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Folder Title:
Forest Conference-Miscellaneous Sites

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WESTERN COUNCIL OF INDUSTRIAL WORKERS

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

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PORTLAND COAST COLUMBIA
PUGET SOUND
WILLAMETTE VALLEY

721 S.W. OAK STREET

PORTLAND, OREGON 97205



March 4, 1994

Katie McGinty
Director, White House Office
on Environmental Policy
Old Executive Office Building, Room 360
Washington, DC 20500

Dear Katie:

As a follow-up to our conversation this week regarding the closure of Michigan-California Lumber Company in Camino, California, I had promised to send you the name of the person with the Department of Justice in San Francisco who I had spoken with back on August 12, 1993 regarding the sale of that property to Sierra Pacific Industries of California. The person's name is John Cove, (415) 556-6300.

Also, you will find enclosed the Warren Act notice served by Michigan-California Lumber Company to us this week of their intent to close.

I am wondering if I could arrange to meet with you regarding this issue in Washington, D.C. on the March 15, 16 or the morning of the 17th. If you need any further information on this, please feel free to contact me.

Sincerely,

WESTERN COUNCIL OF
INDUSTRIAL WORKERSMICHAEL DRAPER
Executive SecretaryMD:pg
opeiu 11/afl-cio

3/7 - Lm to
set up mtg
Pam.



**MICHIGAN-
CALIFORNIA**
Lumber Company

P.O. Box 486
Camino, California 95709
(916) 644-2311 ☐ Fax (916) 644-6205

March 1, 1994

Larry Robinson, President
Ralph Kellogg
Lumber Production and Industrial Workers, Local #2749
Post Office Box 451
Camino, California 95709

CLOSURE OF THE CAMINO FACILITY

Gentlemen:

This letter will advise you of the Company's decision to close its Camino, California, facility. This is a permanent closure of the entire Camino facility. It will not reopen in the foreseeable future. The closure will be accomplished on or about May 1, 1994, or within the period May 1 through May 14, 1994.

The name and address of the site affected by this closure, as you know, is Michigan California Lumber Company, 3950 Carson Road, Camino, California.

Bargaining unit employees, as mentioned above, will be terminated as of May 1, 1994, or during the 14-day period between May 1 and May 14, 1994. There may also be limited holdover work as the dry kilns, planer and shipping operations complete their tasks following the closure of the sawmill. This may be the subject of further notice as required. The identity of the employees and the duration of their work will be determined under the terms of the contract and our further discussions.

A list of affected employees and their job classifications are attached.

If you desire further information, please contact the undersigned at telephone number (916) 644-2311.

Sincerely,

PETE HIMMEL
General Manager

cc: Mr. Mike Draper, WCIW

*Dedicated to
California's Forests
for Products
and the
Environment.*



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Ralph Kellogg
Western Council of Industrial Workers
Post Office Box 215
Standard, California 95373

Gentlemen:

I believe we all know how hard both the Union and the Company have struggled to keep the Camino mill operating. The Company has invested approximately \$30 million dollars since 1987 and over \$10 million dollars since the sawmill fire occurred in March, 1991.

A few radical groups using obstructionist legal technicalities have caused a virtual shut down of the Forest Service timber sale program. Employees, the local Union and the Company have made a joint effort to address the timber supply issue on a political level. It has been a struggle in which we have shared common goals and worked together in many ways. The loss of Forest Service timber has sealed our fate. We tried to avoid this outcome by seeking new timber supply sources. We attempted to put together a transaction to allow operation of the sawmill in Camino under different ownership. These efforts were not successful.

We have reluctantly come to the decision to close the Camino facility on a permanent basis. Given the well documented timber supply crisis in this region, the decision probably will surprise no one.

Although a formal WARN Act notice is being given, I wanted to communicate directly with you to explain the situation. The Company, of course, will bargain with the Union on the impact of the decision. We are eager to work with you in any way we reasonably can. Some of the items which may be discussed in impact bargaining are severance pay to employees and Company paid continuation of health and welfare insurance for some period. On that score, there is one aspect of a possible package which we are willing to make available as soon as possible, without prejudice to whatever else may be worked out through impact bargaining. This involves job search training and employment assistance to displaced workers through Drake Beam Morin, Inc., the largest international firm providing these services. We will also actively look into the availability of federal dollars for job retraining. I hope you will agree that the sooner these services are made available, the better. We would like to offer these services to Union and management employees simultaneously. I'll call in the near future on this particular subject.

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**MICHIGAN-CALIFORNIA LUMBER CO.**

March 1, 1994
Larry Robinson, President
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We would also be willing to meet informally as soon as possible to discuss layoff and bumping procedures under the contract in an effort to minimize employee uncertainty and possible future disagreement in individual cases.

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March 1, 1994

To each employee of Michigan California Lumber Company

It is with great sadness that I am writing this letter to you. On behalf of myself and the Company, I want to communicate directly with you and your family.

The Company has reluctantly come to the decision to close the Camino facility on a permanent basis. A few radical groups using obstructionist legal technicalities have caused a virtual shut down of the Forest Service timber sale program. The loss of Forest Service timber has sealed our fate. We tried to avoid this outcome by seeking new timber supply sources. We attempted to put together a transaction to allow operation of the sawmill in Camino under different ownership. These efforts were not successful.

I feel frustration, disappointment and especially anger about the forces that have brought us to this end. I think back over the years since I came to Camino and I remember the constant changes that you were asked to make.

Over these past years, we have rebuilt the Company into a first class operation with a very competitive work force. What is happening now is not your fault. It is not the Union's fault nor is it due to a lack of investment or commitment from the ownership.

I want you to rightfully take pride in your contributions to the mill's successes. Without them, we would not have made it this far. Regardless of how far I believe we have come, there is not an adequate timber supply for our sawmill. We cannot continue without a log source.

A copy of the formal notice we have given to the Union is attached to this letter. I am also attaching a copy of a letter which I am sending today to the local Union. We anticipate the date of the mill closure to be approximately May 1, 1994, with some limited holdover employment as the dry kilns, planer and shipping departments complete their tasks. My letter to the Union states our willingness to bargain concerning the impact of the mill closure and our desire to work cooperatively with the Union.

We have always been good community citizens. We understand - and deeply regret - that the sawmill closure will cause significant disruption, not only to your work life but to your personal and family life.

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**MICHIGAN-CALIFORNIA LUMBER CO.**

March 1, 1994

Employees of Michigan California Lumber Company

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As most of you know, the Company offers an Employee Assistance Plan (EAP) as a part of your paid benefits package to provide counseling and consultation in connection with personal or family problems. These EAP counselors are available to provide counseling and help with problems you may encounter in connection with the sawmill closure. I am attaching a summarization of the EAP services along with their telephone hotline. The EAP counselors have been informed of the closure and they are available to provide prompt assistance to you or your family members.

We are planning to ask representatives from the Union and Company retirement plan to meet with employees in Camino during the next 60 days to explain retirement options.

While we work through this, the interest of all will best be served by maintaining normal operations and efficiency as long as we can. It's a tough, painful situation. I hope we can work together to make the best of it. I would like to end, if we must, with the pride we should rightfully feel for what we have accomplished with this Company and with each other.

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Mr. Ralph Kellogg, WCIW
Mr. Mike Draper, WCIW



MICHIGAN-CALIFORNIA LUMBER CO.

EMPLOYEE ASSISTANCE PLAN

One of the most valuable benefit plans that is provided to you and for your family is the Michigan California Lumber Company Employee Assistance Plan. This plan, paid by the Company under your benefits package, provides you the following services that can be especially useful at this time:

- Marriage, Family or Relationship Counseling
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To Use the Employee Assistance Plan, you need to call Occupational Health Services (OHS) at the following toll free number for prompt attention:

800-227-1060

This telephone number is always available and can be used 24 hours a day, 7 days a week to receive confidential service by a licensed and qualified counselor. All information is considered privileged and you can be assured that contact with a counselor and any discussion or treatment will be afforded the maximum confidentiality permitted by law.

The benefits under the EAP are available to you, your lawful spouse and your unmarried, dependent children.

If you have any questions regarding the Employee Assistance Plan, eligibility requirements or with any other issue that needs prompt attention, please call *Jim Salfen* or *Marcie Nevins* in the Mich-Cal office at 644-2311.

March 1, 1994

UNIONBANK/CAL

1. 108 ft. long : modern style of the art mill
2. 30 m. renovation in 89/91
3. 1998: Analysis of non-violations to further ~~and~~ the ~~Sanz/Paufer~~
4. ^{11/8/August 1998} second request for information based on lowering of competition of the mill is consolidated.
5. Costs of compliance \$1 million and 12 months
6. Gary Spatling (DOL-justice, SF)
7. ~~The~~ fact of the mill closure since the second request is may be sufficiently material that it would cause the ~~act~~ to allow the Act to go forward.

Hurray Library Loop

for any appropriate action
along the Federation

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MICHAEL DRAPER
Executive Secretary

MD:pg
opeiu 11/afl-cio

Handwritten notes:
What team
ask me
want
from
after
either
call me
go.

Handwritten notes:
3/17
10a

Handwritten note:
Will



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Soda Mountain
Wilderness Council

P.O. Box 512 • Ashland, Oregon 97520

3/24/94

TO: Matt Zinn, OET FAX 456-2710

FROM: DAVE WILLIS

DAVE WILLIS
15187 Greensprings Hwy.
Ashland, OR 97520
(503) 482-0526, 482-2307

FAX 503/482-8660

COVER FOR ¹⁰~~8~~ PAGES TO FOLLOW

Matt -

Thanks for looking into this.
I'm eager to hear Willis' response.

Remember - BLM supports this now.

Dean Bibles (or state Director) came on
board as soon as he got his new job
in Interior!

Thanks again



Soda Mountain Wilderness Council

P.O. Box 512 • Ashland, Oregon 97520

March 5, 1994

To: CLINTON FOREST PLAN EXECUTIVE TEAM

**Re: CHANGE BETWEEN FSEIS & ROD
OR/CA BORDER: INTERSTATE 5 CONNECTION
SISKIYOU PASS/PILOT ROCK/SODA MOUNTAIN
INVIOLEATE "RESERVE" DESIGNATION NEEDED**

Option 9 of both draft and final allocated this key, largely **ROADLESS CONNECTIVITY CORRIDOR** as "Matrix." When we saw the DSEIS, we were sure this was an error -- and pointed it out in our comments to the SEIS team. The area was "Critical Habitat" in both the Thomas Report (4/90) and USFWS Recovery Plan (12/91). Most or all of the area was "Reserve" in every option but Option 9. **ALL the ROADLESS AREA was "Reserve" in EVERY option but Option 9.**

With the strongest feeling and urgency we respectfully request again that this area be given inviolate "Reserve" status before the ROD is signed.

Timber values in this area are low (hence the roadlessness) -- but ecological values are extremely high. This is a key connectivity corridor between the Cascade and Siskiyou Mountains -- the most floristically diverse range in the western United States.

Because of the crucial but already strained and extremely narrow connectivity here, impacts to this corridor are geographically far reaching. This land bridge needs more than any temporary local deferrals the Medford BLM District may (or may not) offer it in the "Matrix." The FSEIS says clearly: "All land allocations except the matrix contribute to connectivity between Late-Successional-Reserves" (II F-14).

USFS Area Ecologist for all of SW Oregon, Dr. Tom Atzet, is on record as saying, "Matrix in this area is the biggest problem with the Clinton Forest Plan in southwestern Oregon" (office 503/471-6531, home 476-9397).

Former Oregon/Washington BLM State Director, Bill Luscher, wrote the Nat'l BLM Acting Director, "I urge that this area be considered for reserve status to ensure that the biological diversity of this unique and irreplaceable ecosystem is maintained" (2/15/94).

Even the editor of the Medford Mail Tribune wrote, "Of all the places where the over-reaching Clinton Plan reaches, one notable omission is Pilot Rock and the proposed Soda Mountain Wilderness on the Oregon-California border. The problem is that the plan doesn't extend any "forest reserve" protection to this area; it's all part of the commercial forest base" (3/4/94, p. 12A).

(over)



Page 2, SISKIYOU PASS/PILOT ROCK/SODA MTN NEEDS "RESERVE" IN ROD

Oregon Governor Barbara Roberts mentioned only two places by name in her letter to President Clinton: "Some of the roadless areas in the matrix in the draft plan are considered special places ... and are highly controversial. Examples include portions of the South Kalmiopsis and Soda Mountain.... Rooding in these areas should be reevaluated against other opportunities for harvest" (10/27/93, page 2 of 3 -- contact Bob Warren, Forest Planning Team, 503/328-8127).

The specialness and controversy regarding roadlessness here should not be overlooked. The matrix corridor surrounds the 5,800 acre Soda Mountain BLM Wilderness (recommended) Study Area. The roadless country here is part of the 30,000 acre plus citizen-supported Soda Mountain Wilderness proposal. Based on twenty-six hearings statewide during the Oregon BLM Wilderness Review Process, Dave Harmon, Wilderness Studies Coordinator in the BLM WA/OR State Office reported the Soda Mountain-Pilot Rock area to have "more support than any other wilderness proposal or WSA in the state" (503/280-7062).

Expressing the unanimous support of the Ashland City Council, Mayor Catherine Golden wrote the SEIS team: "... the Ashland City Council supports the changes to Option 9 recommended by the Soda Mountain Wilderness Council Board, which recommends that this area should be designated ... with boundaries as described in Option 1. The Reserve Area should also reflect the management prescription as described in Option 1" (9/27/93).

Dr. Stephen Cross, Mammalogist (503/482-8380), and Dr. Frank Lang, Botanist (503/482-5235) both of the Department of Biology, Southern Oregon State College, both "fully support 'Reserve' allocation" for the area.

The BLM now claims they will manage this largely roadless, key connectivity corridor in the matrix as a "Special Emphasis Area" with a 10 year deferred cut and 150 year rotation in their upcoming Resource Management Plan. We appreciate their recent temporary but local recognition of the area's values -- despite the fact that the FSEIS says matrix is the only Forest Plan allocation that does not contribute to connectivity (II F-14).

However, because of the significant greater-than-local ecological value of the connectivity here between the Cascades and outstandingly biodiverse Siskiyou -- and because of the extremely high value placed on this area as a roadless wilderness proposal by so many Oregonians (and Californians) -- this area needs the maximum protection possible in the Clinton Forest Plan.

The Soda Mountain Wilderness Council, the Siskiyou Regional Education Project, Headwaters, the Rogue Group Sierra Club, and many other forest advocacy groups -- along with the persons above -- urge you to PUT THE SODA MOUNTAIN/PILOT ROCK/SISKIYOU PASS matrix area in inviolate RESERVE before the ROD is signed.

Most sincerely,



Dave Willis, Board
Soda Mountain Wilderness Council
Siskiyou Regional Education Project

503/482-0526, 482-2307, FAX 482-8660

(In DC March 7-11 < 1 ? > via 797-6842)

OPINION

An independent newspaper founded in 1906

"The Mail Tribune's mission is to serve its readers by being an accurate, fair, timely and responsible source of information about our community and our world." — from News Mission Statement.

Editorial Board

Gregory H. Taylor, Publisher

Robert L. Hunter, Editor

William H. Manny, Editorial Page Editor John N. Reid, Executive Editor

Editorials

Anybody home?

BLM, Clinton test the public's trust

After a welcome respite, our federal forests are back in the news. Which may explain why we've been feeling cranky lately:

■ **THE BUREAU OF Land Management** used money — at least \$5.4 million — destined for reforestation and tree-stand maintenance in western region for building maintenance and other purposes. Oregon Democratic Reps. Ron Wyden and Peter DeFazio have hammered on the BLM for haphazard reforestation for years. Knock, knock — anyone home? Now another internal Interior Department report says the Medford BLM used reforestation money to replace the roof on its Medford HQ, built in 1979. Sounds like a matter that should have been taken up with the builder long before it became a \$345,000 maintenance item at public — and the forests' — expense.

Reforestation is a trust, with the counties — who cede part of their timber revenues back to the BLM for investing in the forest — and with the taxpayer, who owns the land. No one wants needed building maintenance neglected; but the message is surely clear now that the public expects the BLM, first and foremost, not to neglect needed forest maintenance.

■ **THE CLINTON FOREST** plan goes to federal Judge William Dwyer at the end of the month. The plan is now supposedly in final form, but it's still not clear whether it will achieve its aims; environmentalists, who you'd expect to be jumping for joy, say it won't.

What is clear is that logging is being reduced to at least a fourth or fifth of 1980s' levels.

Fuzziness and hype have characterized Clinton's forest effort from the beginning. A plan drafted in secret by government aides and sprung on an anxious public (the Clinton White House has a penchant for secret policy teams) has no constituency. It becomes a target for critics on all sides to attack.

Clinton deserves much of the criticism himself. He could have told the truth: His administration planned to abide by the tough environmental laws on the books, and that would require tough sacrifices from the Northwest. Instead, he sweetly promised at the Portland forest conference last spring that there would be jobs for loggers, logs for mills, habitat for wildlife, and forest "reserves" for environmentalists.

That such a scheme was impossible didn't stop working people from getting their hopes up. They can only hope now that the president does deliver on his promise to aid communities and workers who ended up on the losing end of his forest plan. — W.M.

Protecting Soda Mountain

Of all the places where the over-reaching Clinton forest plan reaches, one notable omission is Pilot Rock and the proposed Soda Mountain Wilderness Area on the Oregon-California border.

The problem is that the plan doesn't extend any "forest reserve" protection to this area; it's all part of the commercial forest base.

The area has little commercial value, is a BLM-recommended wilderness area, and a key ecological

Medford, OR
The Mail Tribune, Friday, March 4, 1994

12A

*

link between the Klamath Mountains and the Cascade range. Clinton aides have time to make sure the forest plan reflects that. — W.M.



March 21, 1994

To: Mike Penfold
Assistant Director, BLM
FAX 202/208-5902

From: Dave Willis 503/482-0526, -2307 FAX 503/482-8660

Re: Soda Mountain & Current ROD Draft

Dear Mike,

To write Soda Mountain off (as I understand it has been written off) as merely a special botanical area not needed to achieve the underlying purpose and need of LSRs is disinformational jive.

Connectivity, connectivity, connectivity. This area is crucial far beyond its immediate locale. Mentioning it in the ROD without requiring the Medford District to do anything does nothing for the area. Under current management, putting this area in Medford District BLM matrix is like using a Van Gogh for a rifle range target.

LSR protection is not "special" protection -- especially when adding reserve acres is clearly part of this overall process. And if Alternative 1 standards and guidelines are considered "special," then "regular" Option 9 LSR is certainly far better than the current matrix allocation for this area and can hardly be considered "special."

Who is blocking this simple boundary change and why? I can't believe their motives are based on either good science or good politics.

I'm sorry. I know you're extremely busy with BLM reorganization hassles. But I'm extremely concerned about what I hear is (not) going on with Soda Mountain in the evolving ROD.

Please -- can we talk?

Frustrated,

Dave Willis 503/482-2307, 482-0526 FAX 503/482-8660



LITTLE FOOT *Expeditions*

March 22, 1994

To: Mike Penfold
Assistant Director, BLM
FAX 202/208-5902

From: Dave Willis 503/482-0526, -2307 FAX 503/482-8660

Re: USFS Ecologist's Report -- Soda Mountain/ROD

COVER FOR 3 PAGES TO FOLLOW

Dear Mike,

I have never seen this USFS Area Ecologist, normally mellow and concerned only with geologic time, so concerned about a piece of land and its allocation. This is the USFS Area Ecologist for all three national forests in SW Oregon. He sees a bigger picture than a BLM Medford District Manager might -- and is concerned about key connections between those national forests (and the bioregions they represent) that may be on BLM land.

Please especially see his note at the top (written today) of his 3/3/94 letter to me about ecological significance: "The Soda Mountain area is more than just botanically interesting, it is an important link for migration, dispersion, and the process of evolution in the northwest. In the short term, there would be less risk for the area as a LSR."

"Short term" usually has to do with a geologic context of time in Tom Atzet's vernacular. Also see paragraph 3 -- "central significance" and "hinge point" (Whittaker).

The FSEIS says, "All land allocations except the matrix contribute to connectivity between Late-Successional-Reserves" (II F-14). So how does the current matrix allocation here meet underlying purpose and need?

Why so much resistance to LSR for this small, low-timber-value area of such extremely high ecological significance?

Again, Mike -- sorry to be back at you with more. But, not hearing from you, I can only imagine what others are telling you based on what I hear is now in the ROD. LSR for this area seems so simple -- and so important. I continue to be baffled by the difficulty.

Thanks, again --

Dave Willis 503/482-0526, 482-2307 FAX 503/482-8660

FAX COVER PAGE

Date: Tue Mar 22 12:41:00 GMT 1994

Destination Fax: +1 503 482 8660

From: mhs:fawa/S=T.ATZET/OU1-R06F11A

Subject: Short note on top.

Number of pages: 3
(including cover page(s))

UA-Message ID: C-MHBXKP

Addressed To:

fax:503-482-8660

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* Just a note to reemphasize: The Soda Mtn area is more than just botanically interesting, it is a important link for migration, dispersion, and the process of evolution in the northwest. In the short term, there would be less risk for the area as a LSR.

United States
Department of
Agriculture

Forest
Service

Siskiyou
National
Forest

200 NE Greenfield Road
PO Box 440
Grants Pass, OR 97526-0242

Reply to: Ecosystem management

Date: March 3, 1994

Subject: Information on Soda Mtn/Pilot Rock area

To: Dave Willis

Dear Mr. Willis,

Thank you for your request for information. We appreciate your interest in ecosystem management and the welfare of all species.

First, let me say that I have no ecology plots in the Pilot Rock area; nor have I personally studied it intensively. My response relates to the area in general and it's context within the southwest Oregon, northern California area, often called the Klamath Bioregion. Secondly, because time and space are limited, a detailed answer is not possible. Lastly, I avoid opinion as much as possible. My clients, both agency and public, expect unbiased information, untainted by advocacy.

* The Siskiyou were first recognized by Whittaker as the most floristically diverse range in the western United States. He also illustrated how they have been a sink and source for both plant and animal genetic diversity for millions of years. In his words they are of "central significance" to the northwest since they act as a meeting place for species from different bioregions. The Pilot Rock area is a "hinge point" or connection.

The Siskiyou mountains join the California Coast Range and the Oregon Coast Range at their western extent, providing north/south migratory pathways. At their eastern end, they join the Cascade backbone which joins with the California Sierra range south of Mt. Lassen. Thus, the Siskiyou range forms the cross-bar of an "H" at a continuous high elevational band. Both Axelrod and Detling have commented on this high elevation continuum as migratory pathways between the four mountain provinces. Detling also felt that the Siskiyou Pass allowed California lowland species to migrate into the Rogue Valley when temperatures were higher.

There are only two places in the northwest where major rivers breach the Cascade Range, allowing an east-west flow or mixing of east-side and west-side species. The Columbia River is the northern breach; the Klamath River at the south end allows east-side species to merge into the Pilot Rock area and westward along the Klamath River.

Generally the unique mix of geology, climate, floristic history, and unusual east/west orientation is responsible for the high diversity. The Klamath Bioregion (Siskiyou Mountains) is also a transition between the northern

Temperate forests and the Mediterranean forests of California. As such, they contain elements of both zones and unique endemics.

Page 2

The preceding discussion should give some indication of the area's role in migration, species evolution, and adaptation. A quantitative evaluation of the significance of the Pilot Rock hinge point would be impossible. Long-term studies would be required. Axelrod and Detling used fossils as evidence for their estimations.

My concern about these connections dates to well before the "Gang of Four" work, where I emphasized process, not structure, as the more important ecosystem need. Both Axelrod and Detling make a compelling argument for migration across the hinge point of the "H" crossbar, a process that allows adaptation, evolution, and dispersal. Late Seral Reserves were designed to provide structure and connectivity for such processes, matrix was not; but there is flexibility in how its managed.

I have worked with the BLM on designing reserves during the "Gang of Four" effort and again during the delineation of the Reserves for the Presidents Plans. We have talked about the "hinge points" and their importance. Mike Lunn and Dave Jones have communicated specifically about the Pilot Rock area. The District is aware of the area's values. They designated it the Siskiyou/Cascade Special Ecological Management Area. Rob Lewis, Medford District ecologist, and I have shared ideas on how the area could be managed for connectivity with a matrix designation, if specific guidelines were met. The difference between the two designations is a matter of short-term relative risk. In the long run we have to learn to work with the total ecosystem and its processes. Human populations will continue to affect all the land regardless of the designations. The Presidents Plan is a interim corrective measure giving us time to progress to a prevention/maintenance mode with equal opportunity for all species.

Regardless of what decisions are made in the ROD, I feel the best course of action is to continue to communicate with all partners your thoughts about the management needs of the area.

Thanks for your interest.

Sincerely,

Thomas Atzet
Area Ecologist
Southwest Oregon Area



Soda Mountain Wilderness Council

P.O. Box 512 • Ashland, Oregon 97520

Date: March 15, 1994

To: Dean Bibbes, OR/WA BLM State Director
Phone: (503) 280-7024 Fax: (503) 280-7308

From: Dave Willis, (202) 797-6652 Fax: (202) 797-6646

Re: Language for Soda Mountain ROD Paragraph

Dean --

Dave Harmon left a message on my machine yesterday -- apparently shortly after you and I spoke on the phone -- requesting copies of the language I gave Mike Penfold for the ROD.

Here they are. Three versions and a variation. Boundaries are the same for all. What differs are standards and guidelines for management:

Draft 1.1 Prescribes Alternative 1 (inviolate reserve) standards and guidelines for the entire area.

Draft 1.2 Includes no language at all about standards and guidelines, making the area a reserve like the rest of the Option 9 reserves.

Draft 1.3 Prescribes Alternative 1 standards and guidelines east of I-5 only to give Congress the best chance of protecting the wilderness proposal outside the WSA.

Draft 1.3a Is the same as Draft 1.3, but with "Concern" language front-loaded to help the paragraph fit in the "Concerns/Responses" section of the ROD, should the SEIS team so choose to place it there.

As I told you on the phone, Mike asked me my preference. I told him Draft 1.1 was strongest, 1.2 was weakest, and I preferred 1.3 as a good compromise to protect Congressional wilderness designation options for our proposal east of I-5, while showing more management flexibility on the non-wilderness proposal lands west of I-5. I gave him all three drafts at the same time -- following up with Draft 1.3a after learning more about the ROD format.

Thanks for making clear your own position of supporting boundary changes in the FSEIS for this land bridge (switching matrix to reserve), but not supporting changes in standards and guidelines for the area that would make management here more restrictive than other LSRs in Option 9.

Though the Soda Mountain Wilderness Council and its many supporters still and strongly prefer Alternative 1 standards and guidelines for the wilderness proposal lands east of I-5, reserve designation here (even if not inviolate) is vastly better than matrix and we thank you sincerely for your support of LSR for the Soda Mountain/Pilot Rock/Siskiyou Pass connecting corridor between the Cascades and Klamath/Siskiyou.

Please continue to contact me as needed. I want to keep open lines of communication.

Appreciatively,

Dave Willis, Board
Soda Mountain Wilderness Council

cc: Mike Penfold



Soda Mountain Wilderness Council

P.O. Box 512 • Ashland, Oregon 97520

Date: March 14, 1994 a.m.

To: Mike Penfold, Assistant Director
BLM
Phone: 208-4896, Fax: 208-5010

From: Dave Willis, Board
Soda Mountain Wilderness Council
Siskiyou Regional Education Project
D.C. (NWF) Phone: 797-6652, Fax 797-6646

DAVE WILLIS
15187 Greensprings Hwy.
Ashland, OR 97520
(503) 482-0526, 482-2307
FAX 503/482-8660

Re: "Concern/Response" Contextualized ROD Language
Soda Mountain/Pilot Rock/Siskiyou Pass

Mike -

Based on what I have learned about the format of the ROD and your comment Friday afternoon about the place to deal with this perhaps being the "Concerns/Responses" section of the ROD -- here's some "Concern" language. (The "Response" language is identical to my preferred Draft 1.3 given to you Friday. Procedurally, Draft 1.1 [strongest] or 1.2 [weakest] could just as easily be substituted).

dlaw

LANGUAGE FOR FOREST PLAN ROD -- SODA MOUNTAIN PARAGRAPH

Draft 1.3a (1.3 with "Concern" Language)

"Concern: Whether adequate provision for ecological connectivity between the Cascade and Klamath/Siskiyou Mountains was made.

"Response: This Record of Decision amends the FSEIS preferred alternative land allocations in the Soda Mountain/Pilot Rock/Siskiyou Pass connectivity corridor along the Oregon/California border to preserve the area's inter-regionally unique and valuable ecological systems. This area includes the BLM recommended Soda Mountain Wilderness Study Area (WSA). All FSEIS preferred alternative BLM matrix lands west of the Jenny Creek Key Watershed, east of the Ashland Watershed Late-Successional Reserve, and north of the California/Oregon border for a distance of 5 miles -- and any private lands within these boundaries which the BLM acquires subsequent to this ROD -- are now allocated to Late-Successional Reserve. Matrix allocations and subsequent BLM acquisitions this ROD changes to Late-Successional Reserve east of Interstate-5 in the area described above are to be managed according FSEIS Alternative 1 standards and guidelines. Should Congress choose not to include the Soda Mountain WSA in the National Wilderness Preservation System, the WSA shall convert to Late-Successional Reserve with FSEIS Alternative 1 standards and guidelines when released by Congress from WSA status."

Friends Aware of Wildlife Needs

P.O. Box 603 Georgetown, CA 95634
(916) 333-0269 Phone/Fax

FAX COVER SHEET

Number of Pages, including this one: 7

TO: Kathleen McGinty

FAX #: 902-456-2710

ORGANIZATION: _____

FROM: Tom Infusino

DATE: 3/18/94

SUBJECT: Closure of Michigan - California

COMMENTS: Lumber Company's Camino Mill

It is important that you and your boss see the article from the Sacramento Business Journal regarding the pending closure of the Michigan - California Lumber Company, Inc.'s mill in Camino, CA.

Political opportunists are attempting to use the mill closure as an excuse to gut Federal environmental laws. It is important that you and your boss see the Sacramento Business Journal's article to fully understand the reasons behind the mill's closure.

Thank you for your kind assistance, and for your continued attention to the needs of our precious California forests.

Sincerely,

Thomas P. Infusino, for

Craig Thomas, Secretary
Thomas P. Infusino, General Counsel



P.02
1113 333 916

THE BUSINESS JOURNAL

*****CAR-RT-SURT-DROZ
09/02/94

VOLUME 10, NUMBER 51

WEEK OF MARCH 14, 1994

PARTNERS Schools and Business
Special Supplement

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Michigan-California: Anatomy of a failed m

By LYNN GRAEBNER

Since Michigan-California Lumber Co. announced two weeks ago that it will close its 105-year-old mill in Camino, idling 280 workers and devastating a community, loggers have been marching in the streets of Placerville.

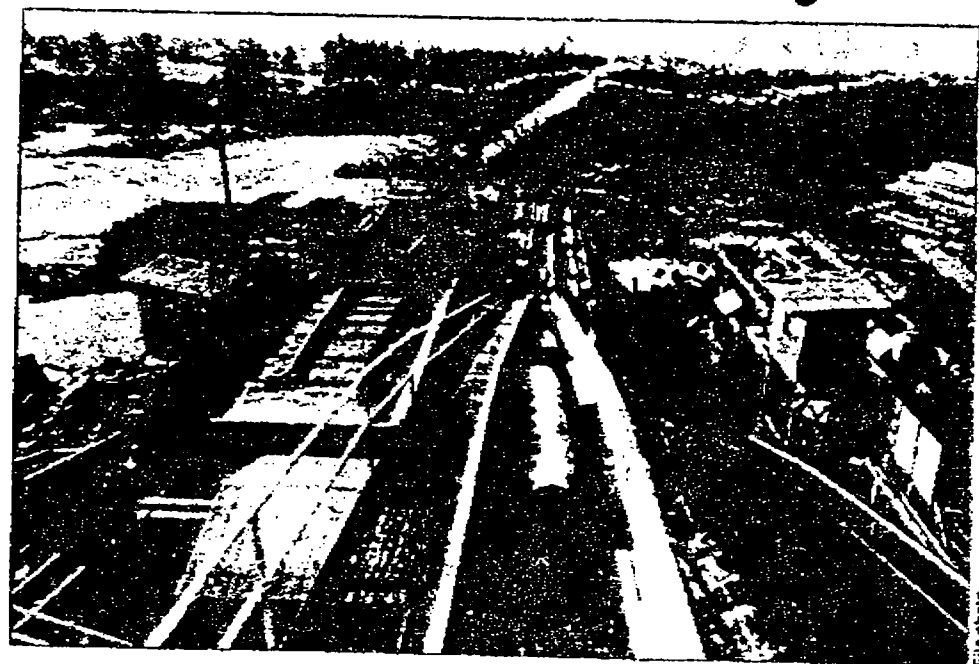
While most of their anger has been focused against environmentalists who pushed for federal policies to protect forests, scant attention has been paid to the business decisions that led to the death of the mill.

Environmental policies have indeed played a major role in the mill's demise.

But the mill's fate was equally affected by Michigan-California's own fatal miscalculations about the effect those policies would have on its ability to obtain timber from the national forest.

In an aggressive expansion over the last decade, Michigan-California more than doubled its mill capacity. It was an attempt to become more efficient in order to compete for a dwindling timber supply. But the mill's growth has meant the mill's death.

Michigan-Cal invested more than \$30 million to retool. Back in 1985, before the retooling began, the mill could process



Michigan-California Lumber's miscalculations helped lead to the demise of its 105-year-old mill in Camino

about 50 million board-feet a year -- roughly the amount of wood that could be harvested from the company's own 75,000 acres of private land. Mill workers put in

one shift a day.

By this year, the mill's capacity had grown to 125 million board-feet, working two shifts.

During the same time, however, the mill came to rely more and more on federal timber, and less and less on timber from its own 75,000 acres. By 1993, the mill had roughly tripled its reliance on national forests.

And yet, throughout the company's expansion, the writing was on the wall: The amount of timber available from the national forest was shrinking rapidly.

As early as 1985, the U.S. Forest Service had said that 37 percent less timber was going to be made available to private lumber companies, due to concerns about herbicide use, clear-cutting and protection of endangered species.

"By 1985 people could project from our long-range plans what the yield on the forest would be," said Harley Greiman, legislative liaison for the U.S. Forest Service in California. "It was clear that we were going to reduce total yield to about 1.1 billion board-feet from 1.75 billion. Some of us thought it would go below that."

Today, the Forest Service says it can supply no more than 80 million board-feet from the Eldorado National Forest. Michigan-California says it can produce only about 30 million board-feet from its own

Please turn to page 27

FAWN

Michigan-California: expansion in face of dwindling supplies

Continued from page 1

lands. Paying the freight for expanding to 125 million board-feet of capacity apparently leaves the mill without the option of continuing to operate with just one shift.

Other Sierra mills also upgraded their equipment during the last decade to handle the smaller logs that everyone knew were going to be coming off the national forests. But they claim not to have expanded capacity nearly as much as Michigan-California did.

Nor did they increase reliance on public timber. Georgia-Pacific Corp., owner of a large mill in Amador County, now gets up to 70 percent of its timber from its own land. Likewise, Sierra Pacific — an Oregon company with nine mills that tried to buy Michigan-California in a recently failed merger — has cut its reliance on national forests to 15 percent of its log supply.

Michigan-California representatives say the company does not plan to file bankruptcy. "It could be good business for them to go with just being a timber grower, rather than a timber miller," said Grehman of the Forest Service. "Clearly, there's tremendous demand, and those trees are worth a lot of money."

The mill, however, will be closed and possibly dismantled. In addition to the 280 mill workers who will be idled, more than 200 employees of companies that contract with the mill are jeopardized. Many small service companies — from restaurants to repair shops — are worried about their business. And local governments and schools fear they will lose federal timber sale revenues.

The company, however, is still profitable.

"We're not a failing company in any economic sense of the word," said general manager Pete Himmel.

A decision to grow

Himmel came on board in 1988 to oversee the mill's expansion. He now is overseeing its closure.

In 1983, the company had two machines that milled large old-growth timber. With environmental efforts to protect large, old-growth trees, the company decided to replace one machine with a saw to process small logs. But because the rest of the mill was not set up to handle the smaller logs, a bottleneck resulted.

In '86 when Himmel came, a planning phase was well under way to gradually upgrade the mill through yearly improvements so as not to have to shut it down. The company planned to become bigger and more efficient to better compete for federal timber.

In 1987 equipment was added to process the smaller logs faster. The mill

added a second shift and increased its volume to 100 million board-feet of lumber, Himmel said.

Prior to 1985, Michigan-California's own 75,000 acres could produce up to 50 million board-feet, although the company didn't use its lands to that extent; it supplemented with public logs. By 1987, the company was able to harvest about 30 million board-feet from its own land. The expansion meant it would need 70 million board-feet from other sources — most of it from the national forests.

In 1989, the Forest Service issued a 10-year management plan for the Eldorado National Forest, projecting an average of 146 million board-feet a year over a 10-year period could be put up for sale. While that gave Michigan-California cause for optimism, it was nevertheless down from levels of approximately 160 million board-feet in previous years.

Regionwide, the Forest Service by 1985 was predicting a decline in availability of federal timber in California from 1.75 billion board-feet to 1.1 billion or 1.2 billion board-feet, Grehman said. That's up to a 37 percent projected drop in federal timber at the time Michigan-California was implementing improvements to double its capacity.

Although Michigan-California was also bidding on timber sales in the Tahoe and Stanislaus national forests, the mill expected to get a large portion of its timber from the Eldorado, said Rex Baumback, timber management officer for the Eldorado National Forest.

"We expected to be the most competitive (in the Eldorado) since we're in the middle of it," Himmel said.

Prior to his arrival, Himmel said, Michigan-California was rarely successful bidding on the Eldorado. Increasing the size of the mill not only made it a more competitive bidder, it put it in an economic position to bid on timber farther away from the mill, he said.

Meanwhile, about 1.5 million board-feet a year was coming off the Eldorado, almost all of it "bug kill" — trees damaged by the drought.

And in 1990, more writing was on the wall that federal timber sales would be smaller, as the Forest Service moved to implement a policy against clear-cutting.

Fire, and more expansion

On Easter Sunday of 1991, a fire of undetermined origin consumed 15 percent of the mill floor, including the two head saws.

It was a critical turning point.

"Right after the fire, there was a lot of speculation that the mill would never be reopened," said Dunne Nelson of the Forest Service's regional headquarters in

Sacramento. "It really raised my eyebrows when I heard the way they were reinvesting to reopen it. I have a hard time understanding why they were gearing up in the political climate they were gearing up in."

The company decided to invest another \$10 million in the plant to complete the improvements that had begun. That brought its capacity up to about 125 million board-feet — and its dependency on federal timber to about 90 million board-feet.

In hindsight, the owners would have never reopened the mill after the fire if they had realized how difficult it would be to obtain logs, said Don Montgomery, chief operating officer for Timber Products Sales Corp. Inc. The Springfield, Ore., firm's principal owner, Joe Gonyea, is managing general partner in the partnership that owns Michigan-California. Gonyea was unavailable for comment.

"People in the industry tend to be optimists," Montgomery said.

After the mill reopened, it was in a position to start making some decent money, Montgomery said.

Other mills in the Sierra have invested in improvements over the last decade to become more efficient, said Ron Monk, chief forester for Georgia-Pacific Corp., which owns a mill in Martel, near Jackson in Amador County. But Monk said his own company's improvements have not come close to doubling production.

"In the last decade we've stayed pretty steady," Monk said. Georgia-Pacific produces about 100 million board-feet annually. The company gets 60 percent to 70 percent of its timber off its own land and depends on federal and private land for the rest. It is actively buying logs from small private landowners and is trying to wean itself from federal timber, Monk said.

Likewise, Sierra Pacific Industries, an Oregon firm that operates nine mills and has become the largest private timberland owner in California, has decreased its dependence on federal supplies. More than a decade ago the company purchased 50 percent of its trees from national forests. Now it's more like 15 percent, said Ed Murphy, inventory forester for the company.

Montgomery of Timber Products Sales said Michigan-California has never been a big moneymaker. "The owners have not taken a nickel out of the plant in 10 years," Montgomery said.

Who are the owners? That information is closely held. The secretary of state's office lists three general partners. Two live in the Placerville area: Donald Peek and Kathleen Watt Peek. Neither returned calls. A third is M.C. Investment Group,

with a Chicago, Ill. address and an unlisted number.

The owners kept investing in the company and it was just about to make some decent returns when the federal timber supply tightened, Montgomery said.

"It boils down to one thing," he said. "The government is out of the business of selling logs and the environmentalists are successful in shutting down the woods. There are some well-meaning people on their side but they're not compromising, and they're winning."

"Michigan-California made a decision to increase its mill capacity to a level that was inappropriate for the market," countered Erin Noel, director of Forest Alert, an environmentalist organization in Nevada County.

"I don't think the general public understands the complexity of the issues," said Grehman of the Forest Service. "We're going to have to sort out what our expectations are, in terms of what commodities the land will produce."

More fire, FTC heat, pollution woes
"We invested in the plant over the years in good faith based on timber harvest levels," Himmel said.

By 1992, Michigan-California was ranked the 18th largest mill in the nation, by volume, according to an industry publication. Even after the clear-cutting policy was issued in 1990, the mill believed it was on the right path. Management thought the mill had to be bigger and better than the guy down the street to compete.

Himmel believes that if the company hadn't made decisions to expand, "it would have closed five or six years ago and everyone would have been out of work then." Now, he said, the very steps the mill had to take to last as long as it did have proved its undoing. "You're damned if you do and you're damned if you don't."

Part of Michigan-California's damnation came by fire.

"They had 10,000 acres of young growth plantations near Ice House reservoir that were coming of age," said Nelson of the Forest Service. "The trees wouldn't be ready for harvest for another 15 years, but Mich-Cal was really counting on that for the future."

That 10,000 acres burned up in the monstrous Cleveland forest fire of 1982.

Last year, Michigan-California began to negotiate a sale to the largest timber company in the state, Sierra Pacific Industries. Sierra Pacific owns private timber land near the mill and had a better chance of guaranteeing a wood supply, Himmel said. That deal fell apart in December, for reasons never completely disclosed.

"They (Michigan-California) backed out

Please turn to next page

Michigan-California cut down by buzzsaw of changing market

Continued from preceding page

because it wouldn't be in their favor," said Ed Murphy, an inventory forester for Sierra Pacific. From his perspective, the availability of federal timber wasn't the issue.

Himmel said the Federal Trade Commission was looking at the sale to determine if it violated antitrust laws. Sierra Pacific has become a dominant landholder in California. "But I don't think they said you can't do the deal," he said.

Another potentially large expense has been looming larger on the horizon for Michigan-California.

The mill violates air emission standards. It has been operating under a 3 1/2-year variance from El Dorado County, due to expire in 1996, said Dennis Otani, program manager for the El Dorado County Air Pollution Control District.

According to one well-placed source with the county, Michigan-California was looking at the need to invest millions in a cogeneration plant. By turning "biomass" forest waste into energy, the company could obtain air-quality credits to offset its emission violations.

Himmel said the mill was exploring the possibility of building a biomass plant fueled by forest byproducts. The plant could have produced fuel for the mill and a revenue stream by selling power to the Sacramento Municipal Utility District.

It would have cost between \$10 million and \$20 million. But there didn't seem to be an adequate supply of timber to guarantee fuel for the plant, Himmel said. The alternative was to spend about \$1 million on pollution control equipment.

Timber sales suspended

In the 1980s Michigan-California recognized the constraints on harvesting large logs from old-growth forests, but Baumback said no one really had the foresight to see that even harvesting of smaller logs would be so severely affected.

"Nobody foresaw the effect of the (California Spotted Owl) report and the political change that has taken place in the last couple years," he said.

The California Spotted Owl report was issued in 1992. In January of last year the Forest Service adopted interim guidelines to protect owl habitat. Those guidelines prohibit the cutting of trees more than 30 inches in diameter.

Himmel said there was no magic day when it became apparent that the mill would be starved for wood. But in the last several months the gravity of the situation became clear to the company.

Early last year 24 "green" timber sales in the Eldorado National Forest were suspended and are still under review due to pressure from the environmental group Friends Aware of Wildlife Needs, also known by its acronym FAWN. Eight of those sales were Michigan-California's.

"These 24 sales just give Mich-Cal a feeling for what's happening in the forest service," Baumback said.

The reviews of those sales were supposed to be completed within 30 days. The reviews have been going on for almost a year now. One El Dorado County mill, Wetzel-Ovian, has sued over the suspended sales. Mich-Cal hasn't done that yet.

The Forest Service said that if it had to pay companies what the sales were worth it could cost \$30 million. Michigan-California's share would be \$10 million. One El Dorado County official, asking for anonymity, suggested closing the mill gives Mich-Cal a stronger case if it does sue.

On Feb. 10 the Natural Resources

Forest Service for amendments in forest management to benefit fur-bearing animals and other wildlife in old-growth habitats in Sierra Nevada national forests. That puts further pressure on the service to control federal timber harvesting.

"It's a warning to the Forest Service that it has an opportunity to address issues of habitat and timber production before a legal and ecological crisis occurs," said Sami Yassa, a staff scientist for the NRDC. He said the Forest Service has logged more than 85 percent of the original old-growth forest in the Sierra.

Spotted-owl policy plus the end of unusually large "bug kill" timber sales on the Eldorado from 1989 to 1992 caused 1993 sales volume to plummet. In 1988 the Eldorado sold 120 million board-feet of timber. Region 5, which includes the Eldorado and covers most of California, sold 1.75 billion board-feet. This year, 75 million board-feet are expected to be sold out of the Eldorado forest, less than half the 162 million board-feet sold last year, and 61 million board-feet are projected for next year, a 50 percent drop from seven years ago.

The region is budgeted to sell 638 million board-feet this year, half of what was available two years ago, and is projected to sell 550 million board-feet next year. That's almost a 70 percent drop from seven years ago.

In 1985, 7.5 million acres of national forests were available for timber harvest. Today less than 3 million acres are available, Greiman said.

Now what?

Environmentalists say lumber com-

panies can continue to log but not in the way they have in the past. "There are many examples of mills that maintain appropriate scales," said Noel of Forest Alen in Nevada County.

While mills like those of Georgia-Pacific and Sierra Pacific have become less dependent on federal timber, Michigan-California has increased its dependency and can harvest only about 24 percent of the timber it needs off its own land. That leaves more than 70 percent, close to 100 million board-feet, that it has to buy from the national forest or private land.

Michigan-California can produce only 30 million to 35 million board-feet off its own land — not even enough to run one shift, Montgomery said.

So now what happens?

"I was surprised when they went with a total shutdown," Greiman said.

Plans are to mothball the mill and continue to manage and sell logs off Michigan-California's 75,000 acres of private land, said Henry Aiden, the company's chief forester. Aiden said the company will keep on about five employees to manage the land.

"Mich-Cal was probably one of the more conscientious companies in terms of managing their land base," said Nelson of the Forest Service. "I hope whoever gets their land will do as good a job."

As for the assets of the company, the mill machinery may be auctioned off sometime in the future, but owners probably would get only about 10 cents on the dollar, Montgomery estimated. It loses its value once you start to take it apart and haul it elsewhere. "It'll be a pretty big loss," he said.

He would not estimate the value of the forest land or the mill.

There is some speculation that the mill could eventually be sold and reopened without union labor. Only about half the mills in California are unionized.

"The timber supply collapsed faster than we thought," Aiden said. "We thought the environmentalists were looking for a decrease." It's only a matter of time before the radical environmentalists come after private timber land, he said. "You can almost hear the guns swiveling."

Indeed, state legislation is expected to be soon introduced demanding a 300-foot buffer around streams on private logging land, Greiman said, which would have a big impact on lumber companies.

But environmentalists say decreased federal timber supplies should not have been a surprise.

"You'd have to be blind, deaf and dumb not to read the writing on the wall in the late 1980s," said Craig Thomas of FAWN. "Bringing on the smaller log capability was not a bad idea. But increasing to a second shift made them dependent on public timber."

For now, the future of national forest timber sales is uncertain. This summer a draft environmental impact statement is due out on the California spotted owl issue. It will indicate what has to be done to protect habitat. But the Forest Service is still about six years away from defining a sustainable level of timber production, Greiman said. And that definition has become more of a social issue than a scientific one.

"We really don't know where the bottom line is yet," Greiman said.

THE BUSINESS JOURNAL
WEEK OF MARCH 14, 1994

EDITORIAL

Echoes of the mill

The closure of Michigan-California Lumber Co.'s sawmill in Camino will have a terrible effect on the economy of El Dorado County. Some 280 mill workers will lose jobs, most of them with union wages and benefits. Roughly 200 more employees of firms that contract with Mich-Cal could be idled. Small service businesses will be hurt. Timber sale revenues to the county and to schools will likely be reduced.

It is easy in such a circumstance to point the finger of blame. It is not always so easy to point in all the right directions.

The easiest targets are the "tree-huggers." After all, they've lobbied for federal policies that sharply cut the amount of federal timber available to lumber mills, including policies to end clear-cutting and to protect old-growth habitat for endangered species.

But in pointing the finger, you also have to question some of the business decisions made by the owners of Michigan-California themselves. They expanded in a way that is difficult to understand, unless you assume that they were in a gambling mood for eight years.

Since the mid-'80s, the owners of Mich-Cal invested heavily to more than double the mill's capacity. Meanwhile, as the yield from Mich-Cal's own 75,000 acres was decreasing, Mich-Cal's dependence on federal timber sales increased approximately threefold. That strategy was not employed by most other mills.

And yet for much of the time this expansion was under way, it was increasingly clear that federal timber sales would not continue as in the past. By the time the owners made a decision not just to rebuild, but to expand even more after the Easter fire of 1991 closed the mill, federal policy against clear-cutting had already been enacted, and strict restrictions to preserve habitat also were well within view. Both federal policies would reduce the amount of government timber Mich-Cal would have, and still the mill kept increasing its reliance on that timber to pay a burgeoning overhead.

Certainly bad luck played a role. Mich-Cal was counting on 10,000 acres near Ice House for much of its production 15 years down the road. The land burned up in the Cleveland fire of 1992.

We do not absolve the environmental movement for its culpability here. Clearly, something is wrong with an Endangered Species Act that can so sharply reduce our ability to harvest national forests — and we strongly believe that timber can be harvested in a sustainable fashion. And nascent efforts in the state Legislature to place greater restriction on the harvesting of privately owned forests do not bode well.

But on the other hand, we do not entirely disagree with the environmentalists. Forest fiber products are only one of four major uses of our national forests, the others being water, recreation and wildlife. If one use becomes dominant, the balance is tilted in a way that can destroy the others.

Certainly, however, Mich-Cal deserves its share of heat. This is a company that, according to owners, is still profitable. This is a company that, for a variety of reasons, is going to make a community pay for mistakes at the mill.

Mountain Democrat

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& Placerville Times
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ANTI-ENVIRONMENTAL SENTIMENT has been running high since the announcement Michigan-California Lumber Co. will close, as witnessed by this "FAWN" dummy displayed on the front of a logging truck during a demonstration by loggers Tuesday in front of Town Hall.

Democrat photo by Bill Sullivan

FAWN states its position on mill closure

By TAYLOR FLYNN
Staff writer

Since the announcement that Michigan-California Lumber Co. will close, some logging advocates and others have placed the blame squarely on the shoulders of environmentalists.

However, environmental groups claim they are scapegoats for misplaced bitterness.

Distraught loggers need to look at the big picture, they say, and understand the closure is the result of changing national environmental policy, alleged past timber overproduction, and an old-dog-of-a-company unwilling to learn new tricks.

Bitterness towards environmentalists began with Michigan-California's first public announcement of pending closure early last week when sawmill officials placed blame on "radical groups using legal technicalities" to shut down the forests.

Even state and national politi-

cians denounced the environmental movement and blamed environmentalists for the demise of 105-year-old Michigan-Cal. "In recent years, extremist groups have exerted increasing pressure on federal policy makers at the expense of sound forest management and timber production," said state Sen. Tim Leslie, R-Roseville.

During a discussion at Town Hall earlier this week nationally syndicated columnist "Fossil" Bill Kramer referred to environmentalists as "eco-facists" pushing a movement comparable to the Nazi regime.

Environmentalist bashing climaxed Wednesday during a press conference in Camino where loggers displayed campaign-style signs denouncing the environmental movement such as "Down With Environs" and "Tree Hugers Not Welcome." During the event, a dummy dressed in a FAWN T-shirt hung by a noose in

"The Forest Service did a very responsible job and a very difficult job (in suspending 24 timber harvest sales)... They've followed the law and told the truth under tremendous pressure," said Craig Thomas of FAWN.

front of Michigan-California Lumber Co.

Throughout the recent events, Friends Aware of Wildlife Needs (FAWN) has remained mostly out of sight but maintain their actions which led to the suspension of 24 timber sales on the Eldorado National Forest are sound.

FAWN maintains that real environmental dangers exist on the Eldorado, and that FAWN's action only brought in-line Forest

see FAWN, page A-6

Friday, March 1

continued from A-1

FAWN

Service compliance with laws protecting the California spotted owl among others. FAWN also contends the closure of Michigan-Cal was not its agenda and that timber production will continue to exist in El Dorado County.

"FAWN did not try to close the mill," stated FAWN attorney Tom Infusino in a public announcement earlier this week. "FAWN has nothing to gain from the closure of a sawmill. A mill's closure does not effect the way public lands are managed. Trying to close the mill would be a waste of time," he said.

FAWN's agenda, Infusino said, is geared toward balanced protection of natural resources on public land. Pushing the Forest Service to reconsider the sale of the 24 timber harvests was needed to ensure the sales would meet guidelines to protect spotted owl habitat, habitat for several sensitive fur-bearing mammals such as wolverines and red foxes, protect watersheds and the viability of old growth forests.

According to FAWN, the reconsiderations were worthwhile, because Forest Service studies conducted over the past year have indicated significant impacts.

"They went through and reconsidered all the sales and realized...there were significant impacts to the environment," Craig Thomas of FAWN told the Mountain Democrat earlier this year. "They realized that the decision made by the Forest Service (district rangers) not to (initially) review these old sales was incorrect and illegal. They found that a whole bunch of sales were missing documentation to be compliant with the law," he said.

Since the suspensions, FAWN has commended the district for suspending the sales and its involvement in carrying out subsequent studies.

"The Forest Service did a very responsible and a very difficult job," said Thomas. "They've followed the law and told the truth under tremendous pressure."

"(Then Forest Supervisor) John Phipps recognized there was a problem and committed a full head of steam toward reconsider-

ation," Thomas continued. "This reconsideration has turned out some pretty amazing documentation at this level in terms of what the resources are and the health and quality of the resource base."

Infusino said that the studies concluded forest impacts would have been significant had the original sales been allowed to proceed as contracted.

"They indicate that 20 watersheds that have high or very high risk...are affected by the sales. They indicate that 25 of 31 timber sales evaluated would foreclose the future of the California spotted owl. They indicate there isn't sufficient habitat left to devise a furbearer habitat network that meets minimum habitat capability standards," said Infusino.

He also said the studies indicated significant impacts to old growth trees.

"(The) reason trees under 30 inches in diameter are being harvested is because that's what is out there on the landscape," he said.

Despite loggers' anger toward FAWN, Infusino said that FAWN's actions will actually help loggers in the long run.

"Protecting sensitive species also protects jobs," Infusino said.

"One reason for (the suspensions) is that the forest supervisor (Phipps) took seriously his legal obligation to ensure the viability of these sensitive species. Another reason is that...should the Eldorado National Forest failed to protect needed habitat, and if these species become listed as threatened or endangered, even more restrictions on logging would result," he said.

"The idea was to be pro-active and avoid having volumes reduced by 75 percent as is the case in the Pacific Northwest where habitat loss has pushed the Northern Spotted Owl onto the threatened species list," Infusino said.

FAWN contends the closure of Michigan-California is the result of a business decision and that timber production will continue to provide jobs in the county; although, they say, timber production will be lower than in recent decades. Timber production for 1995 on the Eldorado is expected to drop to 50 million board feet, compared to an average of 138

mbf in previous years.

"I can understand that if there are layoffs people will be angry and frustrated by loss of jobs," said Thomas in an interview with the Mountain Democrat months before the closure of Michigan-Cal. "I just hope people realize that because of (past overproduction) it's gonna' be dropping and it won't ever be back to where it was."

"The tragedy is that, under the Reagan Administration, unrealistic timber harvesting volumes were established that form a false sense of security to timber harvesting communities throughout the Sierra," he said.

Still, FAWN said it did not expect a full shut down of Michigan-Cal and expects the timber industry to remain viable in El Dorado County.

"Mich-Cal may feel there is no future for its mill in Camino," said Infusino. "That may be true. There may not be a high enough volume of big trees to keep operating the mill above the break-even point. However, regardless of Mich-Cal's decision about its mill, there will be a future for forestry in El Dorado County, so long as there are people with the courage and wisdom to seize the opportunities," he said.

The ongoing timber work force will continue to bring revenue for the county, Infusino claimed, but warned that county government and schools should not rely so heavily on timber receipts.

"Logging under (spotted owl) guidelines should help reduce fuel loads and complete shaded fuel breaks, while still providing needed wildlife habitat and watershed protection," he said. "These activities will continue to employ fallers, loggers, and mill workers; and will continue to generate taxes and payments to state and local coffers."

"However, the county still needs to join other counties throughout the United States in calling for the federal government to uncouple the link between timber receipts and in lieu taxes to counties, and thereby help provide a more stable and predictable means of financing roads and schools," Infusino said.

Said Thomas, "Timber sales have to be legally and environmentally sound, and our roads and schools should not drive the sales."

FAWN officials said that its actions have promoted new, more-comprehensive laws, which the Forest Service calls "ecosystem management."

"While some of us might like the Forest Service to obey some components of the law and ignore other components, that is not an option for them," said Infusino.

"All pieces of the ecosystem need to be there," said Thomas. "Old growth forests are dramatically declining along with the species in them."

February 14, 1994

Mr. Jack Ward Thomas
Chief, U.S. Forest Service
201 14th Street SW
Washington, D.C. 20250

*Forest Service
Grande Ronde*

Oregon

NORTHWEST
ELECTRIC
POWER &
CONSERVATION
PLANNING
COUNCIL

Dear Mr. Thomas:

Like many others, I have high expectations of your ability to reorder Forest Service priorities back to the ethics of conservation and long-term sustainability, for the benefit of both the nation's forests and the people who live in their midst.

More immediately, I need your attention and assistance in assuring meaningful Forest Service support and funding in 1994 for watershed recovery in the Grande Ronde sub-basin.

I am presuming that you and I share a particular interest in restoring to health the Grande Ronde watershed where you lived for a good part of your professional life; and in the success of a collaboration of local, state, tribal and federal partners organized to that end.

The Grande Ronde Model Watershed was authorized by the salmon recovery plan of the Northwest Power Planning Council, on which I represent the State of Oregon. Local citizens, tribal leaders, county officials and others have committed countless hours over the last two years to developing watershed recovery strategies and projects that meet threshold biological criteria, and are broadly supported by the community. The State of Oregon has matched this local effort with a bipartisan State Watershed Initiative and \$10 million (divided between the Grande Ronde and South Coast watersheds) in new State funding during hard fiscal times in Salem.

On January 19 of this year, I invited regional representatives of nine Federal agencies, including the Forest Service, to meet with local, Tribal and State representatives. The purpose was to secure Federal agency commitments to work with these parties, coordinating agency activities and providing project funding that reinforced our investments.

At this meeting John Lowe informed us of a profoundly disturbing limitation to his ability to cooperate. There would be, he said, little or no Forest Service funding available for watershed projects in the Grande Ronde. All his available funding for these purposes was slated for west side forests with spotted owl impacts.

Ted Hallock
Angus Duncan
Council Members

Barbara Roberts
Governor



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Mr. Thomas, the message our county and tribal people heard was: millions for cleaning up an environmental train wreck, and nothing for taking the initiative to prevent one.

I can't believe you want that message to stand. I can't believe President Clinton and Vice-President Gore mean to send such messages. I know the Congress doesn't mean for west side repair work to crowd out east side prevention, especially an effort that already has communities, Tribes and the State committed to a cooperative, long-term watershed recovery (see attached colloquy language from Senator Hatfield).

Most of all, I rely on your intimate knowledge of the Grande Ronde, of its importance to the Columbia Basin ecosystem (not only salmon), of the determination and good will of the people who live there, and of the central significance of the Forest Service that will make or break any effort to restore the watershed. Sixty per cent of the land area, including critical headwater areas, are under your jurisdiction. Any work we do in the privately-owned bottomland is absolute hostage to Forest Service actions on the ridgelines above. While Forest Service personnel have been active participants in Model Watershed planning efforts, Forest Service unwillingness to match State and local commitments at least in kind will seriously undermine two years of investment in foundation work and confidence building.

I don't propose robbing west side watershed money. The needs there are no less because we have east side needs also.

I would like a commitment from you that John Lowe will have the flexibility to find at least a couple hundred thousand dollars in FY94 for watershed recovery projects in the Grande Ronde. This can be on a match basis; the State has already staked out its commitment.

I would like a commitment that the Forest Service will find additional flexibility in its FY95 budget to support Grande Ronde efforts. We will seek Senator Hatfield's assistance to assure that appropriations are sufficient to fund such flexibility. And I would like a commitment that the Forest Service will budget for Grande Ronde project work in FY96 and beyond. This is a multi-year commitment for all of us. You understand better than most why this has to be so.

And finally, I would like a commitment that the Forest Service will coordinate its activities, including but not limited to project funding, in a manner that will reinforce and complement the strategy and program adopted by the community, the Tribes and the State. I believe John Lowe and Bob Richmond (a member of the Grande Ronde Model Watershed Board) are so disposed, but the commitment should come from the top as well.

The materials are at hand in the Grande Ronde basin now for great gains, in watershed health and in our all-too-rare ability to cooperate to that end; or for frustration and eventual collapse of this collaboration.

I hope you will see your way to constructive intervention on our behalf.

Sincerely,

A handwritten signature in dark ink, appearing to be 'Angus Duncan', with a long horizontal flourish extending to the right.

Angus Duncan
Member for Oregon

cc: Governor Barbara Roberts
Senator Mark Hatfield
Will Stell
Rollie Schmittens
John Howard, Chair, GRMWB
Tom Tuchman

TR. October 27, 1993

in funding provided. Consistent with the clear direction provided by the Congress in the statement of managers, I look forward to prompt action by the Department to make these funds available for the Navajo transmission project.

Again, I thank the distinguished subcommittee chairman and all the conferees for their support for this important initiative.

Mr. HATFIELD. In the Pacific Northwest, salmon that spawn in the Snake River and its tributaries are on the Government's endangered species list. Petitions have been filed with Federal fish and wildlife agencies to list two other species: Salmon that spawn in the mid-Columbia River and bull trout throughout their range in the Columbia River Basin.

These listings and petitions emphasize the importance of implementing a comprehensive, basin wide program to improve the survival of these runs at every stage of the life cycle. The Northwest Power Planning Council—the Council—adopted such a program in December 1992. It is the strategy for salmon, and it is part of the Columbia River Basin Fish and Wildlife Program. Recently, the Council completed amendments to the program that address the needs of the resident fish such as bull trout.

I am pleased to say that under the Council's program, the region has made significant progress in rebuilding depleted runs of salmon. It is critical to the recovery of these salmon, and to our regional effort to improve the survival of all salmon runs in the Columbia Basin, and that the obligations of the Endangered Species Act and the Northwest Power Act be met in a unified manner by the relevant State and Federal agencies. These two Federal laws complement each other. They should not be seen as working at cross purposes.

Mr. JOHNSTON. It is heartening to learn that progress apparently is being made toward improving salmon survival in the Columbia Basin. Is there any part of this effort where cooperation among the relevant agencies will be particularly important in the future?

Mr. HATFIELD. Cooperation in all areas of this effort—hydropower, habitat, hatcheries, and harvest—is critical to rebuilding the runs, but I am particularly concerned about cooperation among relevant agencies to improve salmon habitat. In my State of Oregon, salmon in the Grande Ronde River are among the threatened species of salmon that spawn in the Snake River Basin. Under the Council's salmon strategy, the State of Oregon designated the Grande Ronde Basin a model watershed. The purpose of this designation is to ensure collaborative actions among local citizens, the State, and Federal land and water agencies. This is not so much a planning process as a way of doing business. Cooperative habitat improvements already have

been undertaken in partnerships between private landowners and government agencies. These projects not only improve conditions for salmon, but often improve agricultural practices as well. Controlling erosion, for example, can make farmland more productive and also improve conditions for salmon by reducing silt that flows into rivers.

That is only one example, but it serves to illustrate that local residents and government agencies can cooperate to improve salmon survival. These agencies include the USDA Forest Service, Environmental Protection Agency, Soil Conservation Service, Bureau of Land Management, Bureau of Reclamation, Bonneville Power Administration and the State of Oregon. As the Appropriations Committee has previously indicated, Federal agencies are expected to interpret their existing authorities and utilize available funds to enable implementation of regional salmon measures. I particularly want these agencies to understand that we expect them to give special and preferential support to such collaborative watershed recovery efforts. We wish them to coordinate these watershed efforts on Federal lands with efforts on adjacent private lands. They should leverage Federal funds through joint activities with State and local resources.

The State of Oregon is working hard in the Grande Ronde. The Governor's Watershed Enhancement Board is directing State money—some \$5 million in new money—into this effort. A citi-

zen's committee has been established to guide work in the Grande Ronde Basin, and Wallowa County even has developed its own plan to improve watershed conditions for salmon.

It appears that the salmon recovery effort has broad general support in northeastern Oregon, and this is not the time for government cooperation in this effort to falter. The relevant Federal agencies need to continue working cooperatively in the Grande Ronde, and in other tributary basins where collaborative salmon restoration efforts are under way—particularly in the Umatilla, Deschutes and John Day watersheds.

One of our highest priorities for salmon habitat is to maintain its quantity and productivity. Much of the salmon habitat in these basins is controlled by Government agencies, but much also is controlled by private landowners. Therefore, it is essential that public and private landowners cooperate in comprehensive efforts to manage and improve salmon habitat. The Council's Strategy for Salmon provides the mechanism for this collaboration, and I look forward to the continued cooperation of Federal agencies to ensure full implementation of habitat protections that the strategy is fully implemented.

I thank the distinguished chairman of the Energy and Water Development Appropriations Subcommittee for his time and consideration of this issue.