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Forest Conference-Timber Release Letters

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17 September 1993

Mr. Jim Lyons
Assistant Secretary of Agriculture for Natural Resources and the Environment
U.S. Department of Agriculture
Washington, DC 20240

Dear Mr. Lyons,

In response to your request, plaintiffs in SAS v. Lyons have reviewed enjoined timber sales to determine whether any of those sales might appropriately be released from the terms of the injunction.

On August 27, 1993, the Forest Service provided to the plaintiffs a list of sales which could be modified to be "consistent with Option 9" within the next twelve months. None of these sales were in Roadless Areas, murrelet habitat, Adaptive Management Areas or Key Watersheds. The total potential sale volume from those sales was 147.320 million board feet (mmbf). On September 1, 1993, the plaintiffs communicated to the Administration through Regional Forester John Lowe that three additional sales should be removed from the list. The Forest Service staff agreed and the total potential sale volume reviewed by the plaintiffs was therefore 137.220 mmbf.

Our letter of September 1 stated: "There is recognition on the part of the Forests and the plaintiff reviewers that the 1/2" to a mile maps don't always make it clear whether a sale or unit is within a reserve, key watershed, or matrix. For sales which have some units within the matrix, and some outside the matrix, we are only reviewing those units within the matrix. We also recognize that many Forests do not yet know whether splitting these sales would make them economically viable, nor, in some cases, what the probable sale volume would be."

Plaintiffs are willing to accede to the release of 54 timber sales from Judge Dwyer's injunction, totaling 83.172 million board feet of enjoined timber sales (see attached list), which, as you have already agreed, will be modified to be made at least consistent with the preferred alternative of the President's Pacific Northwest Forest Plan, in return for the following:

1. That such released sales are modified to incorporate the full riparian protections recommended in the Scientific Analysis Team Report of March 1993;
2. That the Administration commit to identify conflicts between contracted timber sales and Option 9, and that you direct the Forest Service to use its full legal authority to exchange for other suitable timber, buy back, modify, delay or cancel all or portions of timber sales inconsistent with Option 9 to reduce resource damage and environmental degradation associated with these sales; and
3. That, in light of his promise at the Forest Conference in Portland to develop a new plan for the federal forests of the Pacific Northwest that was "scientifically sound, ecologically credible, and legally responsible," the President reiterate his intention to oppose limits on judicial review of government actions and changes that would weaken existing environmental laws.

For sales not released from the court's injunction, we request that you direct the Forest Service to significantly alter the layout, design, and environmental analysis of these sales to reflect greater attention to landscape patterns, the needs of affected species, and other environmental concerns. New decision notices and revised environmental assessments should be published before these sales are offered under the final approved version of the President's plan.

The plaintiffs' contact in this matter is Ms. Bonnie Phillips-Howard of the Pilchuck Audubon Society. She may be reached at 206/652-9619.

Sincerely,

Bonnie Phillips-Howard
Pilchuck Audubon Society

Alan Copsey
Seattle Audubon Society

Andy Kerr
Oregon Natural Resources Council

Karin Sheldon
The Wilderness Society

Julie K. Norman
Headwaters

Melanie Rowland
Washington Environmental Council

John Talberth
Forest Conservation Council

Felice Pace
Klamath Forest Alliance

Tim McKay
Northcoast Environmental Center

Art Farley
Lane County Audubon Society

Brock Evans
National Audubon Society

Lynn Herring
Portland Audubon Society

Enclosure

~~SEP-17-1993 15:55 FROM WAFB~~**Enjoined Sales Offered For Release**

If unit numbers are listed after a sale name, this means only those units are released. Units not within the matrix are not part of this review.

Mt. Hood National Forest

Duke SSTs	.408
Subtotal	.408

Willamette National Forest

Toad Prairie Sal. III	.100
Frost Lava II - Units 1, 2, 3, 5, 6 only	.700
South Fork - Unit 2 only	1.000
South Monty - Unit 17 only	2.000
Hwy 20 HZD Tree	.500
Madrone - Units 3, 7, 8 only	2.000
Slinky	2.200
Alien ET	2.000
Jude East	.100
Subtotal	10.600

Umpqua National Forest

South Wind Salv. - Units 1, 2 only	.250
Watchdog - Units 1, 2, 3, 4, 5, 12, 13 only	7.000
Lakeview - Units 1, 2, 3, 4, 5, 6 only	1.104
Roughneck - Units 1, 2, 3, 4, 5, 6, 7 only	6.607
East Fork - Unit 1 only	.500
Fisher - Unit 12 only	.037
Subtotal	15.498

Winema National Forest

Bugsy	.533
Mtn-Var	.160
Rusky	2.212
Scoria	6.500
Subtotal	9.405

Rogue River National Forest

Bull Hobble	2.000
Jack Burns	2.000
Mistle Unit	.900
Ryeleven-Unit 1 only	.600
Sink Mammoth	.340
Turlock	2.500
Minnebell-Units 1-5 only	1.200
Reed -Units 23-27 only	2.900
Filbert -Units 2 & 3 only	.800
Highball	2.970
Jill	.190
Noman	1.150
Sandpiper	.570
Umpire	

Sale Name

Probable Sale Volume

Wenatchee National Forest

Deer Gulch	.300
Typhoon Dixie	<u>.500</u>
Subtotal	.800

Gifford Pinchot National Forest

Joker	.200
Lama SB	3.167
Point (SH)	2.500
Power SH	.430
Rush (SH)	.700
Rush LTSP	1.400
SH Head 2	1.292
SH Patch	1.060
SH-Davis	1.600
SH-Hopkins	1.945
Smoke-SH	2.000
Tag-SH	2.300
Watch 6	.477
Whiz-SH	<u>2.600</u>
Subtotal	21.671

Klamath National Forest

Jack	.100
Rusby 12%	1.600
Slide Creek Heli	1.500
Twenty-Six	<u>1.500</u>
Subtotal	4.700

TOTAL

83.172 mmbf



Sunrise, Mt. McKinley

Ansel Adams

SIERRA CLUB LEGAL DEFENSE FUND, INC.

The Law Firm for the Environmental Movement

203 Hoge Building, 705 Second Avenue, Seattle, WA 98104-1711 (206) 343-7340 FAX (206) 343-1526

NORTHWEST OFFICE

Victor M. Sher

Todd D. True

Staff Attorneys

Adam J. Berger

Project Attorney

Kristen L. Boyles*

Laura S. Ziemer

Associate Attorneys

Trygve B. Sletteland

Resource Analyst

Lisa H. Lange

Office Manager

HOME OFFICE

San Francisco, California

REGIONAL OFFICES

Bozeman, Montana

Denver, Colorado

Honolulu, Hawaii

Juneau, Alaska

New Orleans, Louisiana

Tallahassee, Florida

Washington, D.C.

MEMORANDUM

TO: Will Stelle, OEP (Fax: 202-456-2710)

FROM: Vic Sher and Todd True

DATE: January 7, 1994

RE: Conference Call re: Seattle Audubon Soc'y v. Lyons

In anticipation of our conference call today, here's a copy of a letter we sent to Steve Odell and Wells Burgess concerning our view of the appropriate approach the government should take in submitting its anticipated motion to Judge Dwyer.

We look forward to talking with you.

Post-It™ brand fax transmittal memo 7671		# of pages
To	Will Stelle	6
Co	OEP	
Dept.		
Fax #	202/456-2710	
From	Todd True/Vic Sher	
Co	SCLDF	
Phone #	206/343-7340	
Fax #	206/343-1526	





Sunrise, Mt. McKinley

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New Orleans, Louisiana

Tallahassee, Florida

Washington, D.C.

FOR SETTLEMENT PURPOSES ONLY

January 7, 1994

BY TELEFAX

Steve Odell

Wells Burgess

Department of Justice

Environment and Natural Resources Division

General Litigation Section, Room 865

P.O. Box 663

Washington, D.C. 20044 0663

FAX: (202) 272-6815

Re: Seattle Audubon Society v. Lyons, No. C479-WD
(W.D.Wa.)

Dear Steve and Wells:

We write in anticipation of a motion by the Forest Service, pursuant to the October 6, 1993, agreement between the parties, to allow the agency to proceed with certain timber sales currently enjoined by Judge Dwyer in this action. Given the complexities of the October 6 agreement, as well as the sensitivities (political and other) of all concerned to the issues raised by such a motion by the Forest Service, we wanted to make clear in advance our views on both process and substance, and alert you to some concerns we have about alternative approaches to the motion you might be considering which could inadvertently undercut the motion's prospects for success.

As explained below, the sole focus of the government's motion should be the agreement between the parties. Moreover, the Forest Service should not seek to demonstrate substantively the lack of significant environmental effects of the sales. Finally, nothing about potential opposition from amicus curiae Native Forest Council, et al. and plaintiff Forest Conservation Council changes this analysis.

* Admitted only in California



Wells Burgess & Steve Odell
January 7, 1994
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I. THE MOTION SHOULD FOCUS ONLY ON THE AGREEMENT BETWEEN THE PARTIES, AND THE GOVERNMENT'S COMPLIANCE WITH ITS TERMS REGARDING THE AFFECTED TIMBER SALES

The sole focus of the government's motion to Judge Dwyer should be the agreement between the parties. The government's theme should be that the agreement was reasonable, made sense for all concerned as a matter of equity and public policy, and that the Forest Service has complied with the negotiated terms and should therefore be allowed to proceed with the sales.

This motion should be treated quite differently from a normal motion to modify an injunction. In cases like this one, where the parties essentially present an agreement to the Court for its approval, the judicial inquiry is narrow, and will be limited to whether the agreement is "fair, reasonable and equitable and does not violate the law or public policy." Sierra Club v. Electronic Controls Design, 909 F.2d 1350 (9th Cir. 1990) (reversing district court failure to approve parties' settlement). Significantly, measures approved by the Court in light of such an agreement are not limited by relief available under the statute at issue in the litigation. Indeed, a district court's failure to approve even an agreement that provides relief unavailable under the governing statute is an abuse of discretion. See, e.g., Local No. 93, International Ass'n of Firefighters, AFL-CIO v. City of Cleveland, 478 U.S. 501 (1986) (consent decree may provide relief broader than court could award at judgment); Sierra Club v. Electronic Controls Design, 909 F.2d at 1356 (failure to approve stipulated relief unavailable under statute is abuse of discretion); Citizens for a Better Environment v. Gorsuch, 718 F.2d 1117, 1125-26 (D.C.Cir. 1983), cert. denied, 467 U.S. 1219 (1984).

Under these principles, the evidentiary bases for the government's motion in this case should be the agreement itself, as well as documentation to demonstrate that the government has complied with its terms. In particular, we expect that the Forest Service will document to the Court and the parties that it has (1) modified the sales for which it seeks relief from the current injunction based on new information to incorporate the standards and guidelines of Option 9 (as required by numbered ¶ 1 of the October 6 agreement); (2) modified the sales as appropriate in the discretion of local personnel (as required by ¶ 2); and (3) complied with the procedural and substantive requirements of the Endangered Species Act and other legal requirements not at issue in this case (as required by ¶ 4). To this end, we would expect the Forest Service to provide to the Court copies of pertinent Environmental Assessments, Biological

Wells Burgess & Steve Odell
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Page 3

Assessments, and Biological Opinions prepared by the appropriate agency personnel. We also expect the government to demonstrate to Judge Dwyer the Forest Service's good faith compliance with the other terms of the agreement between the parties, including the Clinton Administration's continued opposition to any legislation that would affect review of the new plan for the ancient forests, the Forest Service's initiative regarding new sales and sales under appeal, its review of sold sales for aquatic screens, and its offer to accept back certain sold sales without penalty to the purchasers.

This factual record will speak to the reasonableness of the agreement and the diligence with which the Forest Service complied with the agreement. As specified in the agreement, moreover, our clients will not oppose a motion presented in this manner and on these grounds. We see no reason that Judge Dwyer would disapprove the agreement or fail to grant such a motion.

II. THE FOREST SERVICE MUST NOT SEEK TO MAKE ANY BROADER
SUBSTANTIVE SHOWING OF LACK OF ENVIRONMENTAL INJURY FROM
THESE SALES

However, we would view quite differently any effort by the Forest Service to establish the substantive biological insignificance, lack of harm to the spotted owl, or environmentally benign nature of these sales, or to otherwise establish substantively equitable factors that would bear on relief from the injunction in the absence of the October 6 agreement. Indeed, we anticipate that our clients would be forced to dispute any effort by the Service to establish the scientific or legal adequacy of either Option 9 or the timber sales governed by the agreement, or other factors bearing on the propriety of the current injunction. As ¶ 6 of the agreement specifies:

The Administration understands that the plaintiffs' agreement ... is not an endorsement of Option 9 Plaintiffs have made no admissions or waivers regarding the scientific or legal adequacy of the timber sales governed by this agreement

We are confident that plaintiffs would prevail in any dispute about the propriety of proceeding with these sales in the absence of the October 6 agreement. The Court's previous rulings make clear that any timber sales offered before the Forest Service adopts a new final EIS and plan suffer fatal legal flaws. In addition, we have twice litigated the equities of allowing the Forest Service to proceed with timber sales before complying with

Wells Burgess & Steve Odell
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 Page 4

the law. The result, as you know, was the injunction in Seattle Audubon Society v. Evans, 771 F.Supp. 1081 (W.D.Wa.), affirmed, 952 F.2d 297 (9th Cir. 1991), followed by the current injunction entered in July 1992.

Our point, however, is that there should be no need for the parties to litigate these issues under the October 6 agreement. Any effort to make a substantive biological or legal showing to Judge Dwyer would be extremely unwise in the context of the agreement. The October 6 agreement was a political -- not a biological -- settlement agreement between the parties that must stand or fall on its own merits. While an independent showing about the potential environmental effects of the sales on the spotted owl and other species would be appropriate in a motion for relief from the injunction in the absence of the negotiated agreement, it is neither necessary nor appropriate for the government to attempt to make such a showing in this case. Indeed, we can see no benefit to any party and considerable negative implications for all involved -- if the Forest Service forces the parties to dispute these issues under present circumstances.

III. OPPOSITION TO THE MOTION BY AMICUS AND THE FOREST CONSERVATION COUNCIL SHOULD NOT AFFECT THE GOVERNMENT'S PRESENTATION OF THE MOTION TO THE COURT

Finally, nothing about the prospect of opposition by either amici Native Forest Council, et al. or by plaintiff Forest Conservation Council changes this analysis. First, we believe amici either will not seek to introduce substantive new evidence, or will not be allowed to do so. See, e.g., Wiggins Bros., Inc. v. DOE, 667 F.2d 77, 83 (Temp.Ct.Emerg.App. 1982) ("in the absence of exceptional circumstances, amicus curiae is not entitled to introduce additional evidence"); Gandee v. Glaser, 785 F.Supp. 684, 686 (S.D.Oh. 1992). More fundamentally, the opposition of a non-party to an agreement reached among the parties to a case carries little, if any weight. C.f., e.g., Local No. 93, International Ass'n of Firefighters, AFL-CIO v. City of Cleveland, 478 U.S. 501, 529 (1986) (even a party "does not have power to block [a consent] decree merely by withholding its consent"). Again, the focus of the government's motion needs to stay tightly on the agreement.

Second, FCC's opposition will necessarily focus on its contention that the Forest Service violated its commitment under the October 6 agreement to re-review sold sales for aquatic resources. Without establishing such a violation, the Court will pay no attention to the objection of a signatory to the

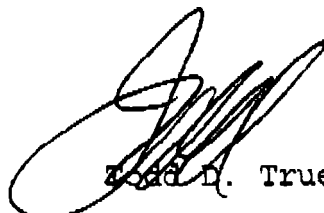
Wells Burgess & Steve Odell
January 7, 1994
Page 5

agreement. In contrast, if FCC prevails on its theory that the Forest Service materially breached the agreement, we think it unlikely Judge Dwyer will grant the motion under any circumstances. The Forest Service's hands will not be clean, and FCC will be able to invoke the Court's previous rulings without the need for much more. The government's focus on FCC, therefore, should remain on the reasonableness of the agreement and the good faith with which the Forest Service has carried out its obligations.

We hope this letter makes clear our clients' positions on these issues. We would be happy to discuss these matters further with you, if you like.

Sincerely,


Victor M. Sher


Todd D. True

417INJ.LTR

JOINT STRATEGY

① Bill Gelston

HERE THE ALLEGATIONS
W/IN THE DOCUMENT

② Hayes 200-343-0807
Seker 4678
~~Ross~~ -447-1805
Petrick 5-1714
Carr 6-3547
Buddy 6-2500
Curtis Jan 504-2406
Judy Kusk 208-4123
Nan 678-1400
Bill Carr 206-621-1696

OTHER RELEVANT SALES

③ Announces issues + responses

④ representation of motion ~~the~~ the

⑤ FEE will argue that the government
will review annexed files and related agency
screens

⑥ NO correspondence in this point on the
review of

⑦ letter ~~to~~ from this goes to S+6, and guidance
from S+6 to field.

- ① A's (11) do not intend to oppose the motion,
- ② We have another letter from Lyons
- ③ Don't present the substantive issues on the admissibility of the fees in such a way that doesn't draw a finding on the substantive issues at ~~the~~ stake in the larger system
- ④ If FLZ agrees to ~~reach~~, 11 plaintiffs will argue that we don't oppose motion.
- ⑤ If you change this to a simple agreement to release absent the agreement, we will oppose it
- ⑥ Until on specific issues
 - ① In implementing agreement,
 - WHOOPS
 - Enriching the Babbitt
 - American Express (attach directives)

- new letter w/ Sadell Harris
- letter on voluntary grebanks

~~DO~~ NOT:

- ① ignore equity Harris
- ② try to write what we've done



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

October 6, 1993

Mr. Victor Sher
Mr. Todd True
Sierra Club Legal Defense Fund, Inc.
203 Hoge Building
750 Second Avenue
Seattle, WA 98104-1711

RE: SAS v. Lyons, No. C92-479 (W.D. Wash.)

Dear Vic and Todd:

I am writing to you in your capacity as counsel for the plaintiffs in SAS v. Lyons, to memorialize the agreements reached over the past several days between the plaintiffs and the Forest Service regarding the release of certain timber sales from the terms of the permanent injunction in that case. I also wanted to make clear certain other points that came up in our discussions.

As you know, pursuant to an exchange of letters dated August 2, 1993, between Secretaries Espy and Babbitt and the plaintiffs, the plaintiffs agreed to review for possible release from the Court's injunction certain Forest Service timber sales in Regions 5 and 6. The Plaintiffs have agreed that they will not oppose a motion to release the 54 timber sales from that list identified in Exhibit A to this letter on the following terms:

1. Prior to auction or award, these sales will be modified based on new information to incorporate, as appropriate minimum mitigation measures, the standards and guidelines described in Option 9 of the draft SEIS for Management of the Old Growth Forest Ecosystem Within the Range of the Northern Spotted Owl (hereinafter "Option 9").

2. Any of these 54 timber sales that currently are planned to include appropriate minimum mitigation measures that exceed those described in paragraph 1 above will proceed with the higher requirements as planned. The remaining sales will proceed towards auction and award in conformity with the standards and guidelines described in paragraph 1 above, provided, however, that local Forest Service personnel will retain discretion to complete these sales consistent with sound land management and environmental practices that may, in particular circumstances, exceed such standards and guidelines.

3. Any of the 54 timber sales that are not auctioned and awarded before the effective date of the Forest Service Record of Decision (ROD) for a plan to manage the old growth ecosystem within the range of the northern spotted owl (currently scheduled to occur on or before December 31, 1993), will be adjusted to conform to the requirements of the ROD.

Mr. Vic Sher and Mr. Todd True
October 6, 1993
Page 2.

4. These sales shall comply with the procedural and substantive requirements of the Endangered Species Act and other legal requirements not at issue in this case. The plaintiffs will not challenge any of the above referenced sales based on any issue in the case.

5. The plaintiffs will not file administrative appeals or other challenges to decisions to proceed with these sales, provided, however, that plaintiffs may challenge these sales if they proceed in violation of paragraphs 1 through 4 above.

6. The Administration understands that the plaintiffs' agreement to these terms is not an endorsement of Option 9 nor a waiver of their right to seek improvements over Option 9 in the final EIS and ROD. Plaintiffs have made no admissions or waivers regarding the scientific or legal adequacy of the timber sales governed by this agreement, any sales offered in the future by the Forest Service, or the draft or final EIS and ROD for the Forest Service's new regional guide amendment for the spotted owl and associated old-growth ecosystem. The Administration also emphasizes that it has made no decisions on any aspect of the final plan and will not do so until the close of the public comment period on the proposed plan. In addition, this agreement can not be used in court by the Administration or the plaintiffs in any future action regarding the scientific or legal adequacy of the draft EIS, the final EIS and ROD, or any timber sale proposed in the future by the Forest Service.

As we have also discussed as a part of the parties' continuing mutual good-faith, I want to reiterate that the Clinton Administration will continue its opposition to any legislation that would modify existing injunctions of Pacific Northwest timber sales or suspend the environmental laws governing the preparation and review (both administrative and judicial) of the Forest Service Record of Decision (ROD) for a plan to manage the old-growth ecosystem within the range of the northern spotted owl, and of timber sales offered before a reviewing court has had an opportunity to consider and resolve a challenge to the final plan. Our opposition to such legislation will, of course, include, if needed, appropriate communications to Congress reflecting this position, and our opposition will continue at least until a reviewing court has had an opportunity to consider and resolve a challenge to the final plan.

In addition, the Forest Service intends to undertake an initiative -- including a commitment of resources -- to review timber sales under administrative appeal in regions 5 and 6 with an eye to identifying those with potential for early, amicable resolution, to avoid or minimize appeals and litigation. I understand that the plaintiffs, in turn, are willing to review timber sales they have under appeal that are not currently

Mr. Vic Sher and Mr. Todd True
October 6, 1993
Page 3.

enjoined in this case to identify those appeals that can be resolved expeditiously and amicably in order to allow the sale or parts thereof to proceed without further appeal. You have told me that plaintiffs should be able to initially identify sales under appeal suitable for this initiative within two weeks after the date of this letter, with a final list of additional sales within three weeks of the close of the public comment period on the draft SEIS for the old growth ecosystem (currently scheduled to close on October 28, 1993). I can assure you that the Forest Service will commit the resources necessary to work with the plaintiffs and the general public to expedite resolution of pending appeals.

The Forest Service also intends to move aggressively to seek the early participation of all the interested parties in a process intended to improve ecosystem management and timber sale planning and to minimize appeals and litigation. I understand that the plaintiffs will be willing to work with the Forest Service to accomplish this goal. Within this framework, the Forest Service, with the plaintiffs and all interested parties, intends to seek early participation in the timber sales planning process and a frank and open dialogue regarding future timber sales in Regions 5 and 6.

I have also asked the plaintiffs to provide a written statement of why the additional timber sales on the list of sales provided by the Forest Service for plaintiffs' review were not identified as suitable for release. Once I receive such an explanation, and within the context of the Forest Service's open-door, early participation process, I expect the plaintiffs and the Forest Service will be able to work together to identify which, if any, of these sales could proceed either as currently planned or as appropriately modified.

I am glad we were able to agree on the terms governing the plaintiffs non-opposition to the Forest Service's anticipated request to Judge Dwyer to allow certain sales to proceed. I look forward to working with you and your clients and moving forward in a new dialogue regarding management of our national forests.

Sincerely,



James R. Lyons
Assistant Secretary for Natural
Resources and Environment

October 6, 1993

Ms. Bonnie Phillips-Howard
Pilcheck Audubon Society
7207 Lakewood Road
Stanwood, WA 98292

Dear Ms. Phillips-Howard:

We are writing to you and the other plaintiffs in the Seattle Audubon Society v. Lyons case.

On August 3, 1993, we entered into a mutual commitment to engage in a process to identify timber sale volume that might be suitable for release from the existing injunction in that case. Our objective in these discussions has been twofold; to help get as much timber moving as early as possible, and to establish a process that will end the years of confrontation and mistrust that has paralyzed forest management in the region.

As a result of these discussions, we have agreed to enter into a set of mutual commitments, described in a letter of October 6, 1993, to your counsel from USDA, Assistant Secretary of Natural Resources and Environment, Jim Lyons. As fully described in that letter, we want to reiterate our opposition to any form of "sufficiency" language. It is our intention to implement a scientifically sound and legally defensible plan after the completion of the public review of the President's proposal, and we will oppose any legislative effort to modify existing injunctions or insulate the plan from the requirements of existing law or judicial review, at least until a reviewing court has had an opportunity to consider and resolve a challenge to the final plan.

We believe that these discussions constitute an important building block in establishing a new foundation for forest management in the region, and we look forward to working with you in the coming weeks on the commitments outlined in our agreement.

Sincerely,


The Honorable Mike Espy
Secretary of Agriculture
The Honorable Bruce Babbitt
Secretary of Interior

October 6, 1993

Mr. James R. Lyons
Assistant Secretary of Agriculture
for Natural Resources and Environment
U.S. Department of Agriculture
Washington, D.C. 20240

Re: SAS v. Lyons, No. C92-479 (W.D. Wash.)

Dear Jim:

This is a response on behalf of the plaintiffs to your letter of October 6, 1993, regarding the discussions between the plaintiffs and the Forest Service in the above case.

Your letter accurately sets forth the terms on which the plaintiffs will agree not to oppose a motion for the release of 54 timber sales from the terms of the permanent injunction in the case, and accurately describes our other understandings.

As you know, plaintiffs' participation in this agreement is in no way an endorsement of Option 9, or a waiver of their rights or firm commitment to seek improvements over Option 9 in the final EIS and ROD in order to ensure that it complies fully with the laws governing management of the national forests.

Sincerely,

Karin P. Shelton
The Wilderness Society

Lane County Audubon Society

National Audubon Society

Washington Environmental Council

Pilchuck Audubon Society

Klamath Forest Alliance

Seattle Audubon Society

Northcoast Environmental Center

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Ansel Adams

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MEMORANDUM

TO: Jim Lyons, Will Stelle
FROM: *JS* Vic Sher
DATE: October 6, 1993
RE: Seattle Audubon Soc'y v. Lyons

I have now received faxes of all the plaintiffs' signatures on their letter to Jim Lyons confirming the terms of Jim's letter to Todd and me. Copies of the signature letters are enclosed. As we discussed, please fax me immediately the final executed letters from Jim to Todd and me, and from Secretaries Espy and Babbitt to Bonnie Phillips-Howard.

As we also discussed, the plaintiffs will hold off on any public announcement or press release on this agreement until noon, West coast time, tomorrow.

I'm glad we were able to make this work, and now have it behind us. We all look forward to moving on to building new approaches to managing our Northwest public forests, and to improving the dialogue between the government and citizens' organizations interested in these issues. Thanks again for both of your extensive personal efforts to make this agreement happen. It's not an overstatement to say that without your extraordinary patience and personal involvement, the parties could not have struck this deal.

October 6, 1993

Mr. James R. Lyons
Assistant Secretary of Agriculture
for Natural Resources and Environment
U.S. Department of Agriculture
Washington, D.C. 20240

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Lane County Audubon Society

Washington Environmental Council

Klamath Forest Alliance

Northcoast Environmental Center

Oregon Natural Resources Council

Forest Conservation Council

October 6, 1993

Mr. James R. Lyons
Assistant Secretary of Agriculture
for Natural Resources and Environment
U.S. Department of Agriculture
Washington, D.C. 20240

Re: SAS v. Lyons, No. C92-479 (W.D. Wash.)

Dear Jim:

This is a response on behalf of the plaintiffs to your letter of October 6, 1993, regarding the discussions between the plaintiffs and the Forest Service in the above case.

Your letter accurately sets forth the terms on which the plaintiffs will agree not to oppose a motion for the release of 54 timber sales from the terms of the permanent injunction in the case, and accurately describes our other understandings.

As you know, plaintiffs' participation in this agreement is in no way an endorsement of Option 9, or a waiver of their rights or firm commitment to seek improvements over Option 9 in the final RIS and RQB in order to ensure that it complies fully with the laws governing management of the national forests.

Sincerely,

The Wilderness Society

Lane County Audubon Society

National Audubon Society

Melanie Rowland
Washington Environmental Council

Pilchuck Audubon Society

Klamath Forest Alliance

Seattle Audubon Society

Northcoast Environmental Center

Headwaters

Oregon Natural Resources Council

Portland Audubon Society

Forest Conservation Council

OCT-06-'93 16:51
OCT- 6-93 WED 11:28

ID:SIERRA CLUB LEGAL NW
HEADWATERS-ASHLAND

TEL NO:12063437340

#784 P06

FAX NO. 5034827282

P.02

OCT- 6-93 WED 10:30

PILCHUCK AUDUBON

FAX NO. 12066525405

P.04/10

October 6, 1993

Mr. James R. Lyons
Assistant Secretary of Agriculture
for Natural Resources and Environment
U.S. Department of Agriculture
Washington, D.C. 20240

Re: Shaw v. Lyons, No. C92-479 (N.D. Wash.)

Dear Jim:

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Sincerely,

The Wilderness Society

Lane County Audubon Society

National Audubon Society

Washington Environmental Council

Pilchuck Audubon Society

Klamath Forest Alliance

Seattle Audubon Society

Northcoast Environmental Center

Juie Norman
Headwaters

Oregon Natural Resources Council

Portland Audubon Society

Forest Conservation Council

OCT- 6-93 WED 12:12 AUDUBON SOC PORTLAND

5032921021

P.02

OCT- 6-93 WED 9:45

PILCHUCK AUDUBON

FAX NO. 12060525405

P.04/10

October 6, 1993

Mr. James R. Lyons
 Assistant Secretary of Agriculture
 for Natural Resources and Environment
 U.S. Department of Agriculture
 Washington, D.C. 20240

Re: SAS v. Lyons, No. C92-479 (N.D. Wash.)

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Sincerely,

The Wilderness Society

Lane County Audubon Society

National Audubon Society

Washington Environmental Council

Pilchuck Audubon Society

Klamath Forest Alliance

Seattle Audubon Society

Northwest Environmental Center

Headwaters

Oregon Natural Resources Council

Portland Audubon Society

Forest Conservation Council

Richard Meyer, Exec. Dir.

October 6, 1993

Mr. James R. Lyons
Assistant Secretary of Agriculture
for Natural Resources and Environment
U.S. Department of Agriculture
Washington, D.C. 20240

Re: SAS v. Lyons, No. C92-479 (W.D. Wash.)

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Sincerely,

The Wilderness Society

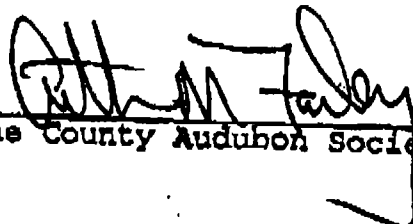
National Audubon Society

Pilchuck Audubon Society

Seattle Audubon Society

Headwaters

Portland Audubon Society


Lane County Audubon Society

Washington Environmental Council

Klamath Forest Alliance

Northcoast Environmental Center

Oregon Natural Resources Council

Forest Conservation Council

October 6, 1993

Mr. James N. Lyons
Assistant Secretary of Agriculture
for Natural Resources and Environment
U.S. Department of Agriculture
Washington, D.C. 20240

Re: SAS v. Lyons, No. C92-479 (W.D. Wash.)

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Sincerely,

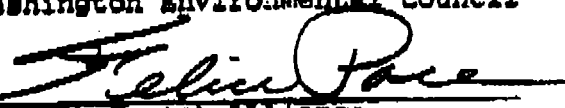
The Wilderness Society

Lane County Audubon Society

National Audubon Society

Washington Environmental Council

Pilehuck Audubon Society


Klamath Forest Alliance

Seattle Audubon Society

Northcoast Environmental Center

Headwaters

Oregon Natural Resources Council

Portland Audubon Society

Forest Conservation Council

10/06/93 12:27

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FAX NO. 12066525405

P.04/10 001

OCT- 6-93 WED 9:52

PILCHUCK AUDUBON

October 6, 1993

Mr. James R. Lyons
Assistant Secretary of Agriculture
for Natural Resources and Environment
U.S. Department of Agriculture
Washington, D.C. 20240

Re: SAS v. Lyons, No. C92-479 (N.D. Wash.)

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The Wilderness Society

Lane County Audubon Society

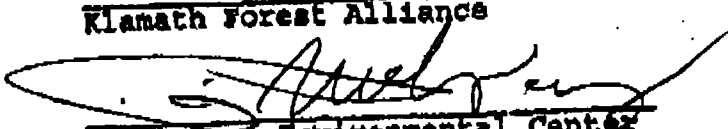
National Audubon Society

Washington Environmental Council

Pilchuck Audubon Society

Klamath Forest Alliance

Seattle Audubon Society


Northeast Environmental Center

Headwaters

Oregon Natural Resources Council

Portland Audubon Society

Forest Conservation Council

OCT- 6-93 WED 9:32

PILCHUCK AUDUBON

FAX NO. 12068525405

P.04/10

October 6, 1993

Mr. James R. Lyons
Assistant Secretary of Agriculture
for Natural Resources and Environment
U.S. Department of Agriculture
Washington, D.C. 20240

Re: SAS v. Lyons, No. C92-479 (W.D. Wash.)

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Sincerely,

The Wilderness SocietyLane County Audubon SocietyNational Audubon SocietyWashington Environmental CouncilPilchuck Audubon SocietyKlamath Forest AllianceSeattle Audubon SocietyNorthwest Environmental CenterHeadwaters Oregon Natural Resources CouncilPortland Audubon SocietyForest Conservation Council

October 6, 1993

Mr. James R. Lyons
Assistant Secretary of Agriculture
for Natural Resources and Environment
U.S. Department of Agriculture
Washington, D.C. 20240

Re: SAS v. Lyons, No. C92-479 (W.D. Wash.)

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National Audubon Society

Washington Environmental Council

Pilchuck Audubon Society

Klamath Forest Alliance

Seattle Audubon Society

Northcoast Environmental Center

Headwaters

Oregon Natural Resources Council

Portland Audubon Society


Forest Conservation Council

JOINT MOTION NOT GOOD

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REPORT

OPTION 1 VS OPTION 9

potentially at risk species at risk

- ① zero number is being cut on worst
range
- ② if the



Sunrise, Mt. McKinley

Ansel Adams

SIERRA CLUB LEGAL DEFENSE FUND, INC.

The Law Firm for the Environmental Movement

203 Hoge Building, 705 Second Avenue, Seattle, WA 98104-1711 (206) 343-7340 FAX (206) 343-1526

NORTHWEST OFFICE

Victor M. Sher
Todd D. True
Staff Attorneys

Adam J. Berger
Project Attorney

Kristen L. Boyles*
Laura S. Ziemer
Associate Attorneys

Trygve B. Skretland
Resource Analyst

Lisa H. Lange
Office Manager

HOME OFFICE

San Francisco, California

REGIONAL OFFICES

Bozeman, Montana
Denver, Colorado
Honolulu, Hawaii
Juneau, Alaska
New Orleans, Louisiana
Tallahassee, Florida
Washington, D.C.

FAX TRANSMITTAL MEMO

DATE: January 11, 1994

TO: Will Stelle and Ellen Athas

FROM: Vic Sher

FROM FAX #: (206) 343-1526

DOCUMENTS: Settlement-related letter

OF PAGES (including this cover memo): 7

COMMENTS: #417

The information contained in this facsimile message is attorney privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone, and return the original of this transmittal to us at the above address via the U.S. Postal Service. Thank you.

* Admitted only in California





Sunrise, Mt. McKinley

Ansel Adams

SIERRA CLUB LEGAL DEFENSE FUND, INC.

The Law Firm for the Environmental Movement

203 Hoge Building, 705 Second Avenue, Seattle, WA 98104-1711 (206) 343-7340 FAX (206) 343-1526

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Bozeman, Montana

Denver, Colorado

Honolulu, Hawaii

Juneau, Alaska

New Orleans, Louisiana

Tallahassee, Florida

Washington, D.C.

FOR SETTLEMENT PURPOSES ONLY

January 11, 1994

BY TELEFAX

Will Stelle
The White House
Office of Environmental Policy
FAX: (202) 456-2710

Ellen Athas
Department of Justice
FAX: (202) 272-6815

Re: Seattle Audubon Soc'y v. Lyons No. C479-WD
(W.D.Wa.)

Dear Will and Ellen:

We write to address the "aquatic re-screening" portion of the October 6, 1993 agreement between the parties to this case, which we discussed briefly last night. First, the Forest Service's general commitments on this point are memorialized in instructions from Assistant Secretary of Agriculture for Natural Resources and Environment James Lyons to Forest Service Regions 5 and 6 dated November 2, 1993, and similar instructions from the Regional Forester dated November 3, 1993. The form and contents of these intra-departmental communications -- as well as the commitment to provide and implement them -- were the subjects of considerable negotiations between the parties in the period leading up to the agreement.

Second, Assistant Secretary Lyons also will address this issue in a letter to us this week. In particular, his letter will list certain sales identified by our clients that will be reviewed further under specified protocols.



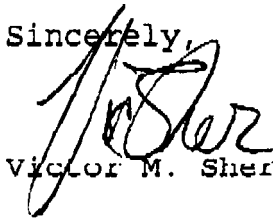
January 11, 1994

Page 2

Third, we understand there is a documentary file from each Forest and the Regional Offices addressing these issues. Finally, there were several communications directly between the plaintiff organizations and the Forest Service regarding documenting the agency's re-review of these sales.

As we told you, we are informed that plaintiff Forest Conservation Council (FCC) believes the Forest Service failed to live up to its obligations regarding protecting aquatic resources. Before obtaining separate counsel, FCC asked us to provide a letter outlining its concerns to Assistant Secretary Lyons. A copy of FCC's letter, which was provided to Assistant Secretary Lyons at our meeting in Seattle on January 4, 1994, is attached. While we no longer represent FCC, we expect the concerns expressed in its letter to feature prominently in any opposition filed by FCC to the Forest Service's motion to Judge Dwyer.

Sincerely,



Victor M. Sher



Todd D. True

417inj1.1tr

FOREST CONSERVATION COUNCIL

SOUTHWEST REGIONAL OFFICE

419 E. PALACE AVENUE, SUITE #2
SANTA FE, NEW MEXICO 87501
(505) 986-8435

December 31, 1993

To: Plaintiffs in Seattle Audubon v. Lyons, Vic Sher, Todd True
From: John Talberth and Mark Lear

RESOURCE COMMITTEES

- AGRICULTURE
- FISHERIES
- FOREST PRODUCTS
- HAZ. WASTE
- RECREATION
- TIMBER
- TOURISM
- WATER
- WILDERNESS
- WILDLIFE

RE: Position on Government's Motion to Release Enjoined Volume

Dear fellow Plaintiffs, Vic, and Todd;

For the past three months we have given the government every opportunity to live up to the stipulation of the agreement we reached 10/6/93 regarding release of enjoined timber sale volume in exchange for an aggressive effort to modify sold timber sales to protect threatened aquatic resources. FCC has, to the best of our ability, monitored the Forest Service's efforts, and has written two letters so far expressing our discontent with the process. We have freely shared our information with all of you and with Deputy Secretary Lyons in an effort to increase pressure on the Forest Service to comply with the written and expressed intent of the aquatic screening process. The limits of our patience with this process has now been exceeded.

By direction from our Board and members, FCC can no longer concur with a position not to oppose a government motion to release enjoined timber sale volume. We feel that more than adequate documentation has been assembled, both in writing, and in results of meetings with Secretary Lyons and Forest Service officials to prove the Forest Service's inability and unwillingness to implement a consistent, aggressive, and effective screening and modification process for sold timber sales to protect aquatic resources threatened by outmoded prescriptions. In the three months that have transpired since our agreement was signed, there has been little change on the ground to protect aquatic resources in sold sales. What has changed has been the widespread loss of riparian habitat, water quality, and fisheries resulting from poorly planned, ineffective standards and guidelines for harvest units and roads. The damage to these resources is irreversible, as is the damage to our agreement.

For some of you, the Forest Service's failure to successfully implement the sold sales portion of the agreement is not important enough to change your position on the government's motion. However, for FCC, this was the one substantive thing we had hoped to gain from the painful and highly controversial decision to release enjoined volume. It was our expectation, in retrospect, a foolish one, that the relief we would provide to mills and forest workers would be met by a good faith effort on the part of industry and the Forest Service to find and correct the deficiencies in weak to non-existent aquatic resource protection measures on sold sales. In this way,

**NORTHWEST
REGIONAL
OFFICE**

143 WILLIAM ST. NW
PORTLAND, OR 97201-4739
(503) 228-4246



despite the political backlash from our colleagues and the press, we would have made significant progress towards a political resolution of our struggle and gained a level of protection for our forests and watersheds that was, up to that point, unattainable. The reality of our folly has now been fully realized.

Since there may be no consensus on opposition to the government's motion, FCC will seek alternative counsel to represent us in the event of a split. We have contacted and will retain Peggy Hennessy of Reeves, Kahn, and Eder for this purpose, if necessary.

The details of FCC's position on the Forest Service's violation of the sold sales provision of our agreement has been made known to all of you. However, we would like to summarize our position here.

1. The aquatic screening process for sold timber sales does not come close to meeting the standards set by Option 9.

This point has adequately been made in two previous letters sent by FCC and other plaintiffs. Although many of you feel that the written record forces us to go along with the Forest Service's weak and limited screening process initiated last summer, it is fact that all of you and Deputy Secretary Lyons were not fully briefed on this process prior to signing the agreement, and were all under the assumption that an Option 9 based process was being used. In any contractual agreement, the oral understanding of the agreement's wording is at least, if not more important than the words themselves. In this case, our understanding, and, we believe the Administration's, was that the terms "aquatic screens" and "consistency" referred to a vastly different process than what has been completed, in particular, a process that *at minimum* was consistent with the scientific findings of the FEMAT report. That the Administration was also expectant of a more substantive process was revealed by Mr. Lyons' reaction to his first hard look at the screens in the November meeting in Seattle.

In signing the agreement neither FCC, nor any of you, were informed by the Administration that the screening process mentioned in Mr. Lyon's directive was inconsistent with Option 9, limited to only a few sales, and based upon the outdated and ecologically indefensible standards and guidelines contained in Forest Plans. Had this been revealed prior to October 6, we have no doubt that the deal would have been dead from the start.

2. The screening process that has been used has been applied inconsistently.

At the time of our agreement, we were aware of a wide discrepancy between application of the Forest Service's screens on individual forests. That discrepancy has not been ironed out. Some forests, especially in Region 5, have screened sales throughout the forest. Some screened sales only within key watersheds and roadless

areas. On some forests, cumulative effects were analyzed and addressed, on some forests, cumulative effects were ignored. When the Regional Office conducted its "validation" process for consistent use of the screens, the lowest common denominator for both the universe of sales to screen and the quality of the screening process was used. Forests that used a better screening process became the exception, not the rule. As a result, the process neither identified nor addressed a wide range of potential threats to water quality, large woody debris, water flow, and riparian habitat.

3. The documentation supporting the screening process is highly inconsistent.

A number of forests and districts provided detailed forms for evaluation teams to complete. The forms required gathering of a wide range of information including team members' names and expertise, current riparian values, and summary of decisions to modify or not modify units. On the other hand, a significant number of forests and districts provided almost no meaningful information crucial to an evaluation of the consistency and quality of their screening efforts. On these forests, there was no mention of names, experience, or local knowledge of the reviewing teams, no information on sales or units that were not modified, no description of existing aquatic resources, and no discussion of cumulative effects.

The primary reason for the wide disparity in documentation has been the rejection of FEMAT or other objective, scientific screens for identifying conflicts with aquatic resource protection. Because the Forest Service has not formally recognized the validity of this science, each forest has developed its own process for determining conflicts. In other words, it is a call made on the ground by the forest's own specialists. Not only has this resulted in a widespread disparity in what is or is not determined to be a conflict, but it places a huge burden on plaintiff organizations and other observers to prove that aquatic resource damage will occur. That this disparate process is problematic was confirmed by the Regional Office's only objective review of the screening used for the Beaver Thin Timber Sale on the Umpqua National Forest. The review team concluded that the screening process used here failed to analyze cumulative effects, failed to adequately document the screening process, and failed to resolve significant threats to the aquatic resource.

4. The screening process was not pursued aggressively or in a timely manner.

Plaintiffs made it clear that the screening process for sold sales was to be carried out promptly and with full use of the Forest Service's authority to suspend, delay, or cancel contracts to prevent aquatic resource damage. Weeks passed without even the initial steps being taken. The directive issued by Jim Lyons did not go out until November 3. The Forest Service has, to date, completed only one review by the Regional Office, the Beaver Thin sale, to determine whether or not screens were consistently applied. As mentioned above, the results of that review suggest that serious problems with the screening process remain, problems that were first made apparent to the Jim Lyons in letters sent by plaintiffs dated 10/28 and 11/14.

FCC SANTA FE

505 986 8435

P. 5

Finally, there remains few documented instances of the Forest Service using its authority to delay, suspend, or cancel timber sale contracts to prevent adverse aquatic impacts. Because of this reluctance, and due to a shrunken universe of sales that were addressed, the screening process has resulted in little change. To date, there have been only 10 units dropped, 10 units modified, 32 buffers enlarged, one change in logging systems, and no deleted roads.

Clearly, if the Forest Service had been serious about complying with the terms of the agreement, a rigorous review similar to what was completed for the Beaver Thin sale would have been completed sooner and in a comprehensive manner throughout the sold sale universe. Following this review, efforts would have been made to identify and correct problems with the screening process and its regional consistency, incorporating recommendations such as those prepared for the Beaver Thin sale. The revised screens would have then been applied consistently, region wide, to uncover threats to aquatic resources. Temporary holds or suspensions on contracts would have been implemented to prevent irretrievable resource loss pending review, and modification of standards and guidelines to all sold sales would have been completed to meet the levels of resource protection recommended by the scientific community, including the government's own professionals.

For these reasons, which will be discussed in more detail with you on our upcoming conference call, we cannot condone a position to allow the government to release the enjoined volume we identified in our agreement. Despite good faith efforts by Deputy Secretary Lyons, the Forest Service will remain unable and unwilling to complete an effective aquatic screening process to bring sold timber sales up to current scientific standards. Since this crucial stipulation of the 10/6 agreement remains unfulfilled, and in consideration of the extensive resource damage that has already occurred as a result of the Forest Service's delays, incompetence, and resistance to change, we consider the agreement null and void, and urge you all to adopt a similar position.

Sincerely,



John Talberth
Executive Director



Mark Lear
Northwest Conservation Coordinator

U.S. DEPARTMENT OF AGRICULTURE

DATE:

2/4/94

TOTAL PAGES:

105

TO:

Will Skell

PHONE NUMBER:

FAX NUMBERS:

456-2710

720-7173
~~720-7173~~

FROM:

Margaret

Office of the Assistant Secretary for
Natural Resources and Environment
Room 217-E, Administration Building
14th and Independence Avenue, S.W.
Washington, D.C. 20250

PHONE NUMBER: (202) 720-7173

FAX NUMBER:

(202) 720-4732

REMARKS:

Here's the vic's her
letter — It's
been released.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

February 3, 1994

Mr. Vic Sher
Mr. Todd True
Sierra Club Legal Defense Fund
203 Hoge Building
705 Second Avenue
Seattle, Washington 98104-1711

Dear Vic and Todd:

This letter will confirm the process for wrapping up the portion of the October agreement between the Forest Service and plaintiffs that deals with protecting aquatic resources on certain previously sold timber sales.

The previously sold sales identified by the plaintiffs you represent and listed on Exhibit A to this letter will be reviewed, in accordance with procedures used for the Beaver Thin sale on the Umpqua National Forest, by a Forest Service technical team led by Dr. Jim Sedell. In accordance with my prior instructions of November 2, 1993 and similar instructions from the Regional Forester of November 3, 1993, the review will assure that these sales have been screened for aquatic impacts in a consistent fashion and in accordance with the aquatic screening criteria applied to sold sales in key watersheds and roadless areas. As you know, these are the criteria Dr. Sedell helped the agency develop last summer.

Any modifications to these sold sales recommended by Forest Service staff or Dr. Sedell's team will be made before the sales proceed further. In addition, I assure you that, in accordance with my prior directions and those of the Regional Forester, agency staff has full authority to make all previously recommended modifications to other sold sales that have been screened for aquatic impacts. A list of the sold sales that have been screened is attached as Exhibit B. Modifications recommended to any of these sales also will be made before the sales proceed further. If necessary, the agency will suspend operations on these sales in order to insure that all recommended modifications are in place before further logging occurs.

Based on your client's previously stated agreement to the steps outlined above, the agency will proceed shortly with a motion to Judge Dwyer to release from the SAS vs. Lyons injunction the specific timber sales and sale units we identified in October. I understand, per our previous agreement, and given the further actions agreed to by this letter, that your clients will not oppose this motion.

Sincerely,

A handwritten signature in black ink, appearing to be "James R. Lyons", written over a circular stamp.

James R. Lyons
Assistant Secretary for Natural
Resources and Environment

Attachment

EXHIBIT A

Sold Timber Sales for Further Review

Shasta-Trinity NF	Bear Mumbo
Six Rivers NF	Raglan
Mendocino NF	Jenks
Siskiyou NF	West Knob Father Oak
Umpqua NF	Abes Wren Boze Four Gage Heldi I-5 J.D. Jack Jade Camp Red Lick Siuya Skip Spike Zanita
Willamette NF	Lowell Mtn High Rim Cheat Skip Dead Flat Pay Day Tny Creek
Mt Hood NF	Shriener Bonanza

4/28/93

02-04-94 07:26PM FROM USDA/NRE 2027277173 TO 94662710 P014

EXHIBIT B

CATEGORY 1: SALE INSIDE KEY WATERSHEDS OR ROADLESS

Forest	Sale Name	KEY H2O? RDL?	GROSS VOL MMBF	HARV ACRES	HARV TYPE	SALV?	RD MILES	AGE GROUP
KLA	CLEARVIEW	1 NO	4.700	166	CC		0.000	200+
KLA	CRAWFORD HELI SALV	1 NO	1.100	552	UN	Y	0.000	200+
KLA	DISCO	1 NO	4.000	89	CC		0.000	200+
KLA	MO BLOWCROSS SALV	1 YES	.142	6	UN	Y	0.000	80-200
KLA	SALMON HELI	1 NO	2.800	327	UN		0.000	200+
REST KLA	TOTALS: # OF SALES:	5	12.742	1140			0.000	
MEW	ANT SALVAGE	1 NO	1.380	587	XSV	Y		200+
MEW	JENKS	1 NO	4.403	72	ST			200+
REST MEW	TOTALS: # OF SALES:	2	5.783	659			0.000	
SHT	BEAR MUMBO	NO YES	2.500	210	CC			80-200
SHT	IRON MINE	NO YES	.200	100	SV	Y		80-200
SHT	SNOW CAMP	1 NO	.100	100	SV	Y		80-200
REST SHT	TOTALS: # OF SALES:	3	2.800	410			0.000	
SIR	ANDY'S PLANTATION	1 NO	.070	28	CT			<80
SIR	HASTINGS	1 NO	7.580	206	CC			80-200
SIR	RAGLAN	1 YES	4.946	160	CC			80-200
SIR	SECRET 75%	1 NO	2.960	57	CC			80-200
SIR	SKULL	1 NO	6.900	298	CT			80-200
SIR	TINEY	1 NO	.750	54	CT			80-200
SIR	TRAIL THIN	1 NO	.020	2	CT			80-200
SIR	UPPER GOOSE NRA	1 NO	12.260	285	CC			80-200
REST SIR	TOTALS: # OF SALES:	8	35.486	1090			0.000	

CATEGORY 1: SALE INSIDE KEY WATERSHEDS OR ROADLESS

Forest	Sale Name	KEY H2O? RDL?S?	GROSS VOL MBF	HARV ACRES	HARV TYPE	SALV?	RD MILES	AGE GROUP
ION R5 TOTALS : # OF SALES:		18	56.811	3299			0.000	

CATEGORY 1: SALE INSIDE KEY WATERSHEDS OR ROADLESS

Forest	Sale Name	KEY H20? RDL5?	GROSS VOL MMBF	HARV ACRES	HARV TYPE	SALV?	RD MILES	AGE GROUP
DES	CRANE-LEMISH LP SALV	2 NO	3.330	459	HFR	Y		80-200
DES	MULUCK	2 NO	1.410	327	MSH			200+
DES	PASS 'EM UP	2 NO	1.350	108	HCC			200+
DES	WALLA BEAR	2 YES	8.850	663	MSH			200+

EST DES TOTALS: # OF SALES: 4 14.940 1557 0.000

GIP	BLUE 2	NO YES	8.367	92	CC			200+
GIP	BUGLE	2 NO	1.828	91	CC			80-200
GIP	BUTTER BUTTE	1 NO	2.120	53	CC			80-200
GIP	DRAW	1 NO	5.200	205	CC			80-200
GIP	EDGE	2 NO	1.486	20	CC			200+
GIP	FLAT	1 NO	4.500	102	CC			200+
GIP	IRISH	1 YES	7.802	280	CC			80-200
GIP	JACKPOT	1 YES	.557	19	SH			80-200
GIP	KANGAROO	1 NO	1.900	60	CC			80-200
GIP	KIDD A	NO YES	.819	27	CT			<80
GIP	KIDD B	NO YES	1.469	115	CT			<80
GIP	NOBLE	1 NO	2.900	50	CC			80-200
GIP	MSH ELK 3	1 NO	1.491	40	SH		1.000	80-200
GIP	MSH POLK M	1 NO	4.240	395	CT		3.400	<80
GIP	OUGHT	1 NO	7.030	228	CC			200+
GIP	PIN	2 YES	3.016	.70	CC			80-200
GIP	POLK 5	1 NO	8.650	144	CC			200+
GIP	PUGET	1 NO	7.600	600	CT			80-200
GIP	SUNDANCE	1 NO	5.300	80	CC			80-200
GIP	THREE CREEKS	1 NO	.900	20	CC			200+
GIP	TONGUE E	NO YES	4.596	316	CT			<80
GIP	TONGUE H	NO YES	6.536	295	CT			<80
GIP	URSUS	1 YES	1.171	37	CC			200+
GIP	WAMP	1 NO	5.600	126	CC			80-200
GIP	YELLOWJACKET	2 YES	9.690	136	CC			200+

02-04-94 07:25PM

FROM USDA/NEE 2027277173

TO 94662710

P006

CATEGORY 1: SALE INSIDE KEY WATERSHEDS OR ROADLESS

Forest	Sale Name	KEY H20? RDL?	GROSS VOL MMBF	HARV ACRES	HARV TYPE	SALV?	RD MILES	AGE GROUP
EST GIP TOTALS: # OF SALES: 25			104.768	3601			4.400	
MBS	BACON RIND	NO YES	2.300	50	CC			200+
MBS	BEAR II	1 NO	2.300	32	CC			200+
MBS	BOYO CREEK	NO YES	.800	20	CC			200+
MBS	CLEAR CREEK	1 NO	3.100	30	CC			200+
MBS	DECEPTION	1 NO	1.300	22	CC		.900	200+
MBS	DOE CREEK	1 NO	1.500	40	CC			200+
MBS	DONTBOR THIN	1 NO	1.400	101	CT			<80
MBS	DUBOR THIN	1 NO	4.900	327	CT			<80
MBS	FISH STORY	1 NO	1.300	47	CC			200+
MBS	HICK MTN BUTCUT #3	1 NO	4.800	89	CC			200+
MBS	LITTLE VIOLA	1 NO	3.000	60	CC		0.000	200+
MBS	LORETTA	1 NO	.400	35	CT			80-200
MBS	LOUISE	1 YES	.600	12	CC		.100	200+
MBS	MEDIAN BUTBACK	1 NO	5.700	137	CC		0.000	200+
MBS	NORTH KEYBROOK	1 NO	4.500	155	CC		4.000	<80
MBS	NORTHWEST HALLER	1 NO	.400	25	CC			200+
MBS	OLD GRADE	1 YES	2.400	64	CC		.200	80-200
MBS	SAWYER	1 NO	1.200	39	CC			200+
MBS	SCRAPS	1 NO	3.900	82	CC			200+
MBS	SNOQUERA	1 NO	.700	11	CC			200+
MBS	STALWART	1 NO	2.500	22	CC		.300	200+
MBS	SUIATTLE TWO BUTBACK	1 NO	1.800	24	CC			200+
MBS	SUNTOP WEST	1 NO	1.100	19	CC			200+
EST MBS TOTALS: # OF SALES: 23			51.900	1443			5.500	
MTH	CLACKADEE SSF	1 NO	.030	7	SV	Y		<80
MTH	CRANE	2 NO	.244	15	TH			80-200
MTH	CROWFOOT	1 YES	1.141	29	CC			200+
MTH	DAKTO	1 NO	3.813	84	CC			200+

CATEGORY 1: SALE INSIDE KEY WATERSHEDS OR ROADLESS

Forest	Sale Name	KEY		GROSS	HARV	HARV	RD	AGE	
		H20?	RDLS?	VOL					MMBF
MTH	DK SALVAGE	1	NO	.029	7	SV	Y	0.000	80-200
MTH	FIRE SSF	1	NO	1.403	39	SV	Y	0.000	200+
MTH	FOUND	2	NO	1.905	141	OR			200+
MTH	GATE	2	NO	.268	69	TH			80-200
MTH	GINGHAM SSTS	1	NO	.006	1	SV	Y		200+
MTH	HUCKLEBERRY	1	NO	.992	18	CC			200+
MTH	LOWER LOST/REOFFER	2	NO	.099	33	TH			<80
MTH	PEBBLE	1	NO	1.720	382	TH			80-200
MTH	RELIC OV	2	NO	2.269	149	OR		.900	200+
MTH	SCHREINER	1	YES	4.214	99	CC			200+
MTH	SWAMP SSTS	2	NO	.272	105	SV	Y		80-200
MTH	TIGER/TABBY	1	NO	7.270	222	CC			80-200
EST MTH TOTALS: # OF SALES:				16	25.675	1400		.900	
OKA	BLACKPINE	1	NO	2.215	351	OR		0.000	80-200
OKA	PANTHER	1	NO	4.589	447	SH		0.000	80-200
OKA	THOMPSON	1	NO	.666	181	SH		0.000	80-200
EST OKA TOTALS: # OF SALES:				3	7.470	999		0.000	
OLY	A GRIND SALV	2	NO	.160	350	XCT	Y		<80
OLY	AHL OVER	1	NO	7.800	661	CT		3.410	<80
OLY	CURMY	2	NO	.715	177	CT			<80
OLY	DENNIE	1	NO	3.418	373	CT		2.810	<80
OLY	NOT BAD	2	NO	1.653	22	CC			200+
OLY	NOT TODAY RAY THIN	2	NO	.510	22	CT			<80
OLY	SQUEEGEE	1	NO	2.911	51	CC			200+
OLY	WYMOOCHE RESALE	1	NO	4.612	57	SH			200+
OLY	YOU WHO	2	NO	1.775	13	CC			200+
EST OLY TOTALS: # OF SALES:				9	23.554	1726		6.220	

CATEGORY 1: SALE INSIDE KEY WATERSHEDS OR ROADLESS

Forest	Sale Name	KEY H2O? RDLs?	GROSS VOL MMBF	HARV ACRES	HARV TYPE	SALV?	RD MILES	AGE GROUP
ROR	BULLY	1 NO	.830	54	CC			80-200
ROR	IRON SPRING	1 NO	3.419	205	CC			200+
ROR	NINE	1 NO	1.230	97	SH			80-200
ROR	SPRING BOARD	1 NO	2.260	81	CC			200+

EST ROR TOTALS: # OF SALES: 4 7.739 437 0.000

SIS	ALNUS	1 NO	.150	10	SA	Y		<80
SIS	BRIGGS RIDGE	NO YES	2.000	43	SH			80-200
SIS	CAT TRACK	1 NO	9.200	173	CC			200+
SIS	DANCING DOG SAL	1 NO	.090	12	SA	Y		200+
SIS	FALLEN HALL	1 NO	1.610	61	CC			200+
SIS	FAT HICKEY	1 NO	.480	18	CC			200+
SIS	FATHER OAK	1 NO	4.790	205	CC			200+
SIS	FRENCH BOLAN TBV	1 NO	1.700	110	CT			80-200
SIS	HOMESTEAD	1 NO	5.400	59	CC			200+
SIS	PUTTING	1 NO	.650	10	SA	Y		200+
SIS	RASPBERRY	1 NO	12.800	277	CC			200+
SIS	SLICK JOHN	1 NO	2.540	46	CC		2.000	200+
SIS	SOLDIER	NO YES	.690	39	PR			200+
SIS	SOUTH SWAMP	1 NO	1.320	21	CC			200+
SIS	STARLIGHT	1 NO	1.220	15	CC			200+
SIS	TOASTBERRY	1 NO	3.770	92	CC			200+
SIS	TOP ROCK	1 NO	1.470	43	CC			200+
SIS	WEST COON BASIN	NO YES	2.780	209	CC			200+
SIS	WEST KNOB	1 YES	2.180	68	CC			200+
SIS	WINRIVER	1 YES	2.570	160	CC			200+

EST SIS TOTALS: # OF SALES: 20 57.410 1671 2.000

SIU	BEAVER 712	1 NO	8.626	96	CC			80-200
SIU	CRAZY 25	1 NO	.013	5	CC			80-200
SIU	CRAZY POWDER	1 YES	1.736	28	CC			80-200

02-04-94 07:25PM

FROM USDA/NRE 2027277173

TO 94562710

P009

CATEGORY 1: SALE INSIDE KEY WATERSHEDS OR ROADLESS

Forest	Sale Name	KEY		GROSS	HARV	HARV	RD	AGE
		H20?	RDLS?	VOL				
				MMBF	ACRES	TYPE	SALV?	GROUP
SIU	FORMADER 103	1	NO	8.458	122	CC		80-200
SIU	FORMADER 717	1	NO	2.424	34	CC		80-200
SIU	FRANKLIN RIDGE	1	YES	6.640	128	CC		80-200
SIU	HADSALL 79 B9	1	NO	2.829	39	CC		80-200
SIU	INDIAN HOOK	1	NO	13.230	191	CC		80-200
SIU	KELLER GRASS 719	1	NO	5.511	47	CC		80-200
SIU	LOWER SWEET	1	NO	1.762	44	CC		80-200
SIU	MARIA SKYLINE	1	NO	12.894	189	CC	.250	80-200
SIU	NORTH BALL	1	NO	1.037	21	CC		80-200
SIU	RANDALL SALADO	1	NO	6.641	302	CC		80-200
SIU	SOUTH PAXTON	1	NO	9.067	151	CC	.200	80-200
SIU	SULPHUR	1	NO	5.854	117	CC		80-200
SIU	THIN MAN	1	NO	.315	33	CT		<80
SIU	UPPERTEN 002	1	NO	16.354	204	CC		80-200
SIU	WHEELLOCK 403	1	YES	5.731	113	CC		80-200
EST SIU TOTALS: # OF SALES: 18				107.122	1864		1.260	
UMP	ABES WREN	1	NO	6.000	116	CC	0.000	200+
UMP	BEAVER THIN	1	NO	1.541	299	CT	1.700	<80
UMP	BOZE	1	NO	7.794	240	SH	0.000	200+
UMP	RUST SALVAGE	1	NO	.043	1	UN	Y	80-200
UMP	CITRUS	1	NO	10.400	250	CC	0.000	200+
UMP	COPELAND CONNECT	1	YES	10.500	114	CC	0.000	200+
UMP	COPEMAGEN	1	NO	1.187	26	SH	0.000	200+
UMP	COPEL	1	YES	.985	26	CC	0.000	200+
UMP	FOOLSGOLD	1	NO	4.329	123	CC	0.000	200+
UMP	FOUR	1	NO	7.342	255	CC	0.000	200+
UMP	GAGE	1	NO	10.364	345	CC	0.000	200+
UMP	HEAVEN	1	NO	5.630	158	SH	0.000	200+
UMP	HEIDI	1	YES	2.755	53	CC		200+
UMP	MONEYTREE	1	NO	9.053	164	CC		200+
UMP	HOUSE SALVAGE	1	NO	.610	24	UN	Y	200+

CATEGORY 1: SALE INSIDE KEY WATERSHEDS OR ROADLESS

Forest	Sale Name	KEY H20?	RDLS?	GROSS VOL MMBF	HARV ACRES	HARV TYPE	SALV?	RD MILES	AGE GROUP
UMP	I-5	1	NO	3.806	102	CC			200+
UMP	J.D.	1	NO	.380	29	SH			200+
UMP	JACK	1	NO	8.634	181	CC			200+
UMP	JADE CAMP	1	NO	3.591	77	CC			200+
UMP	NORTHSIDE TB	1	NO	5.872	126	CC			200+
UMP	NUFF	1	NO	1.728	37	CC			200+
UMP	PACKER	NO	YES	5.964	177	CC			200+
UMP	PUDDIN ROCK	NO	YES	2.554	53	CC			200+
UMP	REDLICK	1	NO	4.698	258	CT			80-200
UMP	SIUYA	1	NO	3.774	98	CC			200+
UMP	SKIP	1	NO	2.865	65	CC			200+
UMP	SPIKE	1	NO	2.461	64	CC			200+
UMP	WINDBOAT	NO	YES	3.012	156	CT			80-200
UMP	ZANITA	1	NO	2.962	176	CC			80-200

EST UMP TOTALS: # OF SALES: 29 130.834 3793 2.100

WEN	CARION	NO	YES	4.100	101	SH		0.000	200+
WEN	FC SALVAGE	1	NO	.243	24	XBS	Y	0.000	200+
WEN	HIGH CLOVER	1	YES	3.100	44	CC		0.000	200+
WEN	HIGH PILE	1	YES	2.850	80	SH		0.000	80-200
WEN	HIGH SPUD	1	YES	1.420	285	CC		0.000	200+
WEN	MOONBEAM	NO	YES	4.600	247	ST		0.000	200+
WEN	POLE BUCK	NO	YES	.080	8	CT			80-200
WEN	RAINBOW	1	YES	8.992	347	SH		.200	80-200
WEN	ROCK	1	NO	.440	40	SH		0.000	80-200
WEN	SKYDOC II	1	NO	.660	92	CT			80-200
WEN	SMOKEY	NO	YES	6.740	240	SH		1.600	200+
WEN	T-28 SALVAGE SBA	1	YES	.495	15	CC	Y	0.000	<80
WEN	TIMOTHY	1	YES	3.200	74	SH		0.000	80-200

REST WEN TOTALS: # OF SALES: 13 36.920 1597 1.800

02-04-94 07:25PM

FROM USDA/NRE 2027271173

TO 94562710

P011

CATEGORY 1: SALE INSIDE KEY WATERSHEDS OR ROADLESS

Forest	Sale Name	KEY H20?	RDL5?	GROSS VOL MMBF	HARV ACRES	HARV TYPE	SALV?	RD MILES	AGE GROUP
WIL	19 SKOOKUM	1	NO	.120	12	SV	Y		80-200
WIL	ANCHOVY	NO	YES	2.740	91	CC			200+
WIL	BISON	2	NO	3.688	20	CC			200+
WIL	BOULDERDASH	1	NO	2.012	23	CC			200+
WIL	BRURO 90	2	NO	3.875	24	CC			200+
WIL	BUFFALO WIND	2	NO	.781	27	SH			200+
WIL	CELTIC SALV	1	YES	.740	152	SH	Y	.200	200+
WIL	CHEAT	2	YES	5.763	88	CC			200+
WIL	COBBLE	1	NO	4.194	66	CC			200+
WIL	DEAD FLAT	2	NO	8.216	324	CC			<80
WIL	DOMACA FREEZEOUT	NO	YES	4.260	56	CC			200+
WIL	ELK HINK	1	NO	.438		CC			80-200
WIL	FRENCH REMOVAL	1	NO	4.240		CC			80-200
WIL	GREEN THING	1	NO	2.519	36	CC			200+
WIL	HAZEL NUT	1	NO	3.210	78	CC			200+
WIL	HJ LOWELL	1	NO	.490	60	CC			80-200
WIL	HJ RIM	1	YES	5.298	109	CC			80-200
WIL	JAMNER	1	NO	.610	16	CC		.200	200+
WIL	LOKI	1	NO	.194		CC			200+
WIL	LONG HORSE	2	NO	6.806	96	CC			200+
WIL	LOWELL MOUNTAIN	1	NO	11.073	173	CC			80-200
WIL	LYNX 90	2	NO	.992	107	CC			80-200
WIL	MACDUFF	1	YES	3.468	60	SH			80-200
WIL	MARION 90	2	YES	3.195	157	CC			80-200
WIL	MCCOY RESALE	2	NO	2.837	55	SH			80-200
WIL	NORTH HORSE	1	NO	2.465		CC			200+
WIL	ODIN	1	NO	.155	3	CC			200+
WIL	PARKS CAMP REMOVAL	2	NO	3.969	61	CC			200+
WIL	PAYDAY	2	NO	4.939	120	CC			200+
WIL	PIKE 2	1	NO	2.102	9	CC			200+
WIL	PINE BUG	2	YES	.300	80	UN			80-200
WIL	POWDER REGEN I	NO	YES	2.254	83	CC			80-200
WIL	ROCK SALVAGE	1	NO	.980	36	CC	Y		200+

02-04-94 07:25PM

FROM USDA/NRE 202727173

10 94562710

P012

CATEGORY 1: SALE INSIDE KEY WATERSHEDS OR ROADLESS

Forest	Sale Name	KEY	ADLS?	GROSS VOL MMBF	HARV ACRES	HARV TYPE	SALV?	RD MILES	AGE GROUP
WIL	SANTIAM 90	2	NO	4.865	359	SH			80-200
WIL	SCAR BLDN SALVAGE I	NO	YES	3.298	40	UN	Y		200+
WIL	SINGLE BLDN II	2	NO	.105	5	CT	Y		200+
WIL	SINGLE BLDN SALV. I	NO	YES	1.060	31	UN	Y		80-200
WIL	SINGLE CAMP	2	YES	6.767	96	CC			80-200
WIL	SIXBERRY	2	NO	3.133	68	CC			200+
WIL	SKIP	1	YES	2.118	43	CC			200+
WIL	SOUR JOE	2	NO	5.135	58	CC			200+
WIL	SQUEEZE	1	NO	2.263	45	CC			200+
WIL	SUNTU	NO	YES	.279	39	CC			200+
WIL	TROJ 2	1	NO	.190	3	CC			200+
WIL	TINY CREEK	2	NO	5.781	69	CC			200+
WIL	TUNNEL 90	2	NO	1.626	116	CC			200+
WIL	TWISTY	1	NO	2.147	97	CC			200+
WIL	VASC	1	NO	6.030	117	CC			80-200
WIL	WHITE DELL	1	NO	5.349	98	CC			80-200
WIL	WIZARD	2	YES	3.182	59	CC			200+
EST WIL	TOTALS: # OF SALES:	50		152.251	3565			.400	
WIN	ROCK	2	NO	3.469	213	CT		2.900	200+
WIN	ROCKY PT2	2	NO	2.830	460	CT			80-200
WIN	SCOUT	2	YES	2.505	179	CT		4.200	200+
EST WIN	TOTALS: # OF SALES:	3		8.804	852			7.100	
WIL	TOTALS: # OF SALES:	217		729.387	24505			31.680	

1/28/93

CATEGORY 1: SALE OUTSIDE KEY WATERSHEDS AND ROADLESS

2-07X

Forest	Sale Name	KEY		GROSS	HARV	HARV	SALV?	RD	AGE
		H20?	RDLS?	VOL MMBF	ACRES	TYPE		MILES	GROUP
KLA	B/T HELI FIRE SALV	NO	NO	1.600	74	CC	Y	0.000	80-200
KLA	BEAN'S CAMP SALV	NO	NO	.115	10	UN	Y	0.000	200+
KLA	CHINA YG	NO	NO	1.200	451	CT		0.000	80-200
KLA	CRACKLE	NO	NO	5.200	326	CC		0.000	200+
KLA	DUMP II	NO	NO	.073	140	XUN		0.000	80-200
KLA	FIRST CULL	NO	NO	.150	10	XUN		0.000	200+
KLA	HELLS	NO	NO	3.420	163	CC		0.000	200+
KLA	HERO	NO	NO	1.320	174	UN		0.000	200+
KLA	MCADAMS HELI INS	NO	NO	.244	107	XSAL	Y	0.000	80-200
KLA	RUSBY 15%	NO	NO	2.000	312	UN		2.240	80-200
KLA	SLID	NO	NO	.200	36	SAN		0.000	80-200
KLA	TIGER 7%	NO	NO	1.900	45	SH		0.000	200+
KLA	TYPHOON CMIP	NO	NO	.500	830	CT		0.000	80-200
KLA	WOOVER	NO	NO	.858	159	CC		1.000	80-200
EST KLA TOTALS: # OF SALES: 14				18.780	2837			3.240	
MEN	3SCL 4	NO	NO	.464	0	SV	Y		200+
MEN	HIGH GLADE	NO	NO	.259	16	CC			200+
MEN	KERN PT	NO	NO	.890	124	CT			200+
EST MEN TOTALS: # OF SALES: 3				1.613	140			0.000	
SHT	ALDER HELI	NO	NO	4.900	1200	SV	Y		80-200
SHT	BLUE DIVIDE	NO	NO	.200	150	SV	Y		80-200
SHT	DUBADITCH	NO	NO	2.000	140	CC			80-200
SHT	HAMBONE II	NO	NO	8.700	800	CT			80-200
SHT	MULE I	NO	NO	1.500	160	CC			80-200
SHT	SANDY	NO	NO	.700	300	CT			<80
SHT	STILL	NO	NO	5.000	450	CT			80-200
SHT	STONEY	NO	NO	.100	15	SV	Y		80-200
SHT	STUD	NO	NO	2.500	150	CT			80-200



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

February 3, 1994

BRIEFING MEMORANDUM FOR RON BLACKLEY, CHIEF OF STAFF

FROM: Adela Backiel, Deputy Assistant Secretary
Natural Resources and the Environment

SUBJECT: Alaska Long Term Contracts

Background

In the 1950's the United States, to develop the timber resource and provide jobs in Alaska, entered into two 50-year timber sale contracts, one in the northern part of Southeast Alaska with Alaska Pulp Company ("APC") and one in the southern part of Southeast Alaska with Ketchikan Pulp Company ("KPC"). The government committed to supply timber in return for the capital investment and operation of a pulp mill. Because of the relatively low quality of timber in Alaska, a pulp mill is essential to the utilization of material even though there is also sawtimber quality timber involved. The current contract expiration date for APC is 2011 and for KPC is 2004. To date the government has met the volume commitments under these contracts.

In 1990, Congress passed the Tongass Timber Reform Act ("TTRA") which directly addressed these contracts. Debate at that time included the issue of whether Congress should cancel these contracts because of the impacts on the environment due to the harvesting levels provided in the contract. Rather than risking a legislative taking involving hundreds of millions of dollars by cancelling the contracts, Congress chose to direct modifications to these contracts requiring a more environmentally sensitive harvesting of timber.

The General Accounting Office is auditing the Forest Service implementation of TTRA for Congressman Miller and to my knowledge has not discovered any major problems.

Both APC and KPC have challenged the implementation of the TTRA. KPC has filed a contract claim for \$203 million and APC is pursuing the matter in the Alaska district court. In addition, there are several outstanding lawsuits and administrative appeals against the United States by environmental groups involving areas planned for harvesting under these contracts.

OPTIONAL FORM 90 (7-90)

FAX TRANSMITTAL

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To: Will Steele	From: Adela Backiel
Dept./Agency	Phone #
Fax # 456-2710	Fax #

BRIEFING MEMORANDUM FOR RON BLACKLEY, CHIEF OF STAFF**2****Current Contract Issues**

On June 30, 1993, APC announced an indefinite shutdown of their pulp mill in Sitka, Alaska, effective September 30, 1993. Approximately 400 employees were terminated. APC's sawmill in Wrangell, Alaska continues to operate and it is our understanding that APC's pulp logs are being bought by KPC.

On September 24, 1993, the Contracting Officer for both of the long-term contracts (Regional Forester Mike Barton) issued a letter requesting to know APC's plans and notifying APC that its indefinite suspension of operations would be viewed as a breach of contract. While the contract does not contain express terms stating that [requiring] operation of the pulp mill is required, it is the view of the Office of the General Counsel, USDA, and of the Civil Division, Department of Justice that the history and contractual language will support the position that operation of a pulp mill is required.

To date, APC has not provided any detailed, specific proposal to resume operation of a pulp mill. On October 21 and 22, 1993, APC responded to the Contracting Officer that it believed the contract only required construction and not operation of a pulp mill, that APC could not commit to continued operation of the existing or a replacement pulping facility without contract changes, concessions by the government and increased timber volume assurances.

At the request of Senator Stevens, Assistant Secretary Lyons met with APC on January 3 and heard only general information on their plans such as tentative consideration of a possible medium density fibreboard ("MDF") plant as a substitute for the existing dissolving pulp facility. The world dissolving pulp market is very low. We have also received two letters indicating APC was continuing to look into a MDF facility.

On January 13, 1994, the Contracting Officer sent a letter to APC indicating that no information has been submitted indicating that the breach will be remedied in a timely manner, stating that the government bargained for year round operation of a pulp facility that would provide employment, economic development and wood utilization and provides 30 days to cure the breach or "show cause" why the contract should not be terminated.

The Contracting Officer received a response from APC on February 1, 1994 and is in the process of reviewing that submission. APC requests an additional six months while it explores the feasibility of a medium density fibreboard plant.

BRIEFING MEMORANDUM FOR RON BLACKLEY, CHIEF OF STAFF**3**

Since this is a contract under the Contract Disputes Act, the Contracting Officer must administer the contract and issue appropriate decisions in consultation with appropriate superiors. The Contract Disputes Act establishes specific procedural requirements for dealing with any disputes under the contract. Thus, I am following this procedural framework and have forwarded information I have received to Contracting Officer Barton and have advised APC and Senators Stevens and Murkowski that the proper forum for submitting information concerning the company's plans following their mill closure is before the Contracting Officer.

Employment considerations have historically been and continue to be a major consideration. We are exploring possible alternatives to address these concerns. If the contract is terminated, the sawmill at Wrangell may also close involving approximately 230 workers at the sawmill. The environmental concerns are with the existing high volume contract requirements and not with exclusion of all timber industry jobs.

Since essentially all of the environmental laws and current issues developed since these contracts were signed, we are in a very difficult balancing act.

Public Interest

Senators Stevens and Murkowski and Congressman Young of Alaska obviously have a keen personal interest in these issues. Governor Hickel has similar interest. Likewise, Congressman Miller and the environmental communities are monitoring and have great interest. The Alaska long term contracts are the subject of a national following.

Summary

We are working through the contract process in dealing with APC's decision to close its pulp mill in Sitka, Alaska and will need to evaluate all information before the Contracting Officer responds in the near future to APC's latest submission.

cc: Kim Schnoor