

FOIA MARKER

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

Collection/Record Group: Clinton Presidential Records
Subgroup/Office of Origin: Council on Environmental Quality
Series/Staff Member: Kathleen (Katie) McGinty
Subseries:

OA/ID Number: 4300
FolderID:

Folder Title:
Forest Conference-Presidential Forest Issues

Stack:	Row:	Section:	Shelf:	Position:
S	61	7	2	1

THE FOREST PLAN

FOR A SUSTAINABLE ECONOMY AND A SUSTAINABLE ENVIRONMENT



**PRESIDENT WILLIAM J. CLINTON
VICE PRESIDENT ALBERT GORE, JR.**

July 1, 1993
Washington, D.C.

THE FOREST PLAN:

FOR A SUSTAINABLE ECONOMY AND A SUSTAINABLE ENVIRONMENT

President Clinton's Forest Plan for a Sustainable Economy and a Sustainable Environment is a comprehensive and innovative blueprint for forest management, economic development, and agency coordination aimed at strengthening the long-term economic and environmental health of the region. For too long, contradictory policies from feuding agencies have blocked progress, creating uncertainty, confusion, controversy and pain throughout the region. President Clinton's plan reflects his commitment to break the gridlock with a courageous, new approach that balances economic and environmental concerns.

The Forest Plan provides:

- o A sustainable harvest that will allow timber sales and logging based on a scientifically-sound and legally-responsible plan, improving forest management and ending the confusion and uncertainty of past policies;
- o New economic assistance to help local workers, businesses and communities to strengthen the region's economy, create family-wage jobs, offer new economic opportunities and ensure the region's long-term economic health, confronting economic issues ignored by past Administrations;
- o An innovative, new approach to environmental protection focusing on key water supplies and valuable old growth forests, that will once again base forest management on science and a respect for existing law;
- o A comprehensive system of old growth reserves to protect old growth ecosystems;
- o New opportunities for people in the region to participate in decisions regarding management of the nation's forests for the economic and environmental benefits they provide and to help plan for their future;
- o Improved coordination among federal agencies responsible for managing federal lands, ensuring that federal agencies will work together, with state and local officials, with tribes, and with private landowners for the best interests of the people and communities in the region, instead of working against each other, undermining the law and creating gridlock.

BACKGROUND

On April 2 in Portland, Oregon, President Clinton convened the Forest Conference as the first step toward a balanced and comprehensive policy that would recognize the importance of the forests and timber to the economy and jobs in the region and recognize the importance of America's old

growth forests, and the rivers and streams and wildlife that are so much a part of America's national heritage and the region's natural treasures.

The Forest Conference fulfilled a commitment President Clinton made to the people of the Pacific Northwest and Northern California to break the gridlock that has blocked progress on these issues with a comprehensive, innovative, and balanced plan for the region's long-term economic and environmental health.

"The most important thing we can do," President Clinton said in opening the conference, "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."

At the Forest Conference, the President, the Vice President, key members of the Cabinet and other top Administration officials talked with people from throughout the region representing a broad range of views and perspectives -- many of them adversaries who had spent more time fighting each other than working together. The Forest Conference provided a first-hand understanding of these issues and how the people in the region have been and will be affected.

At the close of the Forest Conference, President Clinton directed his Cabinet to action with five fundamental principles to guide them. President Clinton said:

- o "First, we must never forget the human and 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.
- o Second, as we craft a plan, we need to protect the long-term health of our forests, our wildlife, and our waterways. They are ... a gift from God and we hold them in trust for future generations.
- o Third, our efforts must be, insofar as we are wise enough to know it, scientifically sound, ecologically credible, and legally responsible.
- o Fourth, the plan should produce a predictable and sustainable level of timber sales and non-timber resources that will not degrade or destroy our forest environment.
- o Fifth, to achieve these goals, we will do our best 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."

Three working groups were established immediately after the Forest Conference: 1) Ecosystem Management Assessment to focus on forest management; 2) Labor and Community Assistance to focus on economic development; and 3) Agency Coordination to focus on how federal agencies work together. These working groups were comprised of scientists and experts from across the agencies involved (the Departments of Agriculture, Interior, Commerce, and Labor, as well as the Environmental Protection Agency, the White House Office on Environmental Policy, the National Economic Council, the Office of Science and Technology Policy, the Office of the U.S. Trade

Representative, the Council of Economic Advisors, the Office of Management and Budget, and the Domestic Policy Council). They conducted exhaustive research and analysis and met with a wide range of groups and individuals from a broad range of perspectives before issuing their reports to the White House on June 2. It is their work, and the ideas and opinions of the scores of people they consulted that provides the foundation for the President's Forest Plan for a Sustainable Economy and a Sustainable Environment.

FOREST MANAGEMENT

The President's Forest Management Plan offers an innovative new approach which uses key watersheds as its basic building blocks and offers new possibilities for environmental and scientific research through the creation of Adaptive Management Areas.

Recently, forest management proposals have been driven either by an approach based on protecting areas inhabited by specific species, such as the spotted owl or marbled murrelet, or, by an approach based on protecting a specific type of forest.

The President's plan offers a different approach, based on sound science and a commitment to existing law, which is built around identifying and protecting key watersheds and old-growth forests. Such an approach takes great steps to protect the region's drinking water and represents an obvious and essential step toward restoring a healthy salmon industry. It protects threatened species, such as the northern spotted owl and the marbled murrelet, scores of other species (including fish now considered "at risk" under the law), as well as the most valuable old growth forests.

Ten Adaptive Management Areas provide opportunities for federal, state and local officials, industry, community, and environmental organizations, tribes, and others to work together to develop innovative management approaches, such as the Applegate Project and the Douglas Project in Oregon and the Hayfork Adaptive Management Area in Northern California. These areas provide for intensive experimentation and innovation to demonstrate new ways to achieve ecological, economic, and social objectives and allow for local involvement. A rigorous monitoring and research program will ensure the development and analysis of scientific data to assess the effectiveness and impact of these approaches.

Key elements of the President's plan include:

- o Watersheds as the fundamental building block;
- o Reserve areas based on watersheds and old growth that include the most valuable old growth forests and designated conservation areas to protect specific species. Only very limited activities would be permitted in the reserves, including salvage and thinning where the primary objective of that salvage and thinning is to accelerate the development of old growth conditions.

- o Ten Adaptive Management Areas of 78,000 - 380,000 acres each for intensive ecological experimentation and social innovation to develop and demonstrate new ways to integrate ecological and economic objectives and allow for local involvement in defining the future;
- o The development of a new rule from the Fish and Wildlife Service to ease restrictions on timber harvest from certain non-federal lands (modifying what have been known as "owl circles"), possible because the President's plan improves management of federal lands; and, encouraging private companies to commit the timber released by these changes to processing in domestic mills;
- o Federal assistance to bring to market backlogged timber sales from Indian reservations.

The President will submit his forest management plan to the court and will do everything possible to resolve the legal challenges and lift the injunctions that have stopped timber sales so that both the Forest Service and the Bureau of Land Management can implement a sale planning and preparation program as quickly as possible. He is asking the Secretaries of Agriculture and Interior to take any other available actions consistent with our legal obligations to revive the timber sale program.

And, because the President believes the workers, businesses, and communities in the region need help as quickly as possible, the President is directing his Cabinet to work with all those who share his determination to resolve these issues in a fair and balanced way to develop the most effective means to implement this plan and move timber sales forward as quickly as possible.

Harvest levels in the President's plan take into account the fact that previous Forest Service management plans have significantly overestimated the amount of timber available for harvest every year, presenting unrealistically high harvest levels that cannot be sustained even under existing forest management plans. The President's plan provides for a sustainable timber harvest of 1.2 billion board feet annually on the spotted owl forests. In addition, the expected release of sales stopped by injunction, steps to move timber from Indian lands, and other measures are expected to increase that figure as the program is implemented.

The President's Forest Plan focuses on management strategies to resolve the long-standing court challenges over management of the spotted owl and old growth forests on the west side of the Cascade Mountains. Management of east side forests will need to focus on restoring the health of forest ecosystems impacted by poor management practices of the past.

The President is directing the Forest Service to develop a scientifically sound and ecosystem-based strategy for management of the east side forests. This strategy should be based on the forest health study recently completed by agency scientists as well as other studies. Consistent with this strategy, the President also is directing the agency to accelerate efforts to prepare timber sales to harvest dead and dying timber on the east side.

ECONOMIC DEVELOPMENT

Unlike his predecessors, President Clinton recognizes that the Northwest forest crisis involves important economic and social as well as environmental concerns. Recognizing the importance of timber and forests to the economy and jobs in the region is central to the President's Forest Plan for a Sustainable Economy and a Sustainable Environment.

The President's plan will provide immediate and critical support for economic adjustment and diversification in the region, including expanded funding for business development, economic planning, infrastructure development and worker retraining to help build a foundation for long-term economic strength and environmental health. The President's plan will help existing companies grow and attract new businesses. It will add more jobs for the timber harvested by encouraging value added manufacturing and help those workers and those communities who rely on a future in wood.

The plan will provide \$270 million in new funding for FY 1994 -- \$1.2 billion over five years -- including a new Northwest Economic Adjustment Fund. While estimates indicate that the forest plan will directly impact 6,000 jobs, in 1994, the plan would create more than 8,000 jobs and fund 5,400 additional retraining opportunities.

Key elements of the President's plan include:

- o For workers and families, increased funding under the Job Training Partnership Act for job search assistance, retraining, and relocation; overall, a 110 percent increase in funding from \$20.2 million to \$42 million;
- o A three-part strategy for business development in the Pacific Northwest and Northern California, including improved access to capital, expanded technical assistance, and enhanced access to domestic and international markets; overall a 47 percent increase in funding from \$163 million to \$239.7 million;
- o For communities, established levels of financial assistance to timber counties, replacing the roller coaster of payments tied to timber harvests with a reliable schedule of payments, creating a sound fiscal environment for county governments, businesses, and financial institutions; strengthening community capacity to plan for economic development and diversification, and improving the infrastructure needed for such development through Community Development Block Grant lending, Rural Development Administration community facilities, and the RDA water/wastewater program; overall a 25 percent increase in funding from \$298.6 million to \$373.6 million;
- o To protect the environment and create jobs, investments in watershed maintenance, ecosystem restoration and research, environmental monitoring and forest stewardship, all of which will also improve water quality and increase salmon stocks to avoid listing of salmon species under the Endangered Species Act and to improve commercial fishing; in addition, forest stewardship will be expanded to help small landowners manage their forests; overall, a 19 percent increase in funding

from \$438.2 million to \$519.8 million.

- o Support for the elimination of tax incentives for the export of raw logs; and, the President is directing his cabinet to study effective ways to make it more difficult for companies to avoid export limitations on raw logs.

- o Directing his Cabinet to identify and implement, in a priority manner, the best ways to strengthen small businesses and secondary manufacturing in the wood products industry, including a review of increasing the supply of federal timber set aside for small businesses and possible preferences for bidders who contract for domestic secondary processing. The President also is directing his administration to encourage improved and effective community partnerships to bring together those with different perspectives on forest management. (Secondary manufacturing generates from four times to 25 times more jobs per billion board feet than primary manufacturing)

The Northwest Economic Adjustment Initiative would be implemented through an innovative partnership among state, local, and federal agencies, as well as community and business leaders, to help local families and workers caught in the middle of this crisis. The President is directing that federal agencies implement this innovative approach to economic adjustment by creating a unified management system that will bring the various agency efforts in each state together into a single team. This will coordinate the related activities of federal, state, and local agencies and provide a unified point of contact and procedures for workers, firms, and local communities.

The President's proposal, supported by Governor Barbara Roberts of Oregon and Governor Mike Lowry of Washington, represents a comprehensive experiment in "reinventing government" -- improving the way the government works to make it more responsive, more effective, and more efficient. The plan calls for replacing restrictions on the use of federal funds with performance-based measures, making new use of leveraged private resources, and creating new processes and institutions responsive to local needs and priorities.

The President's plan provides a substantial infusion of new federal assistance through innovative programs to both provide economic relief to timber communities as soon as possible and to encourage long-term economic development and diversification.

AGENCY COORDINATION

Too often in the past, different federal agencies have acted in isolation or even at cross purposes in managing federal forest lands in the Pacific Northwest and Northern California. Instead of working to confront existing problems, they have contributed to them, creating confusion and controversy. At the Forest Conference, President Clinton made clear "we will insist on collaboration, not confrontation."

Because of the President's clear direction to improve inter-agency coordination, an entire working group was created to focus on these issues. In addition, throughout this process, an inter-agency approach, involving the key federal agencies involved, has been in use. The implementation

of a new forest management strategy provides the ideal opportunity to correct past practices and improve inter-agency cooperation and, in the process, forest management.

The President's plan will improve inter-agency coordination by:

- o Creating a new focus for forest planning based on watersheds and "physiographic provinces" that base management on the unique ecology of each region;
- o Immediately creating a new inter-agency Geographic Information System data base to allow land management and resource agencies to coordinate their efforts in the collection and development of research and data;
- o Creating provincial-level teams that would develop analyses for physiographic provinces and particular watersheds. These teams would include the relevant federal agencies, state officials and tribes and, when individual watersheds are analyzed, the objective would be to involve all affected parties in discussions on biological, timber, community, and other needs. An Inter-agency Executive Committee would coordinate and provide direction for the work of the provincial teams;
- o Revising the consultation process under the Endangered Species Act to emphasize an integrated ecosystem approach. This would include the Fish and Wildlife Service and the National Marine Fisheries Service early in the process so that the views of these agencies can be made known when the land management agencies begin to develop their plans for a particular area, instead of later in the planning process as is now the case. It would also involve the use, where appropriate, of regional consultations.

CONCLUSION

The President's Forest Plan for a Sustainable Economy and a Sustainable Environment represents a comprehensive, innovative and balanced approach to the economic and environmental challenges facing the region. It is the result of extensive research, analysis, and cooperation among federal agencies and extensive discussions with a wide range of individuals and groups including business, labor, environmentalists, tribes, community groups, and Members of Congress. The President and his entire Administration intend to continue to seek the support and opinions of these groups to implement this plan and break the gridlock that has blocked progress on these issues.

As the President said at the close of the Forest Conference. "If we don't give up or give in to deadlock or divisiveness or despair, I think we can build a more prosperous and a more secure future for our communities and for our children." This Forest Plan is an important step toward that future.

##

APPENDIX

Background

Forests of the Pacific Northwest and Northern California

The issue is how best to manage and protect federal forest lands in the Pacific Northwest and Northern California. Years of short-sighted and contradictory policy-making by previous Administrations have fueled a region-wide battle that has polarized communities, totally blocked any rational policy making, and left decision-making in the courts.

What has been needed and what President Clinton provides today is an innovative, comprehensive, and balanced blueprint for forest management, economic development, and agency coordination aimed at strengthening the long-term economic and environmental health of the region. The President's plan provides for a sustainable harvest based on scientifically-sound and legally-responsible forest management, new job-creating investments in the region's environment, innovative protections for valuable old growth forests, and new economic assistance to help workers, businesses and communities to provide long-term, family- wage jobs and long-term economic development.

THE PROBLEM:

The debate centers on how all public forest lands should be managed to recognize the need to protect and preserve old growth forests, fish, wildlife, and water as well as the needs of the workers, businesses, and communities dependent on timber sales. Old growth forests are those at least 200 years old or older. Most remaining old growth forests are on federal lands. Nearly 90 percent of the region's old growth forests already have been logged. An estimated 8 to 9 million acres of old growth forest remain today.

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

FEDERAL FOREST LANDS:

Federal land managers historically, and through the Bush Administration, emphasized commodity uses of federal lands, e.g. logging, mining, and grazing, over conservation of natural ecosystems. Easily accessible old growth forests on federal and private lands were extensively logged long ago, creating increasingly heavy reliance on the remaining old growth forests on federal lands. These old growth forests are in demand because of the size and quality of the trees

to the timber industry. Second growth forests on most private lands are still 15 to 20 years away from harvestable age.

The old growth forests support a broad range of plants and animals and the health of these forests impacts further on the area's rivers and streams -- meaning that fish also are affected by the state of these forests. For example, the region's salmon industry, which employs an estimated 60,000 people, has already been affected by reduced fish harvests due, in part, to habitat degradation of rivers and streams in logged areas. Destroying the old growth forests has a domino effect on entire communities --reducing jobs in tourism and fishing, recreational opportunities, hunting and fishing, and endangering water supplies. Old growth forests also contain a number of known and unknown species which offer promise, such as the Pacific yew tree, whose bark yields taxol, a possible cure for breast cancer.

THREATENED SPECIES

The law requires protections for the spotted owl, the marbled murrelet, and certain species of fish. In the past, legal action has centered on the spotted owl, the first species to be listed as threatened.

The northern spotted owl range is located in the forests west of the Cascade Mountains in Washington, Oregon, and Northern California. Within that range, the owls preferred habitat is old growth forests.

The Department of Agriculture's Forest Service manages 23 million acres in spotted owl range. The Department of the Interior's Bureau of Land Management (BLM) manages 2.4 million acres in spotted owl range in Oregon and Northern California.

The debate has focused on the environmental and economic benefits and costs of protecting the northern spotted owl. From 1984, when the Forest Service adopted guidelines for managing the owl's habitat on national forests in Washington and Oregon through today, this debate has been marked by contradictory and sloppy policy-making that has forced the issue into the courts.

The debate intensified over the past five years, particularly since the Fish and Wildlife Service listed the northern spotted owl as threatened in July 1990. The courts during this time repeatedly concluded that the Bush Administration was acting in violation of existing laws and issued injunctions stopping major timber sales. The Bush Administration, for example, agreed to list the owl as threatened but refused to act to protect the areas where the owl lives. Later, unhappy with the findings of the Interagency Scientific Committee, which was charged with examining the issues, the Bush Administration convened its own task force that produced a 1-1/2 page press release asking Congress to pass legislation enabling certain Forest Service and BLM timber sales to proceed and be insulated from forest management laws.

Using the Endangered Species Act (ESA) and the National Forest Management Act, environmental groups have challenged Forest Service and BLM plans to sell timber in spotted owl habitat. The ESA prohibits agencies from taking actions which will "jeopardize the continued existence" of an endangered or threatened species, a determination which the Fish and Wildlife Service makes.

A series of injunctions by the Seattle District Court and the Ninth Circuit Court of Appeals have stalled almost all timber sales in spotted owl habitat in Washington, Oregon, and Northern California since 1989.

Almost routinely, the courts said the Bush Administration abused its discretion, acted arbitrarily and capriciously and violated the law. For example, in May 1991, Judge William Dwyer in Seattle District Court ruled that, "...a deliberate and systematic refusal by the Forest Service and the Fish and Wildlife Service to comply with the laws protecting wildlife ...[demonstrates] a remarkable series of violations of the environmental laws."

SCIENTIFIC REPORTS

The scientific understanding of the old growth forest ecosystem has evolved significantly in the past five years. Scientists have conducted three key independent assessments:

- 1) The Interagency Scientific Committee (ISC) in 1990
- 2) The Scientific Panel on Late Successional Forest Ecosystems in 1991
- 3) The Scientific Analysis Team (SAT) of the Forest Service in 1993

All three have confirmed the need to set aside larger areas of habitat to protect species which depend on old growth forest ecosystems, such as northern spotted owls, marbled murrelets, and several species of salmon.

ECONOMIC ISSUES

The forests of the Pacific Northwest and Northern California have provided the foundation for the region's economy for the past century. Though historically important as a source of employment in the northwest, the timber industry has been declining in importance as other sectors of the economy have grown. In 1970, timber-related jobs accounted for about 10 percent of total regional employment. By 1989, timber employment was at about 140,000 jobs or about 4 percent of total regional employment. However, some rural areas depend almost totally on forest industries.

In the northwest region, economic growth in the past two decades has diversified a regional economy that was once much more heavily dependent on manufacturing and timber. While many rural counties are vulnerable, overall economic conditions and trends in the northwest show substantial strength. After many years of somewhat sluggish economic growth,

the Pacific Northwest economy has shown strong growth since 1986. The rate of employment growth in Oregon and Washington exceeded the U.S. average in every year since 1986.

About 43 percent of the timber land in the affected region is owned by the federal government, with the remainder in state or private hands. Federal timber sales provide local communities receipts of between \$200 and \$500 million dollars annually.

During the 1980s, the northern spotted owl region (public and private lands) accounted for more than 30 percent of the lumber produced in the United States. Because about one-third of recent timber harvests in the owl region occur on federal lands, about 10 percent of domestic timber supply potentially is affected by spotted owl protection.

Increased harvest levels have failed to increase jobs proportionately. Increased mechanization in harvesting, transporting, and milling has lowered the labor required for producing lumber. During the 1980s, for example, the number of jobs in the lumber and wood products sectors declined from 10 jobs per million board feet of harvest to below 8 jobs per million board feet. From 1981 to 1989, while harvest levels increased by 44 percent in Oregon and Washington, there was no increase in employment in forest products.

Mill closings follow a similar trend. In 1968, Oregon had 300 sawmills; by 1988 the state had 165 mills. In Washington, the number of mills fell from 182 in 1978 to 118 mills in 1988, while the total number of wood processing establishments (including veneer and plywood, pulp, shake and shingle plants and other operations) fell from 764 in 1978 to 351 in 1988.

These trends preceded the old-growth controversy. While the spotted owl often is blamed for weak employment, the long term projections indicate steady declines in employment for any given level of timber harvest.

It is important to note that by law, logs from federal lands cannot be exported and log exports from state-owned lands will be prohibited by legislation President Clinton is signing today. However, substantial volumes of timber cut from private lands in the northwest are exported to Japan, Korea, and China with minimal domestic processing.

####

THE WHITE HOUSE
Office of the Press Secretary

Friday, May 7, 1993

** MEDIA ADVISORY **

MISSION STATEMENT FOR FOREST CONFERENCE WORKING GROUPS

The mission statement that follows has been provided to members of the three inter-agency working groups created to help meet the President's mandate to his cabinet to craft a plan to break the gridlock over forest management in the Pacific Northwest and northern California. It reflects guidance given to the working groups when they were created and sets the parameters for their recommendations.

The three working groups are:

- o Ecosystem Management Assessment to identify alternative strategies for a scientifically sound, ecologically credible, legally responsible basis for managing the federal forests of the Pacific Northwest and northern California;
- o Labor and Community Assistance to identify alternatives for assisting individuals and communities affected by changes in federal timber sales programs and policies in the region;
- o Agency Coordination to identify opportunities to improve the working relationships among federal and state agencies in the region to reduce impediments to stronger cooperative, working relationships among all parties.

The names of working groups members also follow here.

##

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."

##

ECOSYSTEM MANAGEMENT ASSESSMENT WORKING GROUP

Dr. Jack Ward Thomas, U.S. Department of Agriculture
Working Group Leader

Bob Anthony, Wildlife Biologist, Fish and Wildlife Service
Roger Clark, Social Scientist, Forest Service
Michael W. Collopy, Wildlife Biologist, Bureau of Land Management
Sarah Crim, Harvest Analyst, Forest Service
Nancy DeLong, Administration, Forest Service
Duane Dippon, GIS Analyst, Bureau of Land Management
Eric Forsman, Wildlife Biologist, Forest Service
Jerry Franklin, Forest Ecologist, University of Washington
Elizabeth Garr, Endangered Species Branch Chief, NMFS
Brian Greber, Economist, Oregon State University
Grant Gunderson, Wildlife Biologist, Forest Service
Dick Holthausen, Wildlife Biologist, Forest Service
Bob House, Fisheries Biologist, Bureau of Land Management
Bob Jacobs, Deputy Regional Forester, Forest Service
Norm Johnson, Economist, Oregon State University
Linda Kucera, Administration, Fish and Wildlife Service
Robin Leshner, Plant Ecologist, Forest Service
Joe Lint, Wildlife Biologist, Bureau of Land Management
Bruce Marcot, Wildlife Biologist, Forest Service
Chuck Meslow, Wildlife Biologist, Fish and Wildlife Service
Cindy Miner, Technology Transfer, Forest Service
Barry Mulder, Wildlife Biologist, Fish and Wildlife Service
Marty Raphael, Wildlife Biologist, Forest Service
Gordon Reeves, Fisheries Biologist, Forest Service
Fred Seavey, GIS Analyst, Fish and Wildlife Service
Jim Sedell, Aquatic Ecologist, Forest Service
Margaret Shannon, Forest Social Scientist, Univ. of Washington
Tom Spies, Forest Ecologist, Forest Service
George Stankey, Economist, Oregon State University
Ed Starkey, Wildlife Biologist, National Park Service
John Steffenson, GIS Analyst, Forest Service
Fred Swanson, Geomorphologist, Forest Service
John Tappeiner, Silviculturist, Bureau of Land Management
Fred Weinman, Senior Ecologist, Environmental Protection Agency
Jack Williams, Science Advisor to Director, BLM
Cindy Zabel, Wildlife Biologist, Forest Service

LABOR AND COMMUNITY ASSISTANCE WORKING GROUP

Peter Yu, National Economic Council
Working Group Leader

Howard Leathers, Council of Economic Advisors
Jonathan Silver, Department of Commerce
Mike Schmidt, Domestic Policy Council
Jim Van Erden, Department of Labor
Tom Peterson, Environmental Protection Agency
Felicity Gillette, Economic Development Administration, Commerce

LABOR AND COMMUNITY ASSISTANCE WORKING GROUP (cont'd)

Robert Duncan, Department of Housing and Urban Development
Marc Chupka, White House Office on Environmental Policy
Steve Redburn, Office of Management and Budget
Cynthia Sheeley, Department of Agriculture
J. Lamar Beasley, Forest Service, Department of Agriculture
Bill Hagy, Rural Development Administration, USDA
Robert Gillingham, Department of Treasury
Kirhn Duwadi, Office of Management and Budget
Tom Tuchmann, Department of Interior
Mark Gaede, Department of Agriculture
Joe Papovich, U.S. Trade Representative
Robert Wolcott, Environmental Protection Agency
Doris Freedman, Small Business Administration

AGENCY COORDINATION WORKING GROUP

Jim Pipkin, Department of Interior
Working Group Leader

Mike Spear, Asst. Director, Ecological Services, U.S. Fish and Wildlife Service
Dale Hall, Asst. Regional Director, Ecological Services, USFWS
Barry Mulder, Project Manager for Forest Ecosystem Office
Mike Penfold, Asst. Director, Lands and Renewable Resources, Bureau of Land Management
Elaine Zielinski, Deputy State Director, Lands and Renewable Resources, BLM
Mike Collopy, Director of BLM Coop Research Unit
Jim Overbay, Deputy Chief, National Forest System, Forest Service, USDA
John Lowe, Regional Forester, Forest Service, USDA
Nancy Foster, Acting Asst. Administrator for Fisheries, National Marine Fisheries Service
Rolland Schmitt, Director, NW Region, NMFS
Merritt Tuttle, Division Chief, Environmental and Technical Services, NMFS
Richard Sanderson, Director of the Office of Federal Activities, Environmental Protection Agency
Anne Miller, Director, Federal Agency Liaison Division, EPA
Charles Findley, Director, Water Division, Region 10, EPA
Pete Raynor, Assistant Solicitor, Fish and Wildlife
Chris Clark, Assistant Solicitor for Land Use and Realty
Mike Gippert, Deputy Assistant, General Counsel for Natural Resources Division

THE WHITE HOUSE

WASHINGTON

June 29, 1993

Economic Aspects of the President's Forest Plan

- Anticipated direct job loss: 6,000
Estimated unmet need from 1990-92 contraction: 5,000-10,000

Total estimated need: 11,000-16,000

- President's Economic Package:

\$270 million in increased assistance in FY1994
\$1.2 billion over five years.

will create

more than 13,500 new economic opportunities in 1994,
including

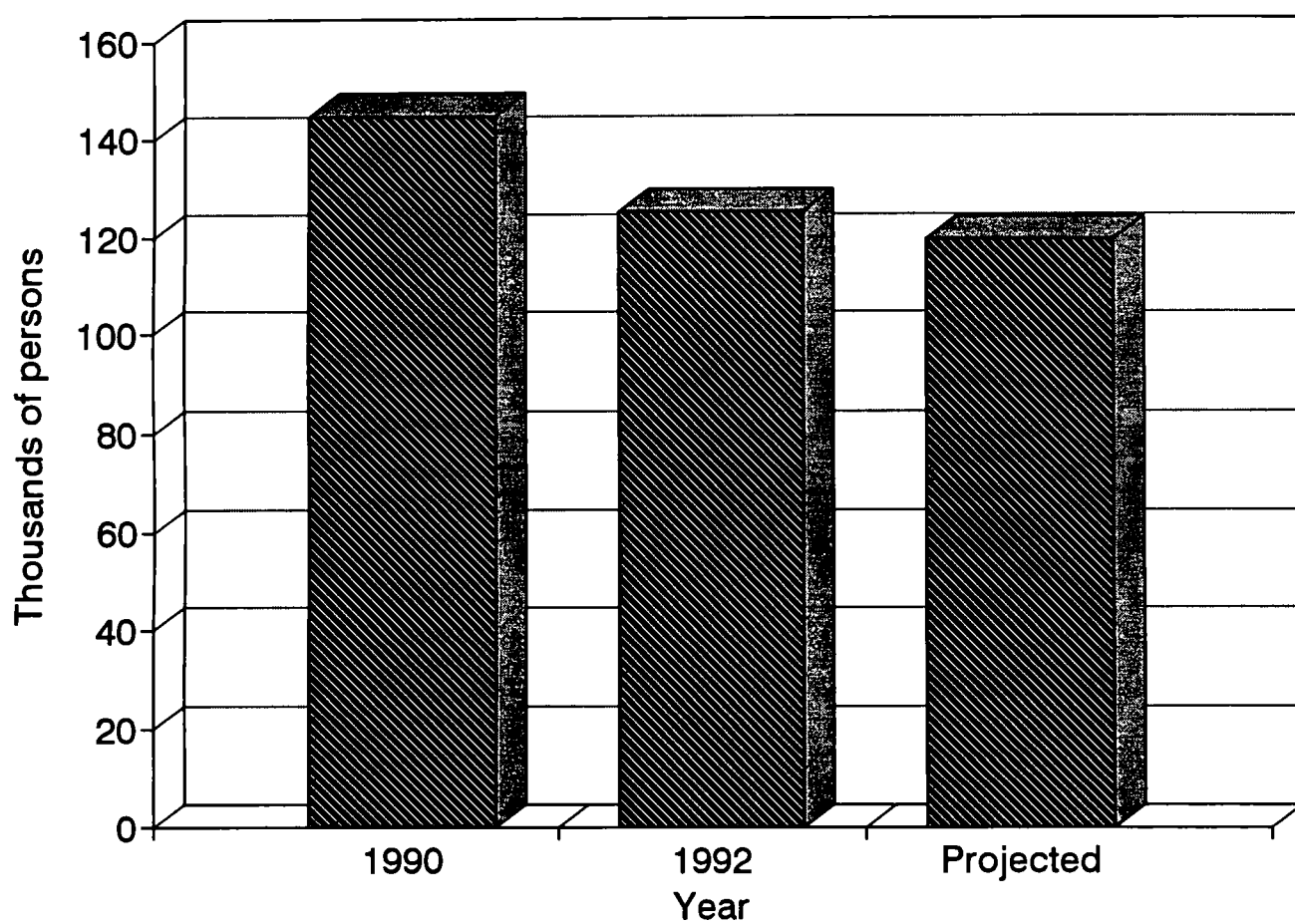
5,400 new retraining opportunities and
more than 8,000 new family-wage jobs;

over five years, the package will create

more than 31,000 new economic opportunities, including
16,200 new retraining opportunities
more than 15,000 new family-wage jobs.

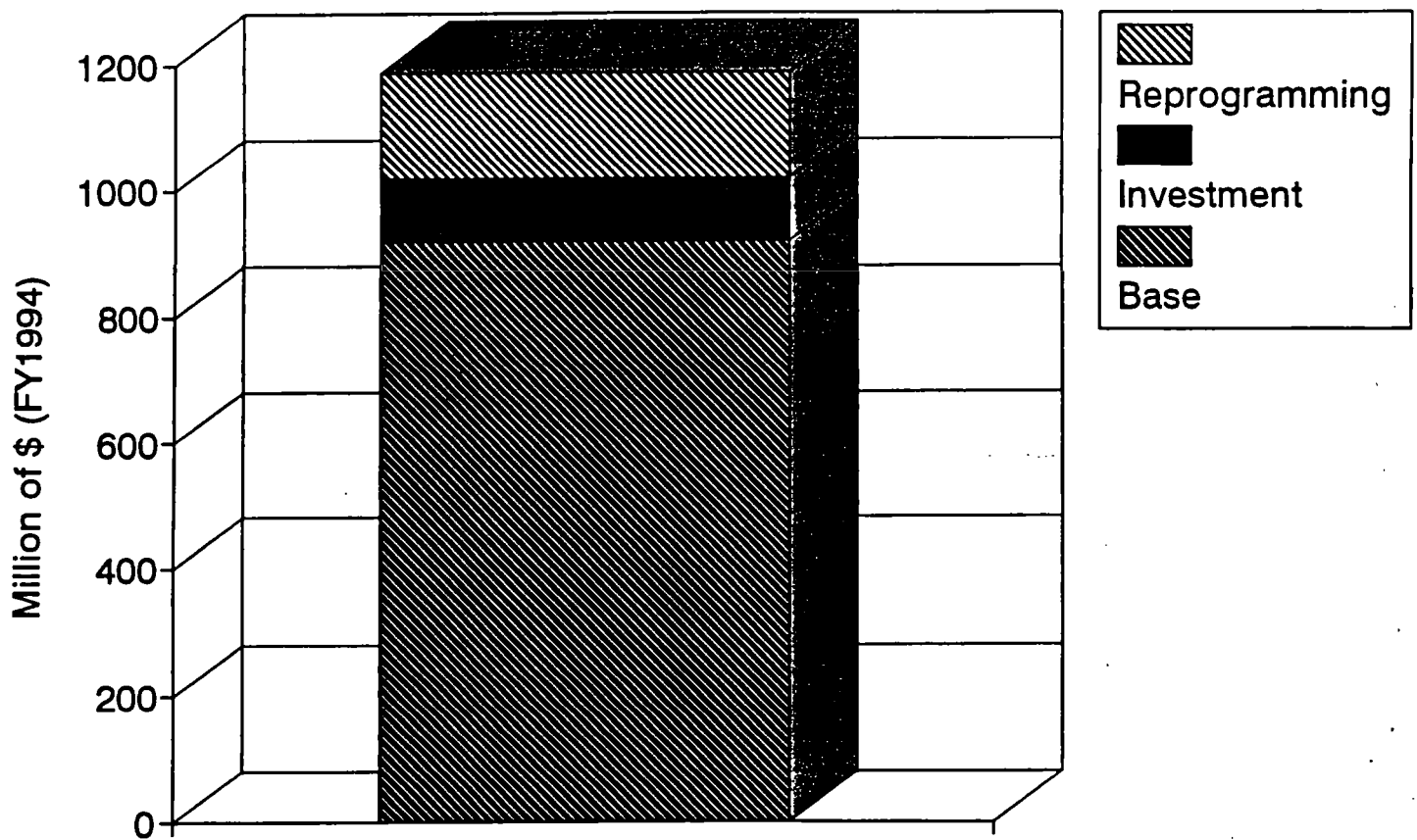
--Peter Yu
Director to the
National Economic Council

Employment in Timber Will Decline....



...But Federal Assistance Will Increase

Selected Federal Programs



...and Create New Opportunities

