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[Meeting with Congressman Peter DeFazio] [Loose]

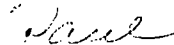
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THE WHITE HOUSE
WASHINGTON

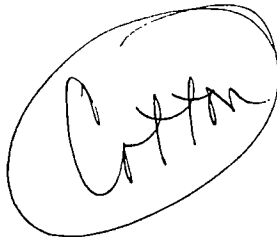
May 14, 1993

Katie:

We received the attached yesterday for the President's briefing book. As the President was only going for a jog with DeFazio (and was accompanied by a friend from Arkansas), I condensed your memo to the two points that DeFazio wanted raised, and included them in the jog briefing paper. Dave Cottingham was aware of the changes.



Paul Richard



THE WHITE HOUSE

WASHINGTON

93 MAY 13 P4:35

MAY 13, 1993

MEMORANDUM FOR THE PRESIDENT

FROM KATIE MCGINTY
THROUGH JOHN PODESTA
SUBJECT MEETING WITH CONGRESSMAN PETER DEFazio

Congressman Peter DeFazio has requested a meeting with you and Chief of Staff McLarty.

Congressman DeFazio represents the 4th District of Oregon in the heart of timber country. He has extensive public forest lands managed by the USDA Forest Service and the Department of the Interior's Bureau of Land Management (BLM). He is concerned that the Administration's proposed forest management program will impose stringent harvest limitations on public forest lands in his District.

The forest management program will undeniably reduce timber harvest on public lands in Congressman DeFazio's district. Northern spotted owls, marbled murrelets (both listed as "threatened" species under the Endangered Species Act (ESA)), and several species of salmon (not currently listed under ESA) rely on forests in that region.

Congressman DeFazio will raise two specific points:

1. Applying the "viability standard" of the National Forest Management Act to BLM lands is inappropriate, arbitrary, and capricious. (BLM lands in DeFazio's district are currently managed under the Oregon and California Lands Act of 1937 to maintain "community stability.") The Administration will almost certainly face a legal challenge to this.

RESPONSE: The Administration instructed the team of scientists developing forest management alternatives to apply the "viability standard" to BLM lands so that all Federal lands would be managed under the same standard. It is only by ensuring that the land management agencies are operating under the same standard that we can move to an "ecosystem" approach. This approach will better enable us to move away from the current species-by-species crisis management approach and may offer efficiencies as the other agencies begin to work together rather than at cross purposes.

Biologists analyzing the habitat requirements for endangered and threatened species have told us that applying the viability standard imposes negligible limits on timber harvest. Furthermore, agency attorneys believe the government will prevail in a challenge by the timber industry or local governments.

2. The alternatives being analyzed by the team of scientists in Portland do not lay out the full range of alternatives. None of the options being presented to the President are acceptable to industry and labor.

RESPONSE: The instructions to the team of scientists (attached) direct them to prepare a range of options which meet the requirements of existing laws, including the ESA and the National Forest Management Act. Once that condition is met, we have also instructed them to "maximize the social and economic benefit" derived from the forests.

It is true that under these options, timber harvests from Federal lands on the west side of the Cascades in Oregon, Washington, and northern California will likely range between 0.8 and 1.5 billion board feet (bbf) annually, compared to recent historic average of about 4.7 bbf, a 70 to 80 percent reduction. Federal agencies in Congressman DeFazio's district will not offer nearly as much timber as in the past.

However, again, we have instructed the scientists to design options so that the maximum timber harvest levels consistent applicable law are realized. Indeed, some options include new forestry practices specifically designed to allow management of lands that previously would have been completely reserved to meet species' needs.

The truth here is simply that there is not a wide range of flexibility. The chronic mismanagement of the last decade has played out most of our cards. We have an ecosystem that is rapidly unraveling. The situation promises only to get worse. The decisions are tough, but they need to be made now. The true measure of what we are working to achieve is not the historic levels of harvest, but rather the zero level of harvest we will soon reach if we don't put a new management scheme in place.

Congressman DeFazio should focus on how the Administration can assist the communities, workers, and businesses of his District deal with local economies in transition. We are developing comprehensive programs for worker assistance, economic diversification, and jobs. We do not yet have funding to pay for all of them.

Please let me know if I can provide you further information.

cc: Thomas McLarty
Susan Brophy

May 7, 1993

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

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

RE: STATEMENT OF MISSION

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

BACKGROUND

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

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

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

The President said five principles should guide our work:

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

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

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

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

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

ECOSYSTEM MANAGEMENT ASSESSMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LABOR AND COMMUNITY ASSISTANCE WORKING GROUP

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

- o The economic development and assistance plan should be far-sighted and comprehensive. As noted at the Forest Conference, many species are at risk in old-growth forests. Just as the Ecosystem Management Assessment working group must focus on an 'ecosystem' approach that takes into account the region's vast and varied natural resources, the economic plan must focus on the regional economy and take into account its resources and needs. The plan must be long-term and address not just temporary efforts but economic development and diversification over time.

- o Government policy should accommodate properly functioning markets and facilitate the transitions inevitable in the modern global economy. The American economy is more dynamic than ever before. The federal government may be able to play a role in directing the development of the economy but it cannot overcome large-scale market forces. Economy policy here should encourage necessary adjustments and ease inevitable transitions.

- o Some region-specific community and worker assistance will be necessary because of the unique circumstance surrounding this issue. However, the economic plan must be consistent with national policies. The Labor and Community Assistance working group should develop a comprehensive plan for economic dislocations whether those are caused by slack demand, productivity growth, technological advances, or structural changes in the economy. This approach would mark a dramatic improvement over the current patchwork of programs, which are both inefficient and inequitable.

- o Any assistance plan should be open to all displaced forest industry workers, regardless of the precise cause of their dislocation. Revolutions in technology, improvements in productivity, and the development of new products are changing the nature of forest industries. We should reach out to all forest industries workers who are affected without distinguishing the cause of the impact.

- o Policies should be coordinated among federal and state agencies to maximize benefits to affected communities and workers. More than a dozen federally-funded programs currently provide assistance to timber workers and their communities. A coordinated federal response would make the system more accessible and more efficient.

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

AGENCY COORDINATION WORKING GROUP

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

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

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

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

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

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

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

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

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

CONCLUSION

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

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THE WHITE HOUSE

WASHINGTON

MAY 13, 1993

MEMORANDUM FOR THE PRESIDENT

FROM

KATIE MCGINTY ^{DC} for

THROUGH

JOHN PODESTA

SUBJECT

MEETING WITH CONGRESSMAN PETER DEFAZIO

Congressman Peter DeFazio is running with you in the morning. He is concerned that the Administration's proposed forest management program will impose stringent harvest limitations on public forest lands in his District. It will.

Congressman DeFazio will raise two specific points:

1. Applying the "viability standard" of the National Forest Management Act to BLM lands is inappropriate, arbitrary, and capricious. The Administration will almost certainly face a legal challenge to this.

RESPONSE: The Administration instructed the team of scientists developing forest management alternatives to apply the "viability standard" to BLM lands so that all Federal lands would be managed under the same standard. Applying the viability standard imposes negligible impacts on timber harvest beyond reductions due to endangered species. Agency attorneys believe the government will prevail if sued by the timber industry or local governments.

2. The alternatives being analyzed by the team of scientists in Portland do not lay out the full range of alternatives. None of the options being presented to the President are acceptable to industry or labor.

RESPONSE: The scientists are preparing options which meet the requirements of existing laws, including the Endangered Species Act and the National Forest Management Act. We do not have a wide range of flexibility. Once that condition is met, we have also instructed them to "maximize the social and economic benefit" derived from the forests. Under the options, timber harvests from Federal lands will likely range between 0.8 and 1.5 billion board feet (bbf) annually, compared to 1980 to 1989 average of about 4.7 bbf.