the fishing industry loses a part of its economic base.

Another 214 fish stocks are id to be in danger of extinction. Saving

them will require preserving spawning beds and clear water. Such efforts will mean less logging in some watersheds. Less logging means fewer jobs for the timber industry, but more logging would mean fewer fish for the fishing industry. In these cases, the conflict isn't jobs vs. owls, but jobs vs. jobs.

A straightforward clash of economic interests might help clarify the old growth debate. The spotted owl, as an indicator of the health of old growth ecosystems, represents an abstract value. The connection between the owl's survival and human well-being seems tenuous, even absurd, to many people. Salmon, steelhead and trout, however, are prized for reasons that are much easier to grasp. To many Oregonians, healthy fisheries mean healthy paychecks.

The federal government is currently going through an elaborate and painful process to decide how much forest land should be set aside for the spotted owl. A similar process may soon begin for the benefit of native fish stocks. Both the fish and the owl depend on undisturbed forest land, and to a great extent it should be possible for their set-asides to overlap.

The value of species can't be measured in human terms alone. But the rivers council's report offers one measure of what fisheries are worth. Preserving the jobs and income that fisheries provide would mean a reduction of jobs and income from other sources. It's useful to be reminded that economic and environmental trade-offs are never one-sided.

Dear Member of Congress,

November 4, 1991

We, the undersigned individuals, groups and organizations ask that you include the watershed protection policies identified in the *Watershed and fish habitat emphasis option* created by the Scientific Panel on Late-Successional Forest Ecosystems in upcoming forest/old growth legislation. We recognize that several proposals for forest reserves are on the table and we believe that the watershed policies must be a part of the solution, regardless of what set of forest reserves are finally adopted. By doing so Congress can protect the remaining critical habitat for the 90 endangered salmonid species and stocks identified by the Scientific Panel.

According to the American Fisheries Society, over 175 of the endangered fish species and stocks reside in west-side Cascade, Siskiyou and Coast Range forests throughout the Northwest. Critical habitat for 90 of the wild anadromous and resident fish can be addressed through the watershed option. The damage to these stocks and species has been accumulating for years, but the awareness of this is just now becoming public. Aquatic habitat loss on forest lands due to logging and road building may be the most important contributor to the decline of west-side fish species and stocks.

This may be the best opportunity to get ahead of another protracted legal and political battle over endangered species in the Northwest, and to prevent future extinctions. We believe that loss of aquatic habitat due to forestry practices on west-side public lands is a critical issue that must be faced to save and restore the salmonid fisheries.

The Pacific Northwest has been defined as "any place Salmon can go." And, everywhere the salmon are, they are in trouble. From the moss draped rivers of the Pacific coast to the steep canyons of the Columbia Basin rivers salmon habitat and watersheds have been degraded and destroyed. The wild salmon, trout and steelhead have been central to our cultural and social heritage. We simply cannot knowingly allow them to go extinct, run by run, river by river.

The depletion of aquatic habitat has devastated the Pacific Northwest commercial and recreational fishing industries. Their recovery is vital to a renewable and sustainable Northwest economy. Protecting and restoring wild fish stocks will help rebuild many local economies. The needed watershed restoration programs will create immediate family wage jobs.

Had proper watershed management policies been established years ago, the aquatic habitat and dependent fisheries might not be as threatened today. Watershed protection policies should be applied on public lands wherever endangered fish are found.

The time has come to step forward and protect the remaining critical habitat on public lands for these endangered salmonids. We ask for your commitment to this important task.

Signed,

(See following page for list of signers)

Northcoast Environmental Center, California
California Trout
Mendocino Environmental Center, California
Friends of the River, California
Northwest Resource Information Center, Idaho
Kalmiopsis Audubon, Oregon
Oregon Wildlife Federation
Northwest Steelheaders, Oregon
Oregon Kayak and Canoe Club
McKenzie Guardians, Oregon
Friends of the Sandy River, Oregon
Defenders of Wildlife, Oregon
Lane County Audubon, Oregon
Oregon Guides and Packers
Steamboaters, Oregon
Coalition for Salmon and Steelhead Habitat, Oregon
Northwest Environmental Defense Center, Oregon
Independent Troll Fishermen, Oregon
Friends of the Elk River, Oregon
McKenzie Flyfishers, Oregon
Willamette Kayak and Canoe Club, Oregon
Rainland Flycasters, Oregon
Oregon Rivers Council

Oregon Trout
Oregon Salmon Commission
Lower Columbia Canoe Club, Oregon
Carberry Creek Association, Oregon
Oregon Natural Resources Council
Waterwatch of Oregon
Washington Trout
Olympic Rivers Council, Washington
Northwest Rivers Council, Washington
Friends of the Earth, Washington
Pacific Salmon Sport Fishermen Council
Washington Wilderness Coalition
The Mountaineers, Washington
American Rivers
The Wilderness Society
National Audubon Society
Trout Unlimited
Fishermen Involved in Saving Habitat (F.I.S.H.)
Sierra Club
Association of Forest Service Employees for
Environmental Ethics

March 27, 1992

RE: A Watershed Protection and Restoration Program for Federal Lands

Dear Member of Congress:

We, the undersigned groups and organizations, are writing to request that you include significant watershed and salmon habitat protection in upcoming ancient forest legislation being developed by the Chairman of the House Interior Committee, George Miller. Findings of the Scientific Panel on Late-Successional Forest Ecosystems and the recently released study of the Grande Ronde Watershed, among others, demonstrate that additional habitat protection and changes in management practices are necessary throughout the Pacific Northwest. The goal is to protect essential aquatic habitat and the biological resources of our beleaguered federal forest watersheds and the fisheries they support.

The American Fisheries Society has identified more than 200 species and stocks of wild salmonids (salmon, steelhead, trout and char) at risk in Cascade, Siskiyou, Coast Range, and Columbia River Basin forests. More are found in the Sierra Nevada. Congress must protect the remaining critical habitat for the species and stocks listed by the Scientific Panel in its watershed option and must provide similar protection for other important wild salmonid watersheds east and west of the Cascades and in the Sierra Nevada. Incorporating watershed protection into ancient forest legislation will help prevent future salmonid extinctions and protracted legal and political battles over endangered species in the Pacific Northwest.

Protection of salmonid habitat is fundamental in maintaining these magnificent creatures as a vital part of our Northwest culture, economy and environment. It complements efforts to fix the lethal corridor of dams on the lower Snake and Columbia rivers and to bring about necessary wild salmon conservation and hatchery reforms.

Salmonid habitat protection and restoration must move forward in a timely fashion and the proper order of priority.

1) Protecting the remaining healthy habitat and riverine ecosystem areas is the highest priority. This should be accomplished as part of whatever ancient forest package is ultimately forged by Congress. Undamaged watersheds are the very foundation upon which watershed restoration must be built. Watershed restoration without forest protection is self-defeating and unsupportable.

2) Restoration programs to rehabilitate damaged and degraded habitat in key watersheds are necessary in rebuilding our sustainable fishing economies. In the Pacific Northwest, the natural environment -- rivers in particular -- is the infrastructure that binds our communities and economies. Restoration programs for federal lands must be preceded by protection and must be

based on systematic inventories of affected areas, as outlined in, for example, the Methodology for Watershed Restoration on Federal Lands recently developed by Oregon Rivers Council, Oregon Trout and the Sierra Club or in any other systematic protection proposal.

Now is the time to invest in our economic future. We need to ensure the integrity of the watersheds that provide habitat for wild salmonid populations in Washington, Oregon, Idaho, and California, including the Sierra Nevada. This action will help salmon forever retain their important role in our region. Their protection and recovery will demonstrate that we are learning to work with and maintain our natural systems. At the same time, we will be making a significant contribution to a sustainable economy in the Pacific Northwest.

We ask for your help and commitment to accomplish this important task.

Sincerely,

Northwest Wild Salmon Advocates

Karen Garrison, Natural Resource Defense Council
Wendy Hudson, Defenders of Wildlife
Zack Willey, Environmental Defense Fund, Oakland, CA
Chris Carrell, Washington Wilderness Coalition
Kurt Beardslee, Washington Trout
Pete Souveril, Federation of Fly Fishermen
Bill Marlette, Central Oregon Environmental Center
Dave Moskowitz, Association of Northwest Steelheaders
Paul Englemeyer, Ten Mile Creek Association
Darlene Madenwald, Washington Environmental Council
Geoff Pampush, Oregon Trout
Shawn Cantrell, Northwest Office, Friends of the Earth
Lisa Beale, Meg Ruby, Greenpeace
David Van Cleve, Washington Kayak Club
Jim Owens, Western Ancient Forest Campaign
Bob Doppelt, Oregon Rivers Council
Ron Reynolds, Idaho Trout Unlimited
Tim Stearns, Save Our Wild Salmon
Bill Arthur, Sierra Club Northwest Office
Frannie Waid, Sierra Club Northern California/Nevada Field Office
Larry Tuttle, Oregon Office, The Wilderness Society
Jean Durning, Washington Office, The Wilderness Society
Joan Reiss, California/Nevada Office, The Wilderness Society

Sufficiency Language: legislation that suspends environmental laws so that federal agencies can sell and companies can log timber from our national forests without having to obey the laws protecting fish, wildlife, water quality, and other important resources.

With the Pacific Northwest Forest Conference on the horizon, the timber industry has stepped up its campaign to convince the Clinton Administration and Congress to enact a quick-fix, interim solution to the ancient forest issue that contains sufficiency language. In fact, timber industry representatives have repeatedly been quoted advocating a forest conference agreement that supersedes environmental laws and lifts current court injunctions. They want to suspend the National Forest Management Act, National Environmental Policy Act, and other environmental laws so that the timber industry can continue logging in the last 10 percent of these national treasures. Moreover, the industry's campaign is based on insupportable claims that there is a nationwide timber supply crisis.

But there is no timber supply crisis. And even if there were, there would be no justification for enacting a quick-fix that has sufficiency language or otherwise putting government agencies above the law.

Why Put Government Agencies Above the Law?

Under the guise of resolving the ancient forest issue, the timber industry and some of their supporters in the Northwest Congressional delegation want to suspend key environmental laws governing national forest management. They've done it before: nine times between 1984 and 1989.

But suspending the laws and insulating Forest Service and BLM logging decisions from judicial review has done nothing to resolve this issue. If anything, the short-term, quick-fix has delayed a solution by institutionalizing the agencies' refusal to implement the laws of the land. Rather than put together scientifically and legally sound management plans that protect the ancient forest ecosystem, the agencies have returned to Congress repeatedly in search of sufficiency language and new limits on judicial review.

Advocates of sufficiency language argue that it is needed to provide "certainty" to the timber industry. However, the surest way to provide a predictable supply of timber is to adopt management plans and practices that are scientifically sound and comply with existing legal requirements. By contrast, the Forest Service and BLM refusal to adopt scientifically and legally sound plans in the past has led to unsustainable logging rates that have damaged fisheries, destroyed wildlife habitat, and guaranteed that federal agencies would have to reduce their timber programs significantly to protect and restore what is left on the forests.

If the plans or proposals that emerge from the Forest Conference process are legally and scientifically sound, then there will be no need for sufficiency language to declare that the laws have been met. Only if the plans or proposals are not based on sound science or would weaken existing laws will the proponents feel compelled to seek sufficiency language.

Perhaps most importantly, suspending environmental laws to address the timber industry's economic concerns sets a dangerous and disturbing precedent. Undoubtedly, every industry in the country has its own list of laws it would like to see suspended in order to improve its bottom line. For example, laws protecting workers' right to organize, workplace health and safety, and minimum wages would soon be under assault. So, too, would laws governing civil rights, consumer protection, and health care.

When it comes to ancient forest ecosystem protection, suspending the laws has been the problem. It has no place in a solution.

The Timber Supply Crisis Myth

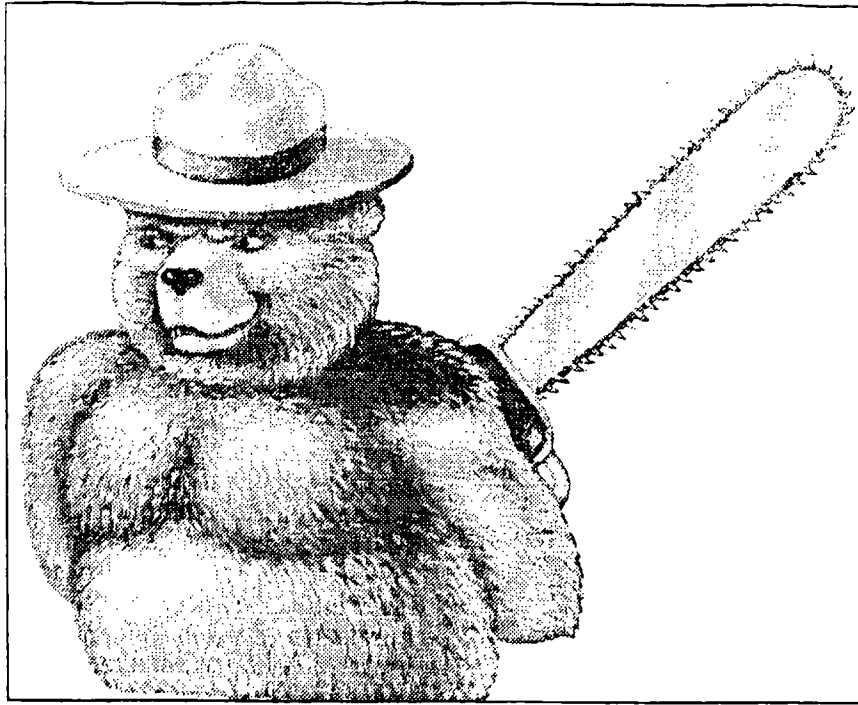
There is simply no truth to claims that court injunctions temporarily halting logging in the ancient forests of the Pacific Northwest have caused a nationwide timber supply crisis that is driving up lumber prices, forcing mills to close their doors, and threatening the economic recovery. Yet that is what the industry claims. In fact, these supply crisis claims are the basis for timber industry and some Northwest Congressional delegation members' efforts to focus President Clinton's upcoming Pacific Northwest Forest Conference on a quick-fix, interim legislative solution that includes a specified timber sale program and sufficiency language.

The truth is that there is plenty of timber already under contract and there are alternative sources of timber available that don't require logging what's left of our ancient forests. Here are the facts about the nation's timber supply:

- National forests in the spotted owl region of western Oregon and Washington and northern California have historically furnished only about 10% of U.S. softwood lumber demand. Moreover, the total volume of timber potentially affected by the current court injunctions against logging in ancient forests represents only about 3.5% of that demand. As a recent study by the Congressional Research Service showed, spotted owl protection has a relatively minor impact on both timber supplies and lumber prices.
- There is still substantial volume under contract and currently available for logging on Forest Service, BLM and State lands in the region. There are 2.0 bbf on the 13 spotted owl national forests in Region 6, 0.282 bbf on the 4 spotted owl forests in Region 5, 0.685 bbf on BLM lands, and an additional 0.683 on State lands in Washington and Oregon. Thus, there is nearly 4.0 bbf under contract that could be cut today -- which is well over a year's supply at current logging rates. (Source: Timber Data Co., Eugene, Oregon; 12/31/92).
- Even if we assume that the timber under contract is not evenly distributed and that some mills are facing shortages, simply throwing more federal timber on the market through an "interim" package that bypasses environmental laws will not solve those mills' problem. Since the law requires federal timber to be sold under an open bidding process, there is no certainty that mills that need timber the most will actually get it.
- Tens of thousands of log trucks in the Northwest drive right past Washington and Oregon sawmills to ship their loads to mills in Japan, Korea, and China. Approximately 3.0 bbf -- far more timber than would be set aside to protect all of the remaining ancient forest ecosystems -- is exported in the form of raw logs annually. That means we're shipping tens of thousands of jobs overseas annually.
- Timber supply models that have been run by government agencies and the private sector show that a supply reduction on federal lands in the Northwest would cause an increase in supplies available from private lands. Private industrial and non-industrial forest lands are the most productive and intensively managed forests in the Northwest. Historically, they have provided the vast majority of timber from the region. The market response of those lands to a reduction in federal timber supply will assure a stable timber economy in the region.

- The only forum in which these data have been examined on a level playing field has been in the courts. On three separate occasions, the courts have examined the economic impacts of issuing injunctions against federal timber sales in the Northwest. Those injunctions were not automatically issued even after clear findings that the law had been violated and that the violations had significant impacts on the spotted owl. Rather, the courts balanced the impact of the legal violations and the environmental impacts against the economic impacts of temporarily halting timber sales while the Forest Service and BLM came into compliance. In each case, the courts listened to all of the experts from every side and concluded that the federal timber already under contract and available for logging, combined with the alternative sources of timber available from lands outside the injunction, private lands, and diversion of exported logs to domestic mills, more than offset any impacts on supply from an injunction.

In short, there is no real timber supply crisis. Instead, the timber industry and its allies are using the same old tried and true song from the past to perpetuate the mistakes of the past -- a quick-fix suspension of the laws that directs the sale of more timber. It is time for a change. It is time for a long-term solution to our forest management crisis. That solution should follow the law, protect ancient forest ecosystems, and invest in the region's communities.



It's Change, Not Chainsaws, Smokey.

For years the big timber companies have had it their way. With permission from our own Forest Service, they've cut down and sold 90% of America's rare ancient forests. The last 10%, mostly in the Northwest, is so fractured that much of its wildlife can no longer survive. If we don't act now, these vital forests, many older than our nation, will be just pictures for future generations. President Clinton has called a Forest Conference to address the crisis in the ancient forests. As the President said in the campaign, "we can't go back." To develop a lasting solution, we urge the President to make these changes:

- ◆ **Use Science:** Employ the best available science to manage the ancient forests for the long term instead of relying on pork-barrel politics to set logging levels each year.
- ◆ **Enforce The Law:** Years of mismanagement and illegal government practices helped create the forest crisis, and now some politicians say the solution is to allow the government to ignore its own laws. Since when is violating the law a solution? Strict enforcement of all environmental laws and court decisions must be at the core of any real solution.
- ◆ **Include Fish and East Side Forests:** Everyone says we should protect salmon, but unless the habitat for many fish — the east side forests in Oregon and Washington — are included in any new protection plan, these fish and the 60,000 jobs they support will not survive.
- ◆ **Keep Jobs and Logs in America:** Reducing exports of raw logs is the best way to protect the ancient forests and save thousands of timber jobs at the same time.

Ancient Forests Are America's Heritage

Paid for by Americans for the Ancient Forests



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MEMORANDUM

TO: Kathleen McGinty
Deputy Assistant and Director, White House
Office on Environmental Policy

FROM: David Edelson and Nathaniel Lawrence
NRDC Forestry Attorneys

RE: The Eastside Forests and the Administration's
Forest Conference

DATE: March 16, 1993

We are writing to urge the Administration to include the "eastside" national forests in the upcoming forest conference. The remaining old growth forests on the eastside are scarce and imperiled and urgently need protection and restoration. Any comprehensive solution to the forest crisis in the Pacific Northwest must address the eastside forests. These points are discussed further in the attached briefing paper.

Our briefing paper supplements the paper by the Ancient Forest Alliance (AFA) dated March 12, 1993. Our paper focuses on the eastside's old growth forests and the vertebrate species, such as the marten, pileated woodpecker, and goshawk, that are gravely at risk from further logging; issues relating to salmon are addressed in the AFA briefing paper.

NRDC has been actively involved in eastside issues for several years. We have filed a lawsuit (Oregon Natural Resources Council v. Lowe), scheduled for a hearing in federal district court in May, that directly challenges the Forest Service's old growth logging plans on the eastside. We are now preparing a petition to the Forest Service documenting the need for the agency to overhaul its regional guidelines for managing old growth on the eastside and demanding a halt to old growth logging while new guidelines are prepared. These are issues that need to be carefully considered by the Administration in developing any proposals for addressing the forest crisis in the Pacific Northwest.

Please give either of us a call if you would like to discuss this issue. Thank you for your consideration.

commercially valuable trees) has removed most of the largest and oldest trees, which provide essential habitat for old growth species. Owing to Forest Service mismanagement, the invitingly parklike old growth pine forests have mostly been converted to dense, brushy, second growth forests that are far more susceptible to fire, drought, and pest infestations. Large scale fires and insect outbreaks have become commonplace and scientists now describe the eastside's forest ecosystems as "unraveling".

For the Forest Service, this accelerating crisis has largely served as a pretext for management activities that aggravate forest health problems. "Salvage" logging of dead and dying trees -- tried for over eighty years on the eastside -- damages the soil, introduces stem and root diseases, and further depletes essential habitat for old growth wildlife. Millions of acres have been sprayed with pesticides, throwing natural processes even more out of balance. And hundreds of millions of dollars have been spent on fire suppression. Forest Service scientists predict that perpetuation of these practices will only engender further decline of eastside forest health, with larger and more disastrous cycles of fire and pest outbreaks.

Today, according to the Scientific Panel on Late-Successional Forest Ecosystems, "relatively little" of the eastside's old growth forests remain. For example, according to Forest Service figures, only 7 percent of the Wallowa-Whitman National Forest, 11 percent of the Ochoco, and 15 percent of the Wenatchee persist as old growth. Ecologists in and out of government classify the eastside's old growth ponderosa pine as "especially rare" and an "endangered ecosystem."

Forest Service measures to preserve remaining eastside old growth have been totally inadequate. The agency's management plans set aside small, isolated reserves that are intended to provide habitat for individual pairs of marten, pileated woodpecker, goshawk, and other old growth associated species. This is precisely the approach condemned by agency scientists as a "prescription for extinction" of the northern spotted owl, because it fails to support multiple breeding pairs of the species. Leading conservation biologists confirm that this critique applies as well to the Forest Service's management strategy for old growth associated species on the eastside.

In addition, the areas set aside in management plans for the eastside forests are far too small and too far apart, and they contain inadequate habitat to meet the species' needs. For example: the Forest Service has provided 160 acres of old growth for the marten, but studies show that the species needs 1,400 to 2,500 acres; the agency has set aside at most 60 acres for the goshawk, whereas studies show that the species utilizes 6,000 acres; and the agency has provided 300 acres of old growth for

of the westside. Increasing logging on the eastside in response to a perceived timber shortage on the westside could drive sensitive species of wildlife to extinction and create new "train wrecks." A comprehensive solution to the Pacific Northwest's forest crisis must include a moratorium on further commercial logging of the eastside's old growth and creation of an independent panel of scientists to develop a long term management strategy.

ALTERNATIVE "TAKINGS" AMENDMENT

SECTION ____ . DEFINITIONS.

As used in this Act:

(1) The term "agency" means all executive branch agencies, including any military department of the United States Government, and United States Government corporation, United States Government controlled corporation, or other establishment in the Executive Branch of the United States Government.

(2) The term "taking of private property" means an activity involving the taking of private property such that compensation to the owner of that property is required by the Fifth Amendment to the Constitution of the United States.

SECTION ____ . PROTECTION OF PRIVATE PROPERTY.

No regulations promulgated after the date of enactment by any agency shall become effective until the issuing agency certifies to the Attorney General that it has assessed the potential that such regulations will affect a taking of private property. Within 60 days of enactment, and from time to time thereafter, the Attorney General shall issue advice on the requirements of the Constitution with respect to takings of private property, with the goal of ensuring that agencies refrain from such takings where not essential and in the public interest.

SECTION ____ . JUDICIAL REVIEW.

(a) This Section shall not create any private rights of action in law or equity.

(b) Nothing in this section shall affect otherwise available judicial review of agency action.



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

FAX COVER SHEET

PLEASE DELIVER TO:

NAME: Katie

ORGANIZATION: _____

PHONE: _____

FAX
NUMBER: 456 - 2710PAGES TO
FOLLOW: 6

FROM:

NAME: Stephanie Solien

Office of the Secretary
Congressional & Legislative Affairs
U.S. Department of the Interior
1849 C Street, N.W.
Washington, D. C. 20240
Ph: (202) 208-7693
Fax: (202) 208-5533 or (202) 208-7619

DATE: 4-17-93

MESSAGE:

Memo To: Katie McGinty
From: Stephanie Solien
Date: 4/17/93
RE: Follow-up on Saturday phone conversation

Thanks for agreeing to call Congressman Norm Dicks and Congresswoman Jolene Unsoeld on Monday. I believe it would be good for them to hear from you before Secretary Babbitt visits their districts in Washington State on Tuesday. Dicks and Unsoeld will not be accompanying the Secretary. We will fax you a copy of Babbitt's schedule once its available on Monday.

It would also be helpful if you could call Kitty Higgins at the Department of Labor about hiring Rich Nafziger to assist DOL on this forest project. My understanding is that Secretary Reich is open to it, but he needs to hear from the White House that DOL's participation is important to the President.

I'm also faxing a draft logistics plan we're working on. Let me know if you have any thoughts.

Thanks for your help. I will notify Collier about the Draper speech.

DRAFT

April 19, 1993

Pacific Northwest Forest Project
Congressional Strategy: Logistics Plan

This is a supplement to the Congressional and Intergovernmental Action Plan, describing specific details for briefings and for interdepartmental coordination, and assigning Administration officials primary liaison roles for members of Congress.

Before the specific pieces outlined in this plan begin, we will have notified all members and Senators by memo that they have until May 1 to submit recommendations on the forest management and economic components of a solution.

1. Interdepartmental Organization

a) Organizational Meeting

On Wednesday, April 21 at 2 p.m., Congressional liaison staff from Interior, Agriculture, EPA, Labor and Commerce will meet in Room 6256 of the Interior Department (or at OEOB--details TK) to generally review strategy for the remaining 41 days--and specifically to prepare for the first post-Forest Conference Congressional briefing. Recommended to attend are the following:

Stephanie Solien, Interior	Jim Lyons, Agriculture
Melanie Beller, Interior	Mark Gaede, Agriculture
Anne Badgley, Interior	Allison Biggs, Agriculture
Peter Hamm, Interior	Geri Palast, Labor
Tom Tuchmann, Interior	Bob Hickmont, EPA
Stuart Trevelyan, White House	Sheila Anthony, Commerce

Participants should discuss the following:

- * Assigned primary Congressional liaison roles;
- * Regular conference calls (below);
- * Developing a pool of high-ranking Administration officials willing to be available to call members and Senators (and Governors) when such needs arise.

b) Scheduled Conference Calls

Beginning on Monday, April 26--and each Monday, Wednesday and Friday thereafter--a conference call will be scheduled for all Congressional team members. The time will be determined through mutual agreement. The object of the calls is to share information

Memorandum

From: The President of the United States

To: Secretary of the Interior
Secretary of Agriculture

Re: Pacific Northwest Forest Issues: Forest Conference
Follow-Up

You are instructed to formulate a joint Department of the Interior and Department of Agriculture conservation and forest management strategy for the federal lands in the Pacific Northwest within the current range of the northern spotted owl. You should obtain the participation of the Department of Commerce and the Environmental Protection Agency, as appropriate.

The strategy should embody an ecosystem approach and should be based on the best technical and scientific information currently available. It should meet all requirements of applicable laws and regulations, including the conservation of species listed under the ESA, and viability and diversity standards of national forest management. To the extent legally permissible, all the federal lands in the region should be managed in a coordinated manner to achieve these objectives.

hook? { The strategy should, within applicable legal constraints, seek to attain the highest economic and social contributions from the pertinent federal lands. It should also provide as much predictability about future timber sales and harvesting as is possible under the circumstances.

The strategy should present reasonable alternative paths toward meeting these goals. The costs and benefits of each alternative should be displayed.

*2 =
unassigned to
be purchased?* The strategy should minimize the impact on nonfederal lands within the region, but it should identify any nonfederal contributions considered necessary to accomplish the identified objectives.

A complete draft of the strategy, along with your recommendations among the alternatives, should be delivered to me no later than June 1, 1993. It should be accompanied by a proposed schedule of the specific steps to be taken to bring the forest lands managed by the Forest Service and the Bureau of Land Management into full compliance with the law, to allow the outstanding injunctions against timber sales and harvesting activities on those lands to be lifted.

cc:
Secretary of Commerce
Administrator, Environmental Protection Agency

To: Members of Forest Ecosystem Working Group

From: Secretary of Agriculture
Secretary of the Interior

In carrying out the directive of the President, copy attached, we are asking you to provide a joint strategy applicable to the federal forest lands of the Pacific Northwest and northern California. The strategy should be based on an ecosystem management approach, and it should be consistent with the following objectives: maintain or restore biological diversity, particularly that of late-successional and old-growth ecosystems; maintain long-term site productivity of forest ecosystems; and maintain sustainability of use of renewable natural resources, including timber and other forest products, as well as other facets of forest values.

In addition, to the extent possible given the existing condition of the lands involved, the strategy should meet the following objectives with a relatively high probability of success:

1. Restoration and/or maintenance of habitat conditions for the northern spotted owl that will provide for viability of that species, well-distributed across its presently occupied range.* Existing critical habitat designation for the northern spotted owl should be reviewed and evaluated in this context.

2. Restoration and/or maintenance of habitat conditions for the marbled murrelet that will provide for viability of that species so far as nesting habitat is concerned. The need for critical habitat designation for the marbled murrelet should be reviewed and evaluated in this context.

3. Restoration and/or maintenance of habitat conditions to support viable populations, well distributed across their range, of species known, or reasonably expected, to be associated with old-growth forest conditions.

4. Restoration and/or maintenance of spawning and rearing habitat on Forest Service, Bureau of Land Management and National Park lands to support recovery and maintenance of viable

*We recognize that the viability standard derives from regulations applicable to the national forest system and not from the laws governing the lands managed by the BLM. However, in this situation we believe it important that the federal land management agencies manage all the federal lands in a coordinated manner, and consequently as a matter of policy we are directing that the viability standard be applied to all federal lands here involved.

*Legal
inquiries
for BLM,
Especially on
O & C lands??*

populations of anadromous fish species and stocks and other fish species and stocks considered "sensitive" or "at risk," or listed as threatened under the ESA.

5. Maintenance and/or creation of a connected or interactive old-growth forest ecosystem on the federal lands within the range of the northern spotted owl. } *separate ? goal*

6. While meeting the above five objectives, promote the highest possible economic and social contribution from the forests of the region.

In addressing the costs and benefits of the alternatives, the following should be considered in connection with each:

1. Timber harvest in the short and long term.
2. Jobs attributable to timber harvest and timber processing.
3. To the extent feasible, jobs attributable to fish habitat protection.
4. To the extent feasible, jobs attributable to investment and restoration associated with the strategy.
5. Economic and social effects on local communities.
6. Effects on revenues to counties and the national treasury.
7. Economic and social policies associated with the protection and use of forest resources that might aid in the transitions of the industries and communities of the region.
8. Economic and social benefits from the ecological services provided by the conservation strategies.

The strategy should also discuss national and international effects as they relate to timber supply, wood product prices, and other key economic and social variables.

Other effects of the implementation of the strategy that should be evaluated include: water quality and quantity; public uses (including recreation--consumptive and non-consumptive); scenic values; soil stability; and other factors that may be affected by the proposed strategy.

Particular attention should be paid in the course of this assessment to the costs and benefits of any establishment of reserves of old-growth forests. Also assess the environmental risks associated with the removal of trees, regeneration of out-

can the be done if so, need a different buffer from ?

over stands, and management of such stands on the particular type of areas on which old-growth forests still exist. This assessment should address specifically the costs and benefits as well as the environmental risks associated with the construction and maintenance of the road system required to access, cut, and reforest those stands. The assessment should be done for remaining old-growth stands regardless of whether they are being proposed for reserves.

When locating reserves, and developing other portions of the management strategy, you should consider benefits to the whole array of forest values to the extent this can be done without impairment of the conservation strategy or significant increase in economic and social cost. In addition, you should assess the benefits and costs of possible additional reserves that you recognize as especially sensitive for scientific, recreation, or cultural values, but which are not required for the biologically-driven conservation strategy. Provide a list of such reserves.

The developed conservation strategy should include a specific program of adaptive management. This program should include identification of high priority inventory, research and monitoring needed to assess the success of the strategy over time and to identify essential or allowable modifications in approach as new information becomes available. The final report should suggest a mechanism for a coordinated interagency approach to performing the needed assessments, monitoring and research, as well as changes needed in decision-making procedures required to support adaptive management.

Silvicultural manipulation of forest stands--particularly young stands--should be examined carefully in developing the conservation strategy, specifically in the context of adaptive management. The use of silviculture to achieve those ends, or tests of silviculture, should be judged in an ecosystem context and not solely on the basis of single or several species response.

The developed strategy should be subject to peer review by appropriately credentialed reviewers.

A complete draft of the conservation strategy and associated analyses and programs should be delivered to us by May 25, 1993.

cc: Secretary of Commerce
Administrator, Environmental Protection Agency

Time for peer review??

TO KATIE MCGINTY



5 April 1993

Dear Katie — Many thanks
for what you did to get
WWF a pass to the Portland
Conference last week! You are
part of an impressive team
and, I suspect, deserve much of
the credit that the Conference
has brought this Administration.

Best wishes,

Bill Clinton

World Wildlife Fund

1250 Twenty-Fourth St., NW Washington, DC 20037-1175 USA
Tel: (202) 293-4800 Telex: 64505 PANDA FAX: (202) 293-9211

Incorporating The Conservation Foundation. Affiliated with World Wide Fund for Nature.



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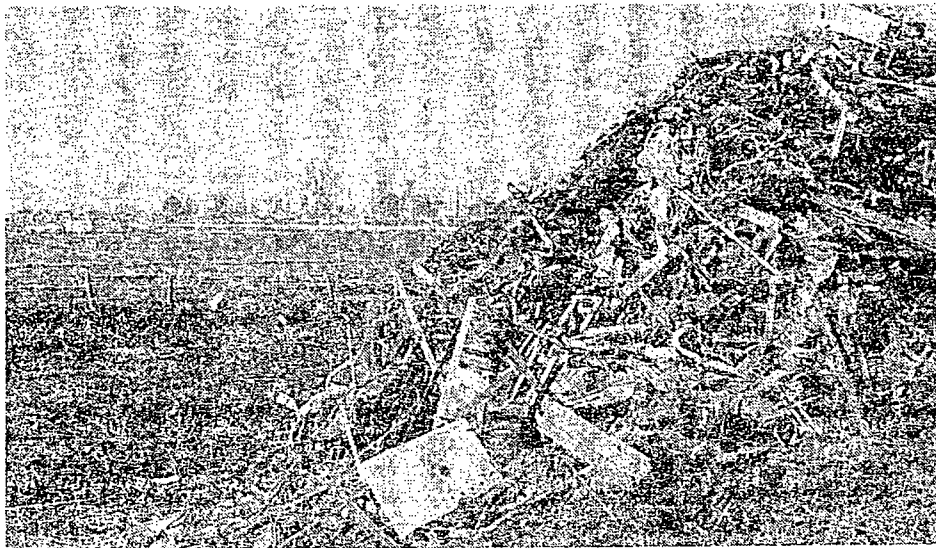
Seventy-Five Cents

Tree-hugger White House

Major environmental groups have a major lock on Clinton Administration policymaking. They have moved from opposition to important insider roles. And while Al Gore clearly has an active role in the Administration, perhaps more so than most of his predecessors, it is obvious that the extent of environmental penetration exceeds his influence on their behalf.

In addition to Gore, a committed environmentalist, at the center of the Administration, Interior Secretary Bruce Babbitt an environmental activist and former president of the League of Conservation Voters who owes his appointment to lobbying by other activists, and Alice Rivlin, former head of the Wilderness Society's governing board and now second in command at the Office of Management and Budget, will be a powerful pipeline to policy central. This has many users of public land and people concerned about industrial output concerned.

Carol M. Browner, new head of the Environmental Protection Agency is a Gore protege and is married to an environmental activist. She has named a Sierra Club director and an Environmental Defense Fund trustee as her assistants. Another former Gore aid is heading a White



How the White House Sees the world.

House office on environmental policy.

Environmental leaders, who have had easy access to both Messrs. Clinton and Gore before the election, are proud of their access to the White House now. According to a report in *The Los Angeles Times*, Jay D. Hair, president of the National Wildlife Federation, said "I know these guys so well. I feel comfortable calling them, and

they feel comfortable calling me."

The report said that on the Sunday afternoon a week before his State of the Union address, Clinton and Gore met with about a dozen leaders of major environmental groups. A week later, Gore met with them again to brief them on the economic package. It contained 19 of the 30 measures recommended by the Sierra Club, one of the groups at the meetings, according to the report.

"I've spent more time visiting the Presi-

dent and Vice President in the last two weeks than in the last 12 years," Hair is quoted.

Major changes are occurring in the Interior Department as a result of this new alliance. Agencies there are often in conflict, and provide a natural balance in policy. For example the Fish and Wildlife Service is highly environmental while the Bureau of Reclamation tends to be more public oriented.

Secretary Babbitt's assistant secretary for parks and wildlife is George T. Framp-ton is a former president of the Wilderness Society, which had often sued previous administrations. Jim Baca is new director of the Bureau of Land Management and was formerly on the governing council of the Wilderness Society. His appointment reportedly has many western resource interests nervous.

"It's amazing," a longtime Interior official is quoted. "There's not a commodities interest among them. Most [of Babbitt's appointments] are environmentalists."

In most western states, the Federal government owns half of all land. In California alone, an estimated 40,000 permit holders make their livings off ranching, mining and logging permits, the *Times* said. It estimated that a fifth of all American consumed and half its lamb and wool

See GREENS, page 4

PHOTOCOPY
PRESERVATION

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PHOTOCOPY PRESERVATION

Contributing to the lecture was Reuben Greenberg, Chief of Police in Charleston, South Carolina who has implemented a fail-safe system to prevent felony prisoners from receiving early parole. Rather than complaining about "the revolving door of justice," Greenberg assigned one detective the special job of intervention. Any time an early parole is considered by the parole board, the special detective goes with the victim to plead his/her case before the prison board. Greenberg said that 93 percent of the early paroles are being de-

cement block.

Perhaps the most important responsibility of government is to keep prisons in the hands of those who know how to run them, rather than federal judges "who decide that it is cruel and inhuman punishment not to have color T.V. and air conditioning in a cell block . . . We have the anomaly in this country of federal judges deciding that prisoners, sentenced for felonies, require more space in which to live than do members of the armed forces in barracks," Meese said.

Greens

Continued from page 1

are produced on Federal lands. Fees for such activities will likely be approved by the Clinton Administration.

Another favorite target of environmental activists is the 19th Century law allowing miners to eventually own the mines they work on Federal lands. Presenting this as a public land grab by wealthy mine industrialists, they have long sought to have it changed. Now Babbitt unilaterally signed a notice preventing subordinates from conveying title. This man alone has gotten around the law of the land.

"Babbitt is out of the [environmental] movement, and its objective is to turn everything from the 100th meridian to the Cascades into a park so people can drive through and marvel at how quaint we all look," William Perry Pendly, head of the Mountain States Legal Foundation, is quoted.

President Bush's Interior Secretary Manual Lujan, jr., said that it did not make sense to try to please the environmentalists

because they are never satisfied. It appears that, even with this new special relationship, that may be the case, and even though winning, the environmentalists will continue to press for more action on their agenda.

But they are calling on their members to support the Clinton higher fees for use of public lands and the energy tax, as they would logically do in any case. The Wildlife Federation has written its 5.3 million members to write their Congressmen in support of the proposals, the report said.

Clinton's economic stimulus package includes many proposals favored by environmental activists, including those to improve energy efficiency, enhance water quality, and to limit waste disposal.

Hair is quoted as saying that helping set policy and providing workable plans is "exciting, but it calls upon the environmental community to a new level of intellectual rigor and responsibility to participate as players in this process in the Clinton-Gore Administration."

"A plethora of foreign policy objectives has been put forward, as if all could be successfully and simultaneously pursued. We are to advance democracy and all its procedures, human rights, civil liberties, equality before the law, protection of minorities, self-determination, an orderly world, international law, economic growth, free markets, privatisation, free trade, limits on environmental degradation, curtailment of the arms trade, prevention of the spread of advanced weapons, etc., etc. . . .

"What is ignored is that some of these objectives are flatly in conflict, and that all require the careful examination of trade-offs."

Consider the clash between our desire to promote democracy around the world — and America's own vital interests.

Do we really want to pressure the Kingdom of Saudi Arabia to adopt a more democratic, less autocratic system? Who do we think will win the elections, if we undermine the royal family? In Algeria, Islamic fundamentalists came within days of taking power in free elections, which the corrupt socialist regime instantly called off — to the general relief of Western statesmen.

What of our belief in the self-determination of peoples?

We favor it for Lithuania, Latvia, Estonia and Ukraine; but what about Chechnia, Ossetia, Abkhazia and Tartarstan? If self determination for these latter means disintegration of Russia, her collapse into anarchy, how far do we press "self-determination"?

The Washing

News from the cap

DRAFT

Forest Policy Baselines

EXECUTIVE SUMMARY

To assess the economic impacts of existing and alternative forest policies, one first must have an appropriate baseline that describes the way things would be if policies were left unchanged, i.e., the levels of harvest, employment, income, and other economic variables that would occur with no change in policy. The economic impacts of a given alternative policy equal the differences between the economy that would exist under the alternative and the baseline economy.

In the past, many analyses of alternative forest policies in the Pacific Northwest have used baselines equal to historical levels of harvest, employment, and so forth, and attributed any changes in these variables to a change in forest policy. But a historical period is an appropriate baseline only if the exogenous economic conditions (conditions not under the control of the policy being evaluated) during the historical period are likely to continue into the future. There is no historical harvest level from the 1980s that satisfies this requirement. That is, even with no change in federal forest policies, biological and economic factors dictate that this region never again will experience the levels of timber harvest, timber-related employment, and timber-related income seen in the 1980s.

Biologically, harvest levels from the 1980s are inappropriate benchmarks because they are not physically sustainable. The timber industry has cut trees faster than the available land can grow replacements and harvests must decline in the future to compensate.

Economically, harvest levels from the 1980s are inappropriate benchmarks because the relationship between timber harvest and the region's economy will be markedly different in the future. Large numbers of timber jobs, eliminated by the industry as it pursued productivity improvements, will not reappear even if harvest levels returned to past levels. And, with reductions in timber wages and rapid growth in non-timber sectors, each timber job has a much smaller impact on the regional economy. In 1979, a cyclical peak, 14.7 billion board feet were harvested in Oregon and Washington and 133,800 workers were employed in lumber and wood products. By 1989, the next cyclical peak, employment in the lumber-and-wood-products industry fell 18 percent, to 109,800, even though the harvest level increased slightly, to 15.2 billion board feet. During the 1979-89 period the industry also slashed the wages of the remaining workers, so that in real terms, industry payrolls fell by 81 percent. In 1992, employment in the lumber-and-wood-products industry dropped to 90,100. From 1979 to 1989, the industry's share of total employment in Oregon and Washington dropped from 4.6 to 3.0 percent as the non-timber-related economy experienced strong growth. The

industry's share of total employment in Oregon and Washington has continued to decline since 1989, to 2.4 percent.

To identify a baseline appropriate for evaluating alternative forest policies, one must look to the consequences of the actions of the Bush Administration and the agencies that administer federal lands, the Forest Service and the Bureau of Land Management. These actions violated the National Environmental Protection Act (NEPA), the Endangered Species Act (ESA), the National Forest Management Act (NFMA), and the Clean Water Act as amended. Federal judges have awarded injunctive relief, enjoining timber sales, that will remain in place until the agencies comply with federal law. Hence, the baseline for evaluating alternative management policies is the harvest level attainable under the current injunctions. It is against this baseline that one should evaluate alternative forest policies.

As a result of the recession and other factors, less than 2,200 million board feet of timber was harvested from owl forests in fiscal year 1992, less than half the average of the 1980s, and much of what was harvested in 1992 had been sold in prior years, before the injunctions. Only about 450 million board feet of timber was sold from owl forests in fiscal year 1992. Unless the agencies adopt policies that comply with a broad set of federal natural resource laws, no more than 450 million board feet will be sold from federal owl forests in any future year and, once pre-injunction sales are harvested, harvests from federal land in owl forests will average no more than 450 million board feet per year. The only way to increase harvests above this baseline level, given current law, is to adopt policies and implement programs that comply with this broad set of federal laws.

Two alternative policies drawn from the "Gang of Four" report illustrate the economic implications of adopting policies that would comply with existing federal environmental laws. They would lead to increases of allowable harvest levels of 362 and 529 million board feet over the current, injunction-related baseline. Employment would increase by up to 7,200 jobs and personal income would increase by up to \$894 million.

In short, there is no going back to the unsustainable and illegal timber harvest levels of the 1980s. The courts, through injunctions, have established the only baseline pertinent to the evaluation of alternative forest policies for the future, and the only way to increase timber harvests, jobs, and incomes above this baseline is to adopt environmentally sound policies and programs. This is truly an instance where the only reasonable option is to pursue a policy of jobs and the environment.

INTRODUCTION

To assess the economic impacts of existing and alternative forest policies, one first must have an appropriate baseline that describes the way things would be if policies were left unchanged, i.e., the levels of harvest, employment, income, and other economic variables that would occur with no change in policy. Against this baseline one then compares the levels associated with alternative policies. The economic impacts of a given alternative policy equal the differences between the economy that would exist under the alternative and the baseline economy.

This baseline approach to policy analysis, also called the without approach, focuses on isolating the impacts stemming from the proposed policy from the impacts of other, exogenous factors. A key element of this approach is to define a baseline that appropriately facilitates identification and measurement of the economic impacts attributable solely to a given policy alternative. In the past, many analyses of alternative forest policies in the Pacific Northwest have used baselines equal to historical levels of harvest, employment, and so forth, and attributed any changes in these variables to a change in forest policy. Using a historical average as a baseline is appropriate, however, only if one expects future exogenous economic conditions (conditions not under the control of the policy being evaluated) to resemble those that existed during the historical period. If, regardless of a change in forest policy, these exogenous conditions would cause large changes in the region's economy, then historical baselines become inappropriate.

In this paper, we describe the appropriate baseline for the analysis of the key economic impacts associated with alternative forest policies. Our analysis leads to three conclusions:

1. High harvest levels of the past do not provide an appropriate baseline for making future forest policy.
2. The appropriate baseline for evaluating alternative management policies is the harvest level attainable under current injunctions.
3. The adoption of policies that comply fully with existing federal law would lead to positive economic impacts.

I. HIGH HARVEST LEVELS OF THE PAST DO NOT PROVIDE AN APPROPRIATE BASELINE FOR MAKING FUTURE FOREST POLICY

One often hears about how some proposed forest policy, such as protecting spotted owls, will "cost" tens of thousands or even hundreds of thousands of jobs. These "costs" are estimated by comparing the timber harvests and employment that would occur under the proposed policy to the harvest and employment levels observed in some past period. But a

historical period is an appropriate baseline only if the exogenous conditions during the historical period are likely to continue into the future. There is no historical harvest level that satisfies this requirement. That is, even with no change in the policies of federal forest-management agencies, biological and economic factors dictate that this region would not experience historical levels of timber harvest, timber-related employment, and timber-related income.

THE HARVEST LEVELS SEEN IN THE 1980S ARE NOT BIOLOGICALLY SUSTAINABLE.

In 1989 researchers at Oregon State University, responding to questions posed by the state's legislature and governor, looked to see if the state's forest lands could sustain recent harvest levels. Their conclusions were unequivocal.¹ They found that the harvest levels experienced in the 1980s on both public and private lands were not sustainable:

Q: Are we currently cutting more than the sustainable harvest?

A: When 1983-1987 is used as the frame of reference, the answer is YES, we are currently cutting more than the sustainable harvest, both in cubic feet and board feet. This is evident in the four percent decline in cubic-foot harvest projected for 1991-2000. This trend suggests that a harvest decline is likely within the next decade. However, if it does occur, harvest would probably recover to the 1983-1987 level by the fourth decade and subsequently rise to seven percent above that level.

It is important to understand that the relative decline in board-foot harvest will exceed that for cubic feet because of the smaller stand diameters to be harvested in the future. Board-foot harvest will decline by eight percent in decade one [1991-2000].

It is important to recognize that these findings generally did not come as a surprise. More than a decade earlier, the so-called Beuter Report had similarly warned that harvest levels throughout most of western Oregon would have to decline before the end of the century because the land could not sustain the then-current levels of harvest.² In 1976, when the Beuter Report was written, the primary concern was with

¹The study's findings are reported in Sessions, et al. 1990. *Timber for Oregon's Tomorrow: The 1989 Update*. Corvallis, OR: Oregon State University.

²See Beuter, et. al. 1976. *Timber for Oregon's Tomorrow*. Corvallis, OR: Oregon State University.

overcutting on private lands. It was assumed at that time that public lands would supply a never-diminishing stream of timber. By 1991, when the Sessions Report was written, it had become clear that, for a variety of reasons including, but not limited to spotted-owl protection, federal lands could not continue to supply the quantities of timber cut in the 1970s and 1980s.

In October 1991, the Gang of Four Report revealed that the levels of sustainable harvests described in the Sessions Report are, themselves, an overstatement of actual potential harvests by about 15 percent. The Sessions Report relied on assumptions about timber inventory and land-use allocations contained in then-current forest management plans for public lands. The two most important of the reasons for the 15 percent adjustment were that the Forest Service's harvest-scheduling software cannot take all standards and guidelines, especially spatial guidelines, into account and that it the agency has had difficulty finding the timber on the ground that was assumed to be in inventory. The sustainable harvest from public lands was in fact about 15 percent lower than reported in the Sessions report.

The prolonged failure of forest managers and the timber industry to manage the region's forests at sustainable levels of timber harvest provides the historical foundation upon which future forest policy must rest.

These conclusions, which also generally apply to Washington and California, have powerful implications for forest policy. By extracting timber from the region's forests faster than the available land can grow replacements, the timber industry and the region's timber-dependent communities now must live with the inevitable consequences. Policy makers should not assume that we somehow could turn back the clock and return to the harvest levels of the last two decades if environmental constraints were lifted. It is not the unsustainable harvest levels of the past, but the mess they have left, that we now must use as the baseline for evaluating future forest policies.

ENVIRONMENTAL CONCERNS HAVE NOT BEEN THE PRIMARY CAUSE OF RECENT DECLINES IN TIMBER HARVEST

Many proponents of higher harvests have argued that actions to protect spotted owls and other at-risk species have been the primary cause of declines in timber harvest since the mid-1980s and that now the policy pendulum should swing the other way. This view overlooks the numerous other factors, in addition to the biological constraints just described, that have contributed to declines in harvest. The most important has been the cyclical decline in the demand for lumber-and-wood products.

Demand for lumber-and-wood products shrunk markedly in the last five years as the national economy stalled. The major demand for this region's lumber-and-wood products comes from housing construction, with the balance coming from residential maintenance and alteration, nonresidential construction, and industrial and commercial activities. All of these are sensitive to national economic conditions, making the timber industry one of the most cyclical. Thus, much of the industry's decline in the past five years can reasonably be attributed to national economic conditions, not to regional environmental concerns. National housing starts, for example, reached a cyclical peak in 1986, at 1.81 million units, then declined dramatically to a cyclical low in 1991 of 1.02 million units.

Timber harvests in Oregon and Washington followed the same pattern. In 1986, 15.3 billion board feet were harvested in the two states. By 1991, when housing starts had fallen by 44 percent from 1986 levels, timber harvest in the two states fell by 80 percent, to 10.7 billion board feet.

Much of the recent reduction in timber harvests from the region's forests, hence, has economic, not environmental origins. A weak national economy caused many, if not most, of the job losses in the timber industry during the past few years. It is inappropriate to assign reductions in harvest from the peak years of the mid-eighties to environmental concerns insofar as these reductions would have occurred regardless of these concerns.

MANY JOBS ARE ALREADY GONE; THE INDUSTRY'S IMPORTANCE TO THE REGIONAL ECONOMY HAS DIMINISHED

The current slump is part of a larger trend of declining employment in the lumber-and-wood-products industry. At the previous cyclical peak in 1979, the industry employed 133,800 people. At the cyclical trough in 1982, the industry had eliminated 39,200 of those jobs, and only 14,700 were regained by the 1989 peak, when harvests were four percent higher than in 1979.

At the same time, total employment in the two states increased by 751,000 jobs. Since 1989, lumber-and-wood-products employment has declined by another 19,200 jobs, for a total decrease since 1979 of 43,700 jobs. Lumber-and-wood-products' share of total Oregon and Washington employment declined steadily during the last eight years, to 2.4 percent of total employment in Oregon and Washington in 1992.

Lumber-and-wood-products employment in Oregon and Washington declined in the 1980s despite large timber harvests, as productivity gains reduced the number of lumber-and-wood-products workers employed for

every million board feet of timber harvested.³ In 1979, a cyclical peak, 14.7 billion board feet were harvested in Oregon and Washington and 188,800 workers were employed in lumber and wood products; that is 9.13 workers per million board foot of harvest. By 1989, the next cyclical peak, when 15.2 billion board feet were harvested, 109,300 were employed in lumber and wood products, or 7.19 workers per million board foot of harvest.⁴

In short, the industry has eliminated jobs and reduced the real wages of the remaining workers for reasons unrelated to environmental concerns and withdrawing protection for non-timber elements of the forest ecosystem will not bring these jobs back. The industry's elimination of jobs, along with strong growth in the rest of the economy, has reduced the industry's overall role in the regional economy.

JOBS WILL CONTINUE TO BE LOST WITHOUT ACTION THAT LEADS TO THE LIFTING OF INJUNCTIONS

As a result of the recession and other factors, less than 2,200 million board feet of timber was harvested from owl forests in fiscal year 1992, less than half the average of the 1980s, and much of what was harvested in 1992 had been sold in prior years, before the injunctions. Only about 450 million board feet of timber was sold from owl forests in fiscal year 1992.

Unless the federal forest-management agencies adopt policies that comply with a broad set of federal laws, no more than 450 million board feet will be sold from federal owl forests in any future year. Once the remaining inventory from pre-injunction sales is depleted, harvests from federal land in owl forests will average no more than 450 million board feet per year. The only way to increase harvests above this baseline level, given current law, is to adopt policies and implement programs that comply with a broad set of federal laws.

³See Greber. 1993. Impacts of Technological Change on Employment in the Timber Industries of the Pacific Northwest. *Western Journal of Applied Forestry* (8:1).

⁴It is important, when determining secular trends in a cyclical industry such as the timber industry, to separate long-run changes in the industry from cyclical ones. This typically is done by looking at the industry during comparable points during consecutive cycles, e.g., comparing peak to peak or trough to trough.

II. THE APPROPRIATE BASELINE FOR EVALUATING ALTERNATIVE MANAGEMENT POLICIES IS THE HARVEST LEVEL ATTAINABLE UNDER CURRENT INJUNCTIONS

Current federal forest policy, as established by the Bush administration and implemented by the agencies that administer forest lands, violates several federal laws. The laws violated include the National Forest Management Act (NFMA), the National Environmental Protection Act (NEPA), the Endangered Species Act (ESA), and the Clean Water Act as amended. Lawsuits brought by environmental groups have challenged the management practices of the Forest Service and the Bureau of Land Management (BLM) and sought injunctive relief. Federal judges have awarded injunctive relief, enjoining timber sales until the agencies prepare environmental impact statements and management plans that comply with federal law. These injunctions have been upheld by the appellate courts.

JUDGE DWYER AND THE FOREST SERVICE

In 1989, Judge Dwyer found that the Forest Service's plans to sell timber in spotted owl habitat in the western Cascades and northern California without a scientifically credible management plan for the owl were illegal - a violation of NFMA. Dwyer halted the agency's 1989 timber sales in the owl's habitat. This injunction, and the injunction against the BLM timber sales, was lifted by Congress via Section 318.

In 1991, in the same case, Dwyer again prohibited the agency's timber sales program in the western Cascades and northwest California for the same reason: the agency still did not have a credible management plan for the owl. This injunction left Region 6 with a 1991 timber sales program in only the six national forests east of the Cascades. The opinion follows:

The records of this case and of (Northern Spotted Owl v. Lujan) show a remarkable series of violations of the environmental laws. The Forest Service defended its December 1989 ROD (Record of Decision) persistently for nearly two years. Congress was persuaded in 1989 to adopt most of the ROD standards as a temporary measure in Section 318. But in the fall of 1990 the Forest Service admitted that the ROD was inadequate after all - that it would fail to preserve the Northern Spotted Owl. In seeking a stay of proceedings in this court in 1989 the Forest Service announced its intent to adopt temporary guidelines within thirty days. It did not do that within thirty days, or ever. When directed by Congress to have a revised ROD in place by September 30, 1990, the Forest Service did not even attempt to comply. The US Fish and Wildlife Service, in the meantime, acted contrary to law in refusing to list the spotted owl as endangered or threatened. After it finally listed the species as "threatened" following

Judge Zilly's order, the US Fish and Wildlife Service again violated the ESA by failing to designate critical habitat as required.

Had the Forest Service done what Congress directed it to do - adopt a lawful plan by last fall - this case would have ended some time ago.

More is involved here than a simple failure by an agency to comply with its governing statute. The most recent violation of NFMA exemplifies a deliberate and systematic refusal by the Forest Service and the US Fish and Wildlife Service to comply with the laws protecting wildlife. This is not the doing of the scientists, foresters, rangers, and others at the working levels of these agencies. It reflects decisions made by higher authorities in the executive branch of government.

Associate Forest Chief George Leonard testified that the Secretaries of Interior and Agriculture had called off the Forest Service's efforts to prepare a spotted owl management plan and environmental impact statement, as required under Section 318, in favor of the Yeutter Task Force. That group was formed to formulate an alternative to the Thomas Report that would have less impact on timber sales, but failed to do more than produce a four-page press release. The Forest Service did not adopt the Interagency Scientific Committee Report when it had the opportunity to do so.

The Forest Service had been expressly directed by Congress in Section 318 to consider the Interagency Scientific Committee recommendations in arriving at the ROD to be issued by September 30, 1990. On September 28, 1990, the Department of Agriculture gave notice that the Forest Service was vacating the December 1988 ROD, and that it would manage timber sales in a manner "not consistent with" the Interagency Scientific Committee Report. ... This announcement was made without notice, hearing, environmental impact statement, or other rule-making procedures.

JUDGE FRYE AND THE BLM

In February 1992, District Court Judge Helen Frye reversed her earlier rulings and issued a preliminary injunction against the BLM in the long-running *Portland Audubon Society v. Lujan* case. Her temporary injunction halted 120 timber sales already planned for 1991 and 1992, and will remain in effect until the suit brought by the Portland Audubon Society is finally resolved. Four of the sales were in the process of being logged at the time Frye issued the injunction. Another 22 timber sales had been sold but not yet cut.

Frye ruled that the BLM violated NEPA when it failed to prepare an environmental impact statement for its western Oregon timber sale program. Frye said the BLM should have incorporated new information

about the effects of logging old-growth forests on the northern spotted owl.

Until 1991, the BLM had been protected against lawsuits by a series of riders to Congressional appropriations bills which restricted judicial review of BLM timber sales. On March 4, 1992, the Ninth Circuit Court of Appeals blocked all future BLM timber sales in western Oregon. The three member court ruled in the suit brought by Lane County Audubon that the agency violated the ESA when it failed to prepare a spotted owl protection plan after the owl was listed as a threatened species in 1990. Unlike the Forest Service, the BLM chose not to adopt the Thomas Report as an interim owl protection plan. It developed its own plan, called the Jamison Strategy. The BLM did not initiate an official consultation with the US Fish and Wildlife Service on the Jamison Strategy as required by the ESA.

These rulings serve to decrease the harvest levels associated with current federal forest policies. This is a decrease from the harvest levels called for in current plans to that portion of those harvests called for in current plans that are not under injunction. The baseline for comparison to harvest levels that would be allowed under alternative policies is therefore the lower, constrained harvest level rather than the level called for in current plans.

As a result of the recession, less than 2,200 million board feet of timber was harvested from owl forests in fiscal year 1992. Average annual harvests from the same forests in the 1980s were over twice as high. But much of what was harvested in 1992 had been sold in prior years, before the federal sales programs were shut down by court order. Only about 450 million board feet of timber was sold from owl forests in fiscal year 1992. Even this rate will be difficult to sustain with the injunctions in place. The following table shows federal sales and harvests from owl forests.

Federal Sales and Harvests from Owl Forests

	80-89 Average Harvest	1990 Sales Program	FY92 Actual Sales	FY92 Actual Harvest
BLM Total	850	790	50	600
Forest Service WA	970	886	81	402
Forest Service OR	2,061	2,012	226	848
Forest Service CA	570	390	95	291
Forest Service Total	3,601	3,288	402	1,541
TOTAL	4,481	4,078	482	2,141

Sources: Scientific Panel on Late-Successional Forest Ecosystems; USDA Forest Service Region 5; USDA Forest Service Region 6; USDI Bureau of Land Management, Oregon State Office.

The no-action alternative that defines the baseline for the analysis of other alternatives implies continued failure to comply with federal

environmental legislation and the consequent court injunctions on timber harvest. Most of the timber harvested in FY 1992 was sold in prior years. The baseline harvest for future years corresponds to the quantity of timber federal agencies may continue to sell with the injunctions in place. That quantity will be no more than the 452 million board feet sold in FY 1992. Baseline harvests from federal lands will therefore be only about 10 percent of the average harvest levels observed in the 1980s and only about 20 percent of the harvest observed in FY 1992.

The current injunctions have a narrow scope related to concerns about spotted owls, but they reflect much broader concerns about the regions forest ecosystems. Hence, any proposed policy alternative that narrowly satisfies the concerns underlying the current injunctions but does not comply with all federal environmental and forest-management laws would be vulnerable to similar injunctions from the federal courts over similar concerns and could lead to harvest levels no higher than the baseline, regardless of the harvest levels called for in the proposed policy. In such cases, the proposed policy alternatives would lead to no economic impacts relative to the baseline and negative economic impacts relative to current or past harvest levels.

III. ADOPTING FOREST POLICIES THAT COMPLY FULLY WITH EXISTING FEDERAL LAWS WOULD LEAD TO POSITIVE ECONOMIC IMPACTS

To provide examples of economic impact analysis using an appropriate baseline harvest level and to investigate the economic implications of adopting policies that would comply with existing federal environmental laws, we compare two alternative policies drawn from the "Gang of Four" report to the no-action alternative.

In 1991, congress requested the establishment of a scientific panel on late-successional forest ecosystems and requested a report on alternatives for the management of late-successional forests in the Pacific Northwest. The panel, which has become known as the Gang of Four, developed 14 alternatives, 11 of which have three options each. We describe two alternative/option combinations here and calculate the economic impacts of adopting each of them using information provided in the Gang of Four report.

Based on the Gang of Four Report, and for illustrative purposes, we assume that either of the alternatives examined here could form the basis for a legal management plan.

GANG OF FOUR ALTERNATIVE 8, OPTION C

The Gang of Four alternatives start with existing forest management plans and describe changes from those plans. Alternative 8, Option C deviates from existing plans in the following ways:

- Spotted Owl Habitat Areas (SOHAs) are ignored
- Full compliance with the Interagency Scientific Committee's guidelines is achieved
- The most significant late-successional/old growth stands not already included in habitat conservation areas are reserved from harvest. The most significant stands are the largest, most strategically-located blocks of existing stands, often at low elevations, that provide for spotted owls, marbled murrelets, other late-successional forest plant and animal species, sensitive fish species and stocks, and other important ecosystem processes and functions.
- Ten percent of the land not otherwise reserved be harvested on rotations greater than 180 years (i.e., not more than 1/18 of the timber on these lands would be harvested in each decade).
- Management requirements to protect sensitive fish species and stocks are added.

The management requirements for watersheds and fish habitat include the following:

- Wild, Scenic, or Recreational rivers would have a no-harvest area on each side of 1/4 mile or the extent of the 100-year flood plain, whichever is larger
- Other major streams draining at least 30 square miles would have a no-harvest area on each side of 1/8 mile or the extent of the 100-year flood plain, whichever is larger
- Other fish-bearing streams would have a 300-foot no-harvest area on each side
- Permanently-flowing non-fish-bearing streams would have a 150-foot no-harvest area on each side
- Other streams would have a 50-foot no-harvest area on each side in areas of moderate-to-high soil instability.
- Livestock grazing would be temporarily or permanently excluded from riparian areas

- Forest road mileage would be minimized and non-essential roads would be removed
- Road drainage systems would be improved and maintained
- Slash burns would be eliminated in riparian areas and hot burns would be eliminated on steep slopes

GANG OF FOUR ALTERNATIVE 12, OPTION C

Alternative 12, Option C is the same as Alternative 8, Option C with the additional stipulation that all significant late-successional/old growth stands are reserved from harvest. Significant stands are blocks of existing mature and old-growth stands, sometimes fragmented or small in size, that help connect the most significant stands and contribute to their viability.

ECONOMIC IMPACT ANALYSIS

Economic impact analysis for forest policy consists of three steps. First, a baseline is established assuming no change in policy. This baseline describes the harvest levels that would occur with no change in policy along with the levels of employment and income associated with that level of harvest. Second, alternative policies are defined and their economic implications are described. We have completed these steps above. Finally, the impacts of policy alternatives are measured as differences between the way things would be with alternatives in place and the way things would be if policies were left unchanged.

To measure the differences in employment and income between the no-action alternative and the three proposed alternative policies, we first describe the differences in harvest levels as represented by allowable sales quantities (ASQs) as estimated by the Gang of Four to the sales quantities observed in fiscal year 1992. We then apply economic multipliers developed for the Gang of Four report by Brian Greber at Oregon State University (and updated to 1992 dollars by ECO Northwest) to estimate the associated changes in employment and income in all sectors of the economy.

COMPARE BASELINE SALES TO ASQS UNDER ALTERNATIVES

In the first of the following tables, we show the actual sales from owl forests in fiscal year 1992 and the allowable sales quantities under the alternative policies we are examining. In the second table, we show the differences between each of the proposed alternatives and the actual fiscal-year 1992 sales levels. In both tables we break down the figures by ownership and state. The BLM's owl forests are in Oregon.

Allowable Sales Quantities from Owl Forests Under Gang of Four Options and Baseline (Actual FY92) Sales

	Baseline (Actual FY92) Sales	Option 8C ASQ	Option 12C ASQ
BLM Total	50	184	184
Forest Service WA	81	192	167
Forest Service OR	226	473	382
Forest Service CA	95	152	131
Forest Service Total	402	817	680
TOTAL	452	981	814

Sources: Scientific Panel on Late-Successional Forest Ecosystems; USDA Forest Service Region 5; USDA Forest Service Region 6; USDI Bureau of Land Management, Oregon State Office.

Note: FY92 sales for owl forests in Oregon and totals that include them are reported as ranges because the Winema National Forest has not yet determined how much of the 47 mmbf sold in FY92 was sold in the portion counted as owl forest (west of Hwy. 97).

Increases in Allowable Sales Quantities from Owl Forests Under Gang of Four Options Relative to Baseline Sales (MMBF)

	Option 8C ASQ	Option 12C ASQ
BLM Total	114	84
Forest Service WA	112	86
Forest Service OR	247	156
Forest Service CA	57	36
Forest Service Total	415	278
TOTAL	529	362

Source: ECO Northwest.

The two alternative policies examined here would lead to increases of allowable harvest levels of 362 and 529 million board feet per year over the no-action alternative.

ESTIMATE DIFFERENCES IN EMPLOYMENT AND PERSONAL INCOME

In the Gang of Four report, impacts on employment and personal income were estimated by applying ranges of multipliers for estimating impacts per million board feet of change in harvest. The total employment multiplier ranged from 10.7 to 18.6 jobs per million board feet harvested. Of these total jobs, 5.1 to 5.9 per million board feet would occur in the timber industry itself, the rest would occur in other sectors of the economy. The total personal income multiplier ranged from \$840,000 to \$640,000 (1988 dollars) per million board feet harvested. We use the

same ranges here, but adjusted the income multipliers from 1988 dollars to 1992 dollars, making the range \$396,000 to \$745,000 (1992 dollars) per million board feet harvested. According to Brian Greber, who developed the multipliers for the Gang of Four, the employment estimates may be low by about ten percent because they do not include employees of forestry service firms (e.g., tree planters), proprietors, or employees of federal agencies.

Increases in Employment from Owl Forests Under Gang of Four Options Relative to Baseline (Jobs)

	Option 8C	Option 12C
BLM Total	1,200 to 1,600	900 to 1,100
Forest Service WA	1,200 to 1,500	900 to 1,200
Forest Service OR	2,600 to 3,400	1,700 to 2,200
Forest Service CA	600 to 800	400 to 500
Forest Service Total	4,400 to 5,700	3,000 to 3,800
TOTAL	5,700 to 7,200	3,900 to 4,900

Sources: Scientific Panel on Late-Successional Forest Ecosystems;
ECO Northwest.

Increases in Personal Income from Owl Forests Under Gang of Four Options Relative to Baseline (Millions of 1992 Dollars per Year)

	Option 8C	Option 12C
BLM Total	45 to 85	33 to 63
Forest Service WA	44 to 83	34 to 64
Forest Service OR	98 to 184	61 to 116
Forest Service CA	23 to 42	14 to 27
Forest Service Total	148 to 309	110 to 207
TOTAL	209 to 394	143 to 270

Sources: Scientific Panel on Late-Successional Forest Ecosystems;
ECO Northwest.

The alternative policies examined here would each lead to increases in income and employment compared to the no-action alternative. Alternative 8, Option C would result in between 5,700 and 7,200 more jobs and between \$209 million and \$394 million more in personal income. Alternative 12, Option C would result in between 3,900 and 4,900 more jobs and between \$143 million and \$270 million more in personal income.

CONCLUSIONS

In the past, many analyses of alternative forest policies in the Pacific Northwest have used baselines equal to historical levels of harvest, employment, and so forth, and attributed any changes in those variables to a change in forest policy. But a historical period is an appropriate

baseline only if, with no change in policy, the conditions observed during the historical period are likely to continue into the future. With no change in federal forest policies, biological and economic factors dictate that this region never again will experience the levels of timber harvest, timber-related employment, and timber-related income seen in the 1980s. Legal factors dictate that with no change in forest policy, timber harvests will continue to decline from current levels.

Biologically, harvest levels from the 1980s are inappropriate benchmarks because they are not physically sustainable. The timber industry has cut trees faster than the available land can grow replacements and harvests must decline in the future to compensate.

Economically, harvest levels from the 1980s are inappropriate benchmarks because the relationship between timber harvest and the region's economy will be markedly different in the future. Large numbers of timber jobs, eliminated by the industry as it pursued productivity improvements, will not reappear even if harvest levels return to past levels. And the industry is unlikely to reverse the wage reductions it imposed on its remaining workers during the last decade. With reductions in timber payrolls and rapid growth in non-timber sectors, each timber job has a much smaller impact on the regional economy.

To identify a baseline appropriate for evaluating alternative forest policies, one must look to the consequences of the unlawful actions of the Bush Administration and the agencies that administer federal lands, the Forest Service and the Bureau of Land Management. Federal judges have awarded injunctive relief, enjoining timber sales, that can remain in place until the agencies comply with federal law. *Hence, the baseline for evaluating alternative management policies is the harvest level attainable under the current injunctions. It is against this baseline that one should evaluate alternative forest policies.*

As a result of the injunctions, only about 450 million board feet of timber was sold from owl forests in fiscal year 1992. The only way to increase harvests above this baseline level is to adopt policies and implement programs that comply with a broad set of federal laws.

Two alternative policies drawn from the "Gang of Four" report illustrate the economic implications of adopting policies that would comply with existing federal laws. They would lead to increases of allowable harvest levels of 362 and 529 million board feet over the current, injunction-related baseline. Employment would increase by up to 7,200 jobs and personal income would increase by up to \$394 million.

In short, there is no going back to the unsustainable and illegal timber harvests of the 1980s. The courts, through injunctions, have established the only baseline pertinent to the evaluation of alternative forest policies for the future, and to increase timber harvests, jobs, and incomes above this baseline, federal agencies should adopt sustainable,

legal policies and management plans. This is truly an instance where the only reasonable option is to pursue a policy of jobs and the environment.

Eastside
ANCIENT FORESTS

FORGOTTEN GIANTS OF THE NORTHWEST



Wallowa-Whitman NF, Oregon

Gary Lepler

Ancient Forests of the Eastside

The plight of America's last stands of ancient forest has become a national issue. These magnificent groves of gigantic trees are older than the Republic, and contain the largest lifeforms in the United States. The last ten percent of ancient forests which remain are found mostly on federal lands, primarily the National Forests. They belong to all the people and they're almost gone.

Although ancient forests are often associated with western Oregon, western Washington and northwest California, nearly half of Northwest old growth forests are found east of the crest of the Cascade Mountains. The remarkable ponderosa pine and mixed-conifer forests of the "Eastside" are home to wild salmon, and produce most of the water for nearby towns and farms as well as fish. Eastside forest watersheds provide unparalleled wildlife habitat and superb recreational opportunities.

Unfortunately, Eastside ancient forests are seriously threatened by logging, roadbuilding, and over-suppression of natural fire. *Now that Congress is considering legislation to protect ancient forests, it is imperative that Eastside forest ecosystems in Oregon, Washington and California be included.*



Lassen NF, California

Bill Butler



Deschutes NF, Oregon

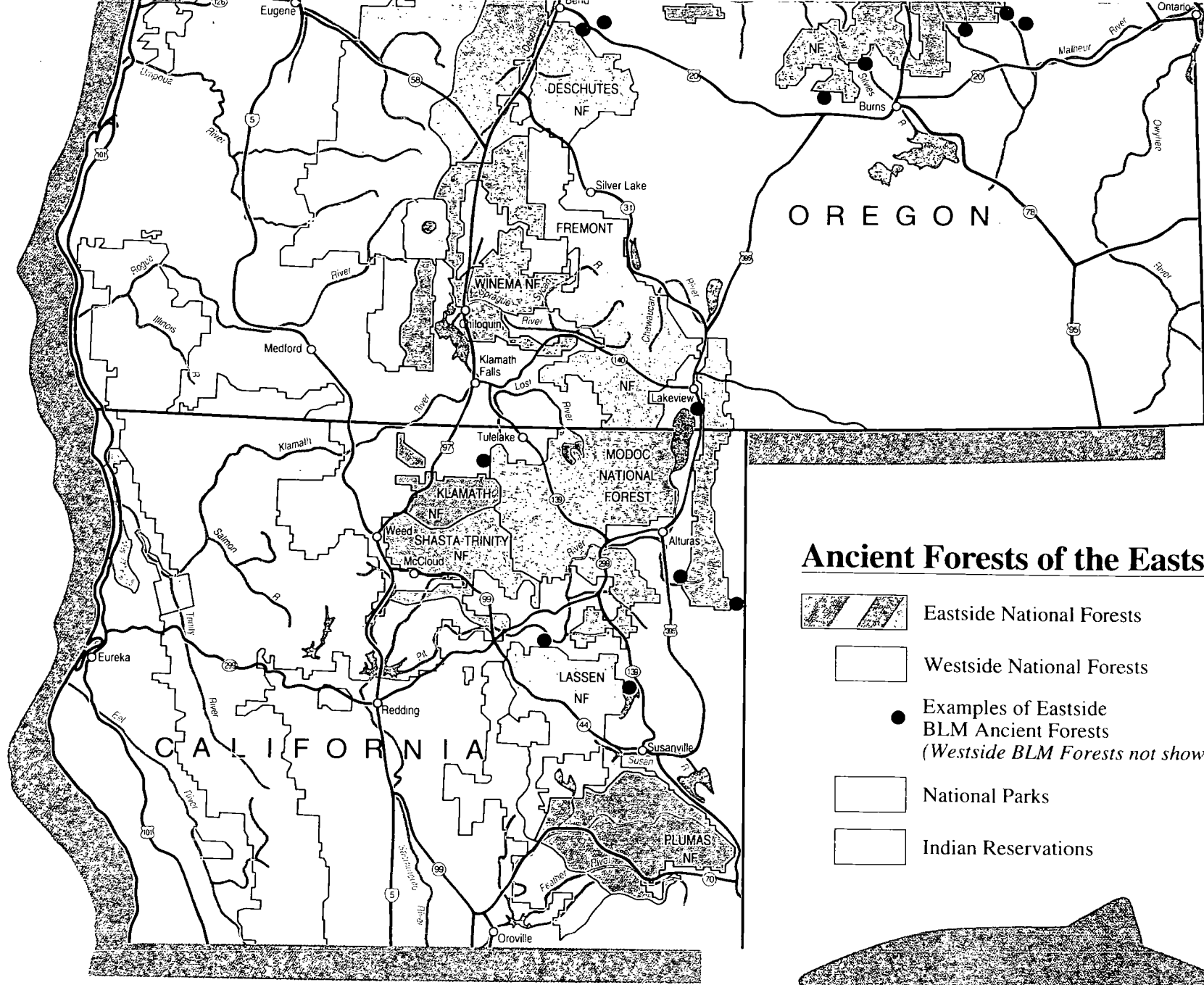
Diane Kelsa



Northern Bald Eagle

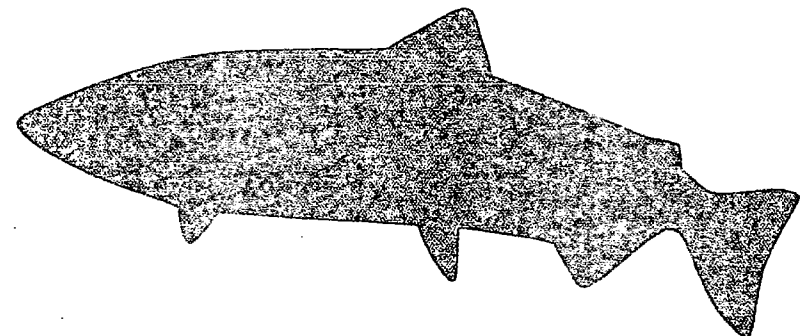
Bill Butler





Ancient Forests of the Eastside

-  Eastside National Forests
-  Westside National Forests
-  Examples of Eastside BLM Ancient Forests
(Westside BLM Forests not shown)
-  National Parks
-  Indian Reservations





Spring Chinook Salmon

OR Dept. Fish & Wildlife

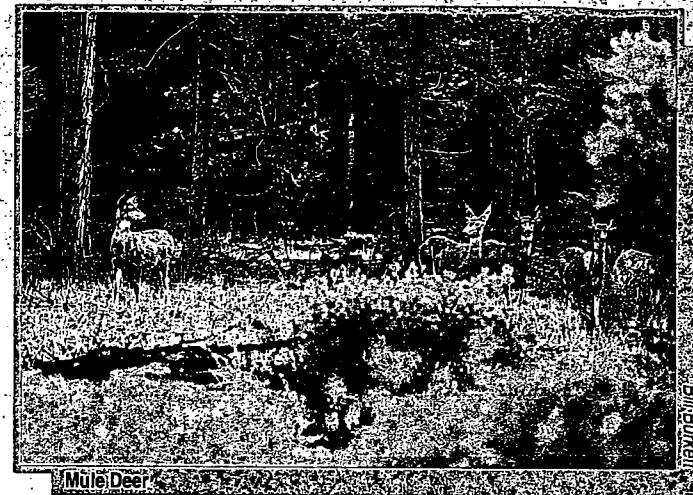
Congress is now deciding the fate of America's ancient forests in the three Pacific states. **The Eastside forests of Washington, Oregon and California must be included in that legislation.** Please write the Speaker of the House (Representative Tom Foley) as well as your Congressional Representative and both your US Senators. Urge them to protect Eastside forest ecosystems in Northwest forest legislation now being debated in Congress.

WRITE TODAY!

Representative Tom Foley
Speaker of the House
 House Office Building
 Washington, DC 20515

Representative _____
 House Office Building
 Washington, DC 20515

Senator _____
 Senate Office Building
 Washington, DC 20510



Mule Deer

US Forest Service



Modoc NF, California

Bill Bunker



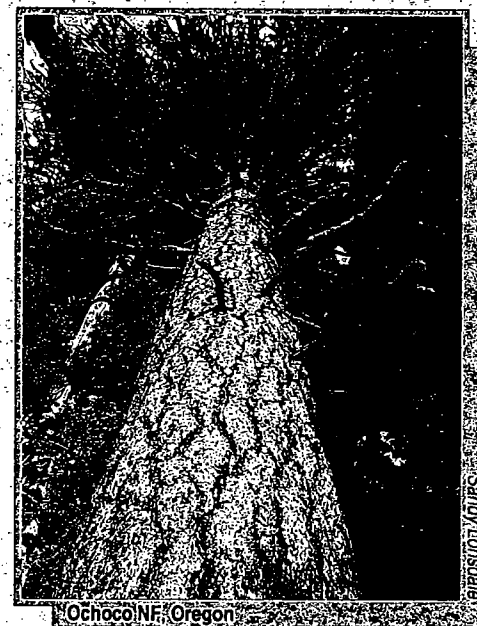
Wenatchee NF, Washington

Travis Steen



Fremont NF, Oregon

Mendocino Wood



Ochoco NF, Oregon

Samuel J. L. L. L.

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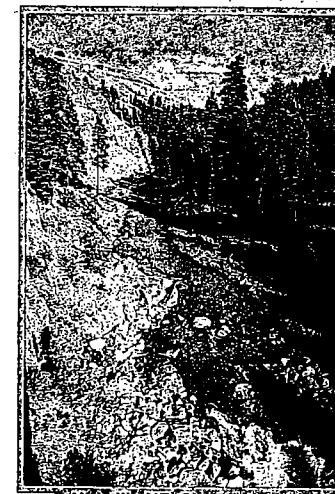
the Problem

- Many ancient ponderosa pine and mixed-conifer forests have been destroyed by logging and roadbuilding;
- Fire suppression efforts have been so effective that natural fires (which keep insect and disease levels low, and release nutrients back into the soil) have nearly been eliminated;
- Natural ecosystem functions have faltered due to overcutting and the lack of fire, creating a "forest health" problem; and
- Salmon, wildlife, water, recreation and other economic values all have greatly suffered as a result.

the Solution

The only true solution for the Eastside forest crisis is comprehensive ancient forest legislation now pending in Congress. At the very least, any new law should include:

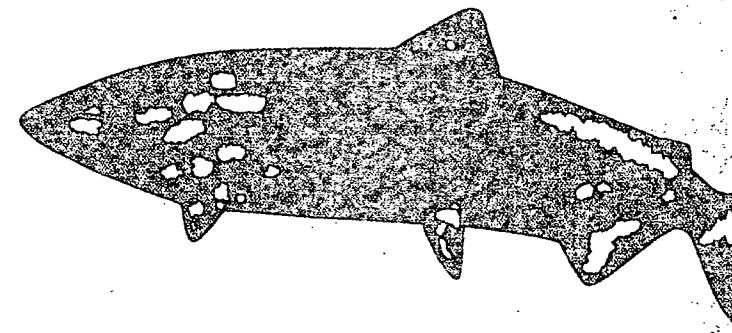
- Protection for all remaining Eastside ancient forest groves, including all mature and older "yellow-belly" ponderosa pines, larch (tamarack), spruce and other conifers;
- Protection of all roadless areas in their entirety;
- Prohibition of new road construction outside of roadless areas;
- Protection for riparian (streamside) areas;
- Dramatically reduced logging levels, and timber salvage activities in limited areas only;
- Scientific use of fire as a regular part of forest management, including both natural fire ("let burn") and prescribed burning techniques under appropriate conditions; and
- A scientific study of Eastside forest ecosystems similar to the analysis of Westside forest watersheds by the "Gang of Four" scientists, sponsored by the House of Representatives in 1991.



Umatilla NF, Oregon



Okanogan NF, Washington



Winema NF, Oregon



Fremont NF, Oregon



Corville NF, Washington

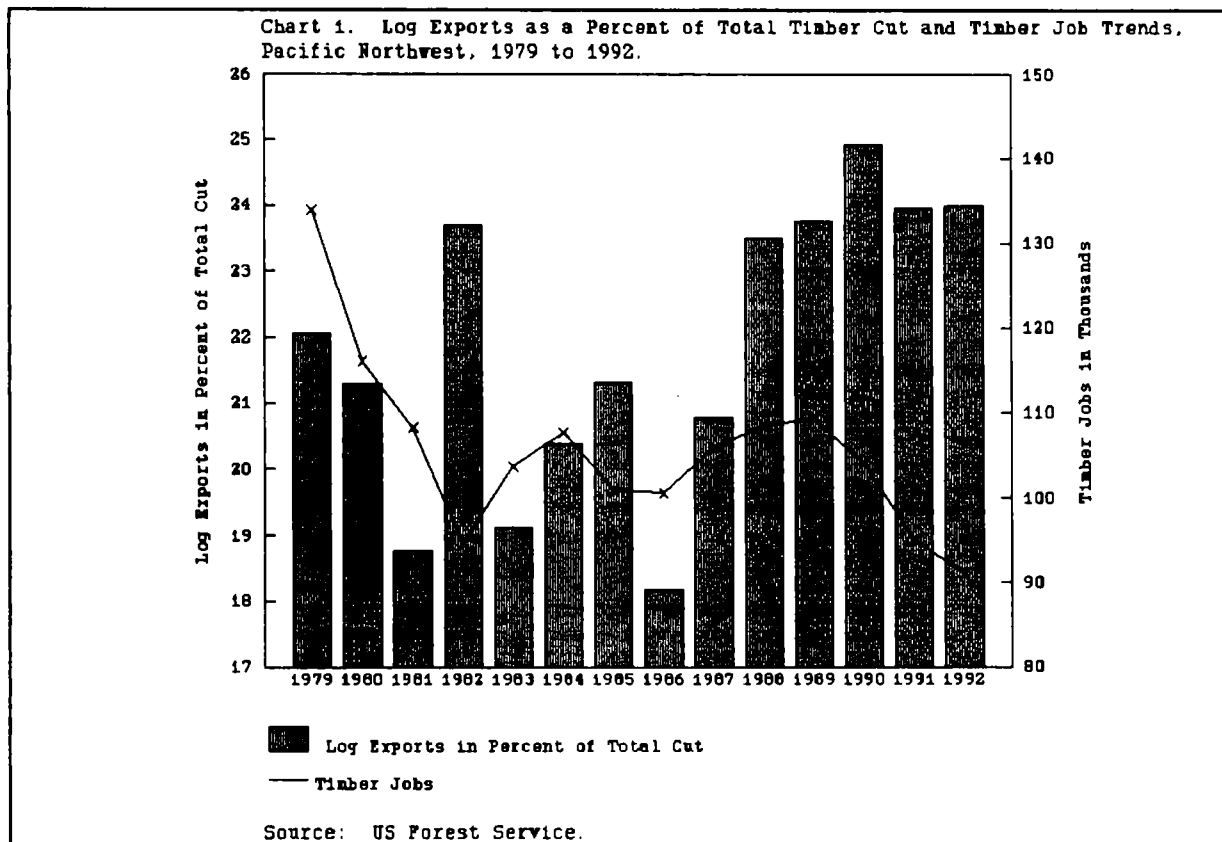
DRAFT

LOG EXPORTS AND TIMBER SUPPLIES IN THE PACIFIC NORTHWEST

Background and Economic Impact. Export of raw logs is big business in Washington and Oregon, amounting to nearly one-quarter of all timber cut in those two states each year. In 1991, they generated some \$726.3 million in gross revenue. The United States, and specifically Washington and Oregon, are among the three or four countries in the world that continue to allow log exports. The practice has been likened to treating the Pacific Northwest like a third world country, in that log exports both fail to capture the full economic potential of those resources and contribute to the ongoing liquidation of the region's last remaining ancient forests.

In the continental U.S., the majority of log exports are shipped from Washington and Oregon ports. In Washington, log exports account for 31 percent of the timber cut and in Oregon, log exports account for 18 percent of the timber cut. In terms of timber jobs, every log exported represents 5 lost jobs per million board feet in the wood products industry and another 4 to 5 indirect and induced jobs. In total, then, 9 to 10 new jobs could be created for every million board feet of logs that are not exported. In 1992, for example, the 2.6 billion board feet of logs exported represent lost job opportunities for 23,400 to 26,000 people.

Timber-based employment in the Pacific Northwest has fallen over the five years



DRAFT

since 1989 due largely to declining demand for lumber and wood products. During that same period, log exports as a share of total timber cut have been relatively constant at 24 percent (Chart 1).

Currently, federal timber west of the 100th meridian is prevented from being exported by law. In addition, the states of Washington and Oregon have also limited their export of their timber. The result is that most of the timber exported originates from the region's private forestlands. While intended to reduce the volume of log exports, the regulations governing the export of public timber have served only to shift exports to the private lands exclusively.

Options to reduce exports. Log exports enjoy significantly reduced tariff and non-tariff trade barriers and higher prices relative to those paid by domestic log buyers. Merely banning exports from national forests or public lands in general will not reduce the flow of logs to overseas markets. Beyond working to eliminate the tariff and non-tariff barriers to finished product exports there are two mechanisms that could be used to reduce the volume of log exports -- tariffs and a log export ban.

Tariffs. On average, logs that are exported enjoy premiums of 25 percent over the same log sold domestically. Premium grades sell for much more, however, and in order to eliminate log exports entirely, the tariff would have to be set at 40 percent or greater. In addition, companies that export logs through Foreign Sales Corporations enjoy a direct tax subsidy, estimated to be worth more than \$100 million dollars per year. Elimination of the tax subsidy would work in the same manner as a tariff.

Log export ban. A ban on all log exports would result in an immediate increase on total timber supply in the Pacific Northwest, although probably not to the full extent of the timber currently exported. Some timber owners would simply opt to not sell their timber at the lower prices that prevail in domestic markets. Such a ban presents complicated problems under the terms of the General Agreement of Tariffs and Trade (GATT). Certain prescribed steps must be taken in order to avoid violating GATT.

Conclusions. Reduction in the volume of log exports is the only way to immediately ease the burden on Pacific Northwest wood products workers who have been laid off due to the recession or who might be laid off due to timber supply shortages. As such, log exports represent a means for the government to ease the transition to a sustainable timber program in the Pacific Northwest and to accommodate the need to reduce federal timber cut levels to protect spotted owl habitat and ancient forest ecosystems. In addition, the significant tariff and non-tariff barriers to trade in finished wood products make reducing log exports an attractive strategy to encourage our trading partners in the Pacific Rim to adopt truly free trade policies.



U.S. Department of Justice

Environment and Natural Resources Division

Office of the Assistant Attorney General

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TO: Katy MCGinty, John Leshy, Jim Perry, Dinah Bear

FROM: Peter Steenland

NO. OF PAGES: 7
(INCLUDING
COVER PAGE)

TELEPHONE NO.: _____

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MESSAGE: Attached is that portion of today's submission to
Judge Dwyer which relates to the declarations by
Secretaries Babbit and Espy. Mr. Flint has informed
me that this document must be sent to the court at
5:00 TODAY, and unless you have substantive comments,
it will be filed in this form. Thanks for your
prompt assistance.

PLEASE NOTIFY SENDER IMMEDIATELY IF YOU HAVE ANY PROBLEMS
RECEIVING THESE PAGES.

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on their ongoing efforts to comply with the Court's injunction by April 23, 1993. Id.

In addressing plaintiffs' motion, the Court has asked the government to apply for modification to the injunction compliance schedule by April 22, 1993 and ordered it to attach the documents requested by plaintiffs. Order on Seattle Audubon Society's Motion for Leave to Conduct Expedited Discovery at 2 (Apr. 12, 1993). The Court deferred ruling on the motion for leave to take depositions. Id. at 2.

Discussion

We submit to the Court the joint declaration of the Secretary of Agriculture and the Secretary of the Interior advising of the steps taken to date looking toward the development of a joint conservation and management strategy for all federally owned land in the Pacific Northwest within the range of the owl. Declaration of Secretaries Espy and Babbitt attached as Exhibit J. Following the Forest Conference the President and Vice President led in Portland on April 2, 1993, three inter-agency working groups have been formed. The Department of Agriculture is participating in all such groups. The Forest Ecosystem Management Working Group has been instructed to prepare a joint Department of the Interior and Department of Agriculture conservation and management assessment for federal lands of the Pacific Northwest and Northern California within the range of the northern spotted owl. One objective of this assessment is to identify management approaches that meet the requirements of the applicable laws and regulations; it will use

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an ecosystem approach to addressing biological diversity. The assessment is to be delivered to the Secretaries on May 20, 1993. See Exhibit J.

As a first step toward facilitating this unified strategy, on April 19, 1993 the Department of the Interior abandoned its plan to go forward with the 13 sales that the Endangered Species Committee last year voted to exempt from Section 7(a) of the Endangered Species Act. Exhibit K.

1. The Court should grant the government's application for modification of the injunction to enable it to participate fully in the process set in motion by participation by the April 2 Forest Conference to develop a comprehensive strategy addressing the ongoing dispute over management of the old-growth forests of the Pacific Northwest. The attached declaration from the Secretaries of Agriculture and the Interior evidences the new administration's commitment to a single strategy covering all federal lands in order to allow outstanding injunctions to be lifted. This declaration is consistent with the Court's frequent counsel to the United States to take an inter-agency approach to the controversy surrounding its management of federal lands to conserve the northern spotted owl in the Pacific Northwest. See, e.g., Seattle Audubon Soc'y v. Evans, 771 F. Supp. 1081, 1092 (W.D. Wash. 1991); Moseley, 798 F. Supp. at 498.

The Secretaries' declaration also stresses that the strategy must comply with applicable law and result in continued protection of the old growth associated species throughout the range of the northern spotted owl. See Exhibit J. Thus, the new

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administration's strategy will encompass the current Forest Service process to develop regional standards and guidelines in accordance with NFMA planning regulations.

In light of this fact, it makes little sense for the government to continue to work on development of revised owl standards and guidelines when they will be superseded by the broader approach described in the declaration of Secretaries Babbitt and Espy for forest management within the range of the owl. Indeed, for the government to continue down "two tracks" simultaneously will result in the absorption of scarce agency resources that are needed for the administration's comprehensive strategy. For such reasons, it would be most appropriate for the Court to relieve the government from its obligation of promulgating revised owl standards and guidelines.

The government recognizes, of course, that such relief would necessitate the Court's maintaining in effect its extant injunction against offering new timber sales authorizing harvest of suitable owl habitat on national forest system lands until such time as it could be lifted or vacated. As indicated in the Report filed with the Court on March 19, 1993, the Government is not now in a position to establish a timetable for completion of the multi-agency process, and therefore is unable to determine when that could occur. The Government will be in a position to advise the Court further regarding this matter after the President selects an option for implementation, some time after June 1, 1993.

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2. At the same time, the United States recognizes the Court's concerns regarding compliance with its order and its need for assurances that the comprehensive strategy will satisfy those requirements. In the event that the Court rejects the government's proposal as described above, it would then pursue the owl guidelines in accordance with the schedule set forth below. The schedule accounts for the four month aggregate period for the Owl DSEIS and FSEIS, as required in the applicable regulations, providing the Forest Service with a minimum period to consider, incorporate and/or respond to comments. See 36 C.F.R. § 219.8; 40 C.F.R. § 1506.10. The revised proposed schedule, which reflects a two month and ten-day extension beyond that allowed in the schedule ordered by the Court, is as follows:

May 15, 1993: Notice of Availability of Owl DSEIS

August 20, 1993: End of comment period on Owl DSEIS

September 25, 1993: Notice of availability of Owl FSEIS

October 30, 1993: Date by which Record of Decision adopting revised owl standards and guidelines is to be signed, to be effective 30 days thereafter.

The factual background set forth above illustrates the process the Forest Service has followed since coming under the Court's injunction on July 2, 1992. Nothing in it even remotely hints of a lack of good faith or due diligence. Within weeks after entry of the injunction and weeks before entry of the order establishing the extant compliance schedule, the Forest Service had established the SAT. The schedule slipped somewhat when the Forest Service directed that the SAT report be sent out for peer

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review. We note in this connection that the SAT report, for scientific reasons, undertook a comprehensive examination of old growth species which expanded its review beyond the 32 species originally identified in the FEIS to encompass 667 species associated with old growth forests. SAT Report 19. A degree of uncertainty regarding how the comprehensive strategy of the new administration would interface with court orders affecting programs of the past administration also accounts for some delay and could be expected in the ordinary course. Throughout, the Forest Service has candidly advised the Court in accordance with its obligations pursuant to the order of August 17, 1992 with respect to its progress on the Owl SEIS and SAT Report.

Conclusion

For the reasons set forth above, defendants request that the Court relieve them from the mandatory aspects of the Court's injunction -- directing that the defendants promulgate revised owl guidelines -- in light of the process outlined in the Secretaries' declaration. In the alternative, defendants request

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that the deadline for promulgation of such guidelines be extended in accordance with the revised proposed schedule set forth above.

Respectfully submitted this 22nd day of April, 1993.

WELLS D. BURGESS
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Environment and Natural Resources
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General Litigation Section
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Attorneys for Defendants

- * Thank you letter to participants
- * Kim Hyatt will get copy of transcript.
- * encourage participation of citizens

* Gene Newirth
X 7902 → need
force.

April 2nd

President announces 60 day timetable for development of Administration plan.

* Tideman - do
more steps
need to
meet at
community

Week of April 5th

Work groups (Ecosystem Management Assessment; Labor and Community Assistance; Statutory/Regulatory Issues; Log Exports/Imports; Salmon/Fisheries Management; and Regional Economic Concerns) get charge and establish timetable for their work.

* Regional plan

* (copy)
(worked
in
December)

Week of April 12th

Work group efforts underway.

Meet with Congressional Committee staff and other key Congressional offices to discuss process and policy options (McGinty).

Confer with governors regarding follow-up procedures.
Confer with interest groups in region - Rogers.

* Tues. 12th
Tideman

* (copy) furver

* Tom
Progett

* Congressional
governors
outreach

Week of April 26th

Preliminary reports of Issue Teams prepared and sent to Executive Committee.

Update Congressional interests and governors.
Babbitt visit

Week of
19th
Babbitt??
Espy??
Congressional
briefing

Week of May 3rd

Preliminary reports of Work Groups (except Ecosystem Management Assessment) presented to Executive Committee.

Update for Congressional interests and governors.

* continued
touch w/
participants -
Baker

① Thorsen
② Rogers
③ person

Week of May 10th

Final reports of Issue Teams to Executive Committee. Decide on how to proceed with recommendations on key issues.

Espy visit

* Apr. 15 -
AM Dean

Week of May 17th

Final reports of Work Groups delivered to Executive Committee.

Week of May 24th

Briefing for the President on alternative strategies incorporating recommendations of Work Groups and Issue Teams. Each alternative strategy would include the following:

- * an ecosystem management strategy
- * labor/community assistance provisions

- * proposed changes in statutory guidance and/or reg's (as needed)
- * changes in agency activities to facilitate coordination
- * recommendations on specific issues (e.g., include east-side management strategy)

June 1

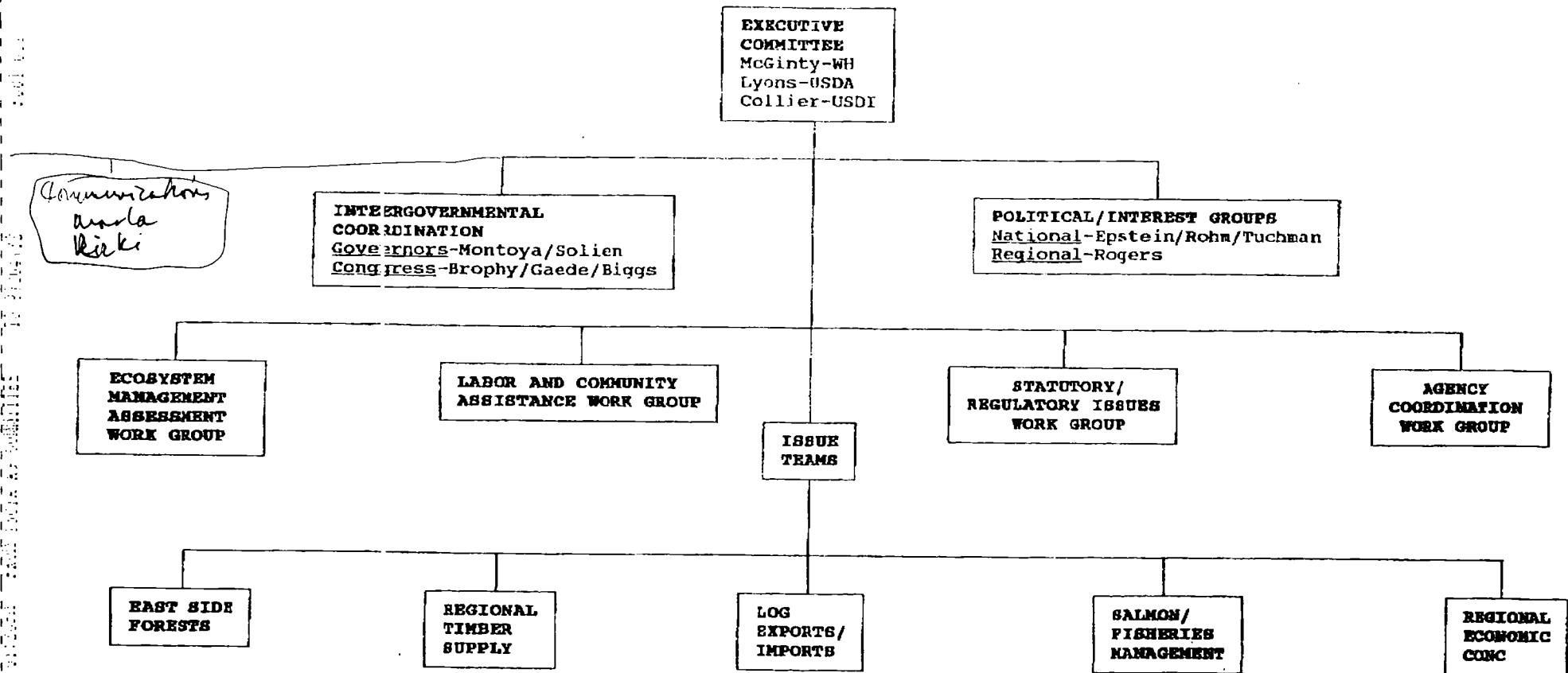
President issues plan (either a single strategy or 3 alternatives)

Interim relief/BLM land withdraw

If it is an EIS, then released for public comment; Congress asked to develop sufficiency language based on the preferred alternative (legislation before August recess).

If it is not an EIS, then work with Congress to develop legislation before August recess.

MANAGEMENT STRUCTURE



Collier ✓
Lynn
Rogers
JAT ✓

TALKING POINTS FOR
INSTRUCTIONS TO FOREST MANAGEMENT TEAM
REGARDING NEPA COMPLIANCE AND DOCUMENTATION

(Supplements talking points prepared by DOI)

You should tell the team:

- I anticipate a comprehensive ecosystem based strategy for the management of Federal forest lands in the northern spotted owl region.
- The strategy should lay out options which meet substantive requirements of current laws and regulations, ESA, NFMA, FLPMA, [maybe NEPA].
- The report you prepare should analyze the social, economic, and environmental impacts of the options.
- I have not decided how we should address compliance with NEPA. You should proceed in writing the report as though the final product will [become] or [be accompanied by] an EIS. *Don't
say.*
- I will provide you with more precise written instruction regarding the anticipated scope and format of your report in three to four weeks.

BACKGROUND

1. NEPA requires agencies to prepare an EIS on "...every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment...."

Clearly, the regional conservation strategy/management plan fits the type of proposal envisioned to require an EIS.

Forest Service and BLM routinely prepare EISs on land management plans -- at the regional and forest/district level. Forest Service recently prepared a separate EIS on its proposal to manage national forests in owl habitat. (I have a copy of that, if you want to see it.)

2. The conservation strategy of the Gang of Four presents 14 options. Thomas and others seem to have that type of analysis in mind. It needs to: A) present options and B) describe economic and social consequences of those options. That is precisely what an EIS would require.

3. Forest Service and BLM EISs on land management plans describe the region and its resources. We can easily "tier" (plagiarize) from those, especially the most recent Forest Service EIS on managing spotted owl habitat.
4. Procedural requirements of NEPA call for 1) public "scoping" to identify issues and 2) notifying the public of the intent to prepare an EIS.

The Forest Service and BLM have essentially fulfilled these requirements through their past efforts. We could call the Conference a further "scoping" session. We don't need a new "notice of intent" because the FS has already issued one to revise the owl management EIS.

April 2nd

President announces 60 day timetable for development of Administration plan.

Week of April 5th

Work groups (Ecosystem Management Assessment; Labor and Community Assistance; Statutory/Regulatory Issues; Log Exports/Imports; Salmon/Fisheries Management; and Regional Economic Concerns) get charge and establish timetable for their work.

Week of April 12th

Work group efforts underway.

Meet with Congressional Committee staff and other key Congressional offices to discuss process and policy options (McGinty).

Confer with governors regarding follow-up procedures.

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Week of April 26th

Preliminary reports of Issue Teams prepared and sent to Executive Committee.

Update Congressional interests and governors.

→ Babbitt visit

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Update for Congressional interests and governors.

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Final reports of Issue Teams to Executive Committee. Decide on how to proceed with recommendations on key issues.

→ Espy visit

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June 1

President issues plan (either a single strategy or 3 alternatives)

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April 6, 1993

MEMORANDUM TO KATIE
FROM COTTON
SUBJECT THOUGHTS ON COLLIER/LYONS PROPOSAL

1. The organizational proposal seems sound. In addition to what we discussed yesterday, we need to make the following amendments:

- o add Labor to Executive Committee. [I would not add Commerce or EPA, even though we previously indicated that they could be.]
- o I am nervous about the "issue teams." I'd assign topics to individuals and ask that they prepare 3-5 page issue papers on background and alternatives. By the time we organize teams, we won't have time to analyze the options.

2. I think the document should be a regional Federal forest management plan and EIS rather than a "recovery plan" with EIS.

When the Administration presents its plan, it could be in the form of an EIS. The proposed action would be the Administration plan accompanied by appropriate alternative analyses. Congress could act during the comment period. At the end of the comment period, Administration could take actions which didn't require legislation. Based on Congressional action, Administration could complete its plan, and issue an FEIS.

3. Political follow-up with Congress and state offices is critical. However, we cannot tip our hands as to content of the proposal. Stephanie Solien is working this already. Keeping Regina and Susan up to speed and fully involved is essential. They need to be more than observers/reviewers/critics.

Rahm wants someone -- Espy or Babbitt -- to visit the area soon to show that the Administration is committed to this. Marla wants continuous press coverage.

Why??
What is the real difference
between a management plan and a
recovery plan? over

(Goal) { network of old-growth reserves
EM approach
significantly better harvest

(Land) 2 yrs → sufficient
and therefore ~~language~~
focus on species.

- ① Recovery plans fall under ESA. Generally prepared by FWS or NMFS. The actions in a recovery plan are suggestions but not legally required.
- ② The spotted owl recovery plan is almost complete -- never finalized (I don't think). Recovery plan for listed salmonids at least 2 yrs away. Recovery plan for murrelets at least 1 yr away. We want a multi-species/ecosystem approach, not combination of 3 species plans.
- ③ FS and BLM authorizing legislation requires land-use plans. If we adopt an umbrella regional ~~land~~ federal forest land use plan, BLM and FS will then revise their specific district and forest plans based on that umbrella approach.

Am I need sufficient under ~~ESA~~ ^{ESA} → have 52 consultation
NEPA → have 60

needed certain language.

BLM could revise ^{their plans} in conformity of the overall plan
(they just about ready to go final. -- this
would be in the range
But Forest Service plans (set in a 10 yr time)

ISSUE TEAMS

As follow-up to the Forest Conference, it is suggested that the following issue teams be established to assistance in developing information related to each of the assigned topics.

Each team should be limited to 6-8 members, representing experts in the area, selected from federal and state agency sources and academia, and reflecting a diversity of representation from these sources.

Generally, each issue team effort must be completed within one month of initiation and seek to evaluate each issue and identify measures that might be implemented (short and long-term) that might serve to address the particular issue. More specific detail of assignments should be developed with each team.

The following issue teams are proposed:

1. East-side forest issues
2. Regional timber supply (short and long-term)
3. Log export/import issues
4. Salmon/fisheries issues
5. Regional economic concerns

4/6/93

Collier / McGinty / Cotterington / Dwyer

1st week of May - **Thurs & Fri**

May 15th - Espy in Washington Port. St. Hubers.

[Pepkin] - 11 pres calls

- [A] ① release from here re what they are doing
② press person in the region

[Ali & Macla & Sweeney] → talk today re what we
are releasing

- [B] Socio-economic work group.
→ policy looking at impact
based on impacts/employment impact

Whelan / Greher / Johnson
across board for

- ① get instructions to them
② conference call

May 20th = deadline for preparation of
reserves protected via other order/plan

- ① EIS → current period - suff. long for 11 mos which had impact

- ② Mgmt plan implemented 3-5 yrs.

permanent land designations but (10 yrs. period)
→ dynamic flexibility

* But also do exec order of "permanent" plus 10 yr period

Ther's plan need to be perused

NBPA

F-LPMA

USA

OFC

Migratory Bird

* Directive for Mgmt plan → produce umbrella
but is an EIS → not May
↓
team ^{DEPT} _{Forest Service}
Interior.

18 mo. for this plan to go thru review - Congress
designates our preferred alternative as
sufficient.

Both Darwin / Jim Cubie / Erika / Charlene - Dick

Conference call tomorrow afternoon

500m
Maddy

15th -
Quinn?

- K7H1 / East Side
- 10 Amendments to CARS
- No suffering.

Gunnars

① immediate legislative strategy briefing
→ same idea of what we're preparing.

② List again of ~~key~~^{all} people who need to be "touched"
- by tomorrow a.m.
- assignment made for contact by Tues. a.m.

* team for H71

* team for Governor's offices.

* strategy in the ground → Jeff Rogers // FS-FWS-
EPA people - political / technical
on the ground who can help??

③ Meeting w/ the V.P. + Cong. Delegation to debrief??

ETS

• Ecosystem Mgmt Assessment Work Gap

Recovery/Viability FS.
Plan

FS
Report for all species identified in SAT

Controlly document of PS & FWS/BOM
to document

prepare an EIS.

but PS & BOM have to do their plans & then
where EIS

decide that on an interim basis, this plan
meets ESA/NMFA/viability

Judge has said need to do an EIS on this recovery plan.

can't do administratively

signature

@ permanent - @ perm designation
sales that can occur on the full
few up expired sales.

it's just meet judge says - PS on

@ perm reserves. @ challenge whether we comply
it'd be in EIS review - so something on it
if it's coming out - then ESA/NMFA kicks in

Antiquities Act → we can designate the
Reserves thru Exec Order

→ sign them on day he signs interim Regs.

March 31, 1993

MEMORANDUM

TO: KATIE MCGINTY
TOM COLLIER
JIM PIPKIN
TOM TUCHMANN

FROM: JIM LYONS 

SUBJ: STRATEGY FOR DEVELOPING OLD-GROWTH SOLUTION

Given the press to prepare for the Forest Conference, I have waited to present the following thoughts on how we might go about developing our old growth solution. However, the week of the Conference is upon us (thankfully) and we now need to focus on resolving this issue.

The proposal I present below is based upon a number of assumptions. They are as follows --

1. The solution we seek may include legislative and administrative elements. However, some interim legislative solution is necessary.

2. This interim legislative fix must be through the House and Senate before the August Congressional recess.

3. Any interim strategy intended to provide short term relief (i.e., timber) must be completed before June 1.

4. The interim solution that we seek to legislate must be developed in coordination and with the full cooperation of key Members of Congress -- key Committee Chairs and Members of the Pacific Northwest delegation.

5. We don't want to revisit this issue in our lifetime -- at least for the next 4 (8?) years.

Given these assumptions, I propose the following workplan and timetable for getting the job done.

Organizational Structure

At the risk of repeating previous discussions, it is my understanding that the established two work groups -- Forest Management and Worker and Community Assistance -- are already engaged in gathering information and implementing a workplan. However, to be certain that this is in fact the case, I suggest that a regularly scheduled meeting or conference call occur at least twice a week until these efforts are completed.

In addition, I suggest that a third Work Group be established to coordinate legislative strategy and begin laying the groundwork for working with key Congressional contacts as the Administration's proposed solution begins to take shape. This Legislative Strategy Workgroup can take the place of a similar workgroup originally proposed under the Forest Management effort.

Workplan

Each workgroup should immediately submit to the Executive Committee (McGinty, Lyons, Collier) their workplan identifying members of the group, objectives and assignments, specific activities and associated guidance, and a schedule for implementation.

For the Forest Management Work Group, this can take the form of the letter of instruction discussed below.

Timetable

To meet the goal of having a proposal (discussed below) prepared by June 1, it is imperative that each workgroup be up and running now. Contact should be made this week with work group leaders to be certain that this is the case. For the newly proposed Legislative Strategy Work Group, I suggest an organization and timetable below.

Each work group should be prepared to submit weekly progress reports to the Executive Committee, beginning Tuesday, April 6th, and each Monday thereafter.

A draft product from each group should be ready by May 15th. Delivery of a final product should be on or about June 1.

Legislative Strategy Work Group

It is apparent to me that a close working relationship with the Congress needs to be established and maintained throughout the remainder of this process. In addition, key Committees and Members need to be brought into the process at the appropriate time to help construct the final solution and to ensure that all parties share ownership of the outcome. It is "legislative suicide" to present this potentially politically-explosive solution (whatever it may be) to the Congress and simply ask them to pass it. Coordination and cooperation, while it will require more work and more patience, can get us further and provide greater assurance that all parties are willing to sign on at the appropriate time.

To this end, I suggest that the Legislative Strategy Group consist of the following folks:

Co-Chairs: McGinty, Lyons, Tuchmann, Solien 
Members: Gaede/Biggs (USDA), USDI, White House (?)

manuscript
Elements of the strategy should include the following:

Week of April 5th: Conference follow-up briefings with delegation Members and Committees

Week of April 12th and thereafter: Weekly contacts (either joint meetings or phone contacts by specific assignment) with each Member of the delegations and the Committee staffs.

Week of June 1 and beyond: Specific schedule of meetings to convert concepts and principles of draft administrative plan into legislative language for Congressional consideration.

In addition, the legislative strategy work group should give some thought immediately to what role the Congress will play in constructing the final legislative package. This is the first question that Members will ask following the Conference. We need a clear and well-thought out answer by Monday.

Technical outline of the group that need to be touched. from these assignments to outreach made.
Special emphasis should be given by this group to how interest groups are to be involved in the process of building the final solution as well. We have clearly built expectations among certain key groups that they will be involved. Again, we need answers by early next week to address the phone calls and inquiries that are certain to come.

For these reasons, I propose that the Legislative Strategy Workgroup meet Monday morning to begin pulling together answers to these questions.

Forest Management Work Group

First, I would suggest that we change the name of this work group to the Ecosystem Management Assessment Group. I suggest this to avoid criticisms that scientists (i.e., Jack Ward Thomas) are calling the shots on management options. Instead, they are assessing optional ecosystem management strategies. We need to make clear that this team of technical experts is preparing options based on specific instructions (by letter) to permit policy-makers (that's us) to make the final calls. JP

I would also suggest that the Agency Coordination Team and the Legal and Statutory Issues Team report back to Pipkin and Lyons immediately on where they stand in their work assignments. My guess is that they are not far down the road, particularly the agency coordination team. Given this, I suggest that Pipkin, Tuchmann, Collier, and Lyons sit down Monday to scope out what we hope to have them do and prepare a letter of instruction similar to the one that the Ecosystem Management Assessment Group will be receiving. Part of this charge should be to identify membership, goals and activities, and a timetable to get the job done. will one get 1 person

→ tomorrow briefing

Final Thoughts

Now that the Forest Conference is upon us, we must keep in mind our own rhetoric -- this is only the beginning of a process. We must now be able to explain clearly what that process is, who is involved, and how we will move to construct a solution based on what was heard in Portland.

In my mind, the key immediate concerns are:

1. What is the "message" on building a solution (Marla and Rikki ??)?;
2. How much detail of the rest of the process -- i.e., trying to find a solution -- do we lay out? Do we name participants? How do we control information flow and press inquiries? Who will serve as the clearing house for this information?
3. Maintaining public assurance that this process will welcome their input and ideas and factor them into the solution -- not that the answers will come from "deals cut in the backroom of the Capitol".

I am concerned that we are preparing to let the Genie out of the bottle, but we haven't given much thought to what the result will be. From here on out, we must send the clear message of organization, teamwork, and a concentrated effort to focus development of a "balanced" solution as soon as possible.

I suggest we meet to discuss these matters on Monday AM or at your earliest convenience.

April 5, 1993

MEMORANDUM

TO: KATIE McGINTY

FROM: JIM LYONS

**SUBJ: FOCUS FOR 3 PM MEETING RE: PROCESS FOR DEVELOPING
PLAN OF ACTION FOR THE PACIFIC NW**

Given the President's charge, it is apparent that we have our work cut out for us. In the interest of expediting our efforts to meet that deadline, I suggest we focus on the following for our 3 pm meeting:

Organization

Per the attached memo, I believe it is critical that we set up the organization today that we need to get the job done. Having thought about this issue for a while (years now) and having listened to the discussion in Portland on Friday, some things are coming together in my mind that might provide a way to proceed.

Attached is a copy of a proposed organizational chart for proceeding to review key issues associated with this debate. Note that some of this work has already begun. However, what is key is that we are organized to tackle (or at least explore) all of the issues raised last Friday. Therefore, key areas of focus in my mind should be:

1. Ecosystem Management Assessment Work Group -- to focus on alternative approaches to developing the multi-species, ecosystem-based, long-range plan the President called for. (This work is already underway.)
2. Labor Assistance Work Group -- to focus on programs and provisions to assist workers impacted by the crisis to retool, retrain, and prepare for alternative jobs.
3. Community Assistance Work Group -- This group is currently linked to the labor assistance work group. I suggest, instead, that we split this group out and that we have it focus on issues like community assistance programs, economic diversification efforts, and efforts to compensate for lost revenues now coming from timber sales.

④ 4. Statutory/ Regulatory Issues Work Group -- to evaluate the statutory and regulatory direction of affected agencies and the consistencies and inconsistencies in substantive and procedural requirements of each for dealing with old-growth management issues.

5. Agency Coordination Work Group -- to focus on matters related to improving communication and coordination among the federal and state land and resource management agencies involved in this issue in the region. Participants would include representatives of federal and state agencies involved in forestry, fish and wildlife, and related natural resource issues.

6. Issue Teams -- A number of specific issues were raised during the Conference that warrant in-depth focus. The proposed issue teams would focus on these concerns to: (1) further evaluate the specified issue and its implications for resolving the old-growth management issue, and (2) develop recommendations for whether or not they should be addressed in the President's plan and, if so, how. (Note: Some of these teams -- e.g., Silvicultural options -- might be assigned directly to a work group to provide direct support for their work. The point here, however, is to highlight them as areas of follow-up focus.)

Timetable

To get things moving forward, I suggest the following:

1. For each identified and agreed upon work group, develop a letter or memo of instruction to spell out their work assignment and a timetable for completion. This should be issued by Friday.
2. Obviously, before such a charge is issued, membership for the group must be determined. Therefore, work group leaders must be identified and the process of selecting members begun by Tuesday.
3. Upon receiving their charge, each group should develop a plan of action, with specific deadlines and identification of deliverables. Work plans and proposed products should be completed by April 16th.
4. An interim report should be provided to the Executive Committee by May 1 with a draft final report to the Committee by May 15th.

Jesse Helms

5. The timetable should permit development of a final, integrated proposal to be presented to the President by May 28th.

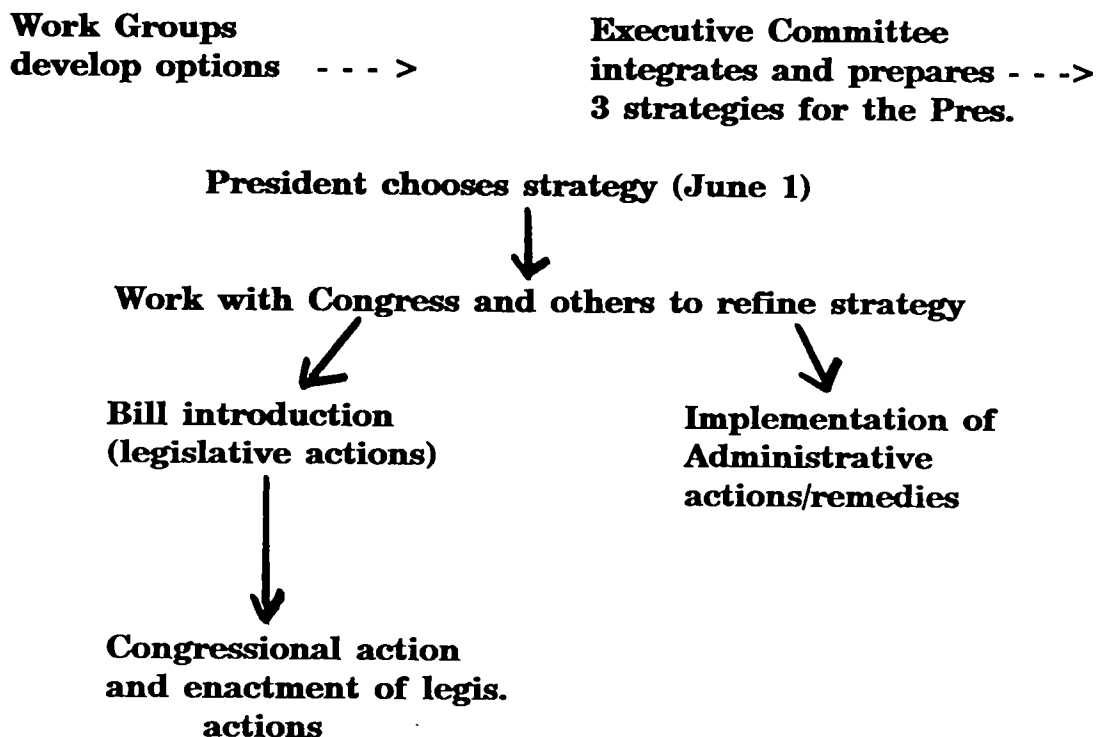
Other Organizational Matters

1. An Intergovernmental Coordination/Legislative Strategy Group needs to be formed immediately. This group should serve the role of providing liaison with State Governors and key Congressional Members and Committees. A more detailed discussion of their proposed activities is part of the attached memo.

2. In addition, a Policy Group should be established to provide guidance on key policy concerns (e.g., approving work group work plans) and to ensure that assumptions and decisions affecting the activities of each work group are consistent with the overall direction of the President's plan (or as much as we know about it). Of course, the Executive Committee could provide this function as well.

Overall Strategy

From a process standpoint, I see things proceeding as follows:



Other Concerns

We need to address immediately, the following:

1. What are we to say about follow-up? Do we want to set up a structure such as outlined herein? If so, how much of this might be made public?

2. How are we to maintain communications with the Hill during this period? I have identified this as a function of the Intergovernmental Affairs Group. However, contacts need to be made as follow-up to the Conference this week.

3. How are we to bring the interest groups into the discussions during the post-Conference period?

My earlier memo (attached) goes into this in more detail.

MANAGEMENT STRUCTURE

