

MAC/CERT Presidential letters and announcements

PHOTOCOPY
PRESERVATION

FOREST PLAN ECONOMIC ADJUSTMENT INITIATIVE - DC GROUP

			DC Phone	Fax
MAC	Dayton Watkin	Small Business Admin	205-6555	205-7522
Wk Gp	William F. Berry		205-6470	205-7324
MAC	B.J. Thornberry	Bureau of Land Management	208-6734	208-3144
Wk Gp	Ed Shepard		452-7755	452-7702
MAC	Felicity Gillette	Commerce/Econ Dev Admin	482-2659	482-0995
MAC	David Gardiner	Environ Protection Agency	260-4332	260-0275
WkGp	Tom Peterson		260-2277	260-2300
MAC	Jim Van Erden	Labor/Employment & Training	219-6540	219-5428
WkGp	Doug Holl		219-5577	219-5938
MAC	Roy Priest	Housing & Urban Development	708-2290	708-7543
MAC	Bob Nash, Chair	USDA/Small Community &	720-4581	720-2080
WkGp	Wayne Fawbush	Rural Development	720-9340	720-2080
MAC	Peter Yu	White House/Off Econ Policy	456-2802	456-2223
MAC	Will [unclear]	/Off Envir Policy	456-6224	456-2710
MAC	Mike Schmidt	/Domestic Pol Coun	456-7777	456-7028
	Mark Gaede	USDA	720-8570	720-4732
MAC	Bruce Beard	OMB	395-4806	395-6899

=====

USDA Staff- Working Group

Susan Odell	Forest Service	(205-1385)	720-9340	720-2080
Jennifer Pratt	Rural Dev Admin		"	"
Tom Rowley	Econ Research Ser	(219-0520)	"	"
Tom Unruh	Nat Initiative Off	(690-4749)	"	"
Fred Roane	Rural Elec Admin	(720-9551)	"	"

Kevin Smith	OR Gov's Office	503-373-1205		581-5115
Bill Scott	OR Gov's Office			581-5115
Tom Bristow	WA Gov's Office	206-586-4046		586-8380
Ms Terry Gorton	CA Gov's Office	916-653-5656		653-8102
Mark Stanley	CA Gov's Office	916-647-5228		653-8102
Todd Lanfried	USDA/ES		720-2602	690-4869
* Tom Tuchmann	WH/Off on Forestry	503-326-7600	208-4612	208-3144
Art DeCoursey	SBA		205-6706	205-6802
Randy Williams	USDA		720-2602	690-4869
Harold Belisle	BLM		453-7790	453-7709
Ruth Saunders	OMB		395-3446	395-4941
Gene Van Arsdale	SBA		205-6460	205-7522
Wilbur Peer	USDA/RDA		690-4730	690-4737
James Alsop	USDA/RDA		690-0353	690-4737
Rob Wolcott	EPA			

* White House rep assigned to Portland, OR

TO THE MEMBERS OF THE REGIONAL COMMUNITY ECONOMIC
REVITALIZATION TEAM:

Congratulations on You should be proud of all of the hard work that you have done over the past months on our Forest Management Plan's Economic Adjustment Initiative. The lives of many workers, families, and communities in the Pacific Northwest and Northern California are changing as the nation's economic and environmental conditions shift. These changes are challenging the area's way of life, and it is critical that we work together to make sure that adjustments to these challenges still lead to sustainable communities. By crossing federal agencies and working through all levels of government, we will make a real difference in the economic health of this region.

As we pool our resources and energies, it is important that we keep our unified goal in mind -- to help the people in the Pacific Northwest and Northern California adjust in the face of change. In order to be most effective, I urge you to be creative and flexible. I have asked Multi-Agency Command (MAC) members to make sure that you are truly empowered to make decisions and to work with you as you try new and innovative ways to respond to our customers in the region. Take this opportunity to work closely together as colleagues on the Regional Community Economic Revitalization Team. The Economic Adjustment Initiative will only work well if we work together.

Once again, thank you for your help in this important effort.

President Bill Clinton

John Yu
(202) 364-4135

MAC Meeting
Thursday, February 3, 1994
1-3 p.m.

U.S. Department of Agriculture
Room 221 A (Administration Building)

DRAFT AGENDA

Introduction of New MAC Members

- Environmental Protection Agency - Bob Wayland , Director, Office of Wetlands, Oceans, and Watersheds

Successes

- Oakridge
- Improvements to the System:
 - EDA
 - RDA
 - Labor
 - RCERT response to EA effort

Update from Tom Tuchmann

- Forest Management Effort - Status and Bridging the Two Sides
- Media Tour
- Congressional Briefings

RCERT and SCERTs Update

- The Process
- Becoming a Team

Process of Improving the System

- Process to be Used
- Discussion of Regional Pooling

Electronic Bulletin Board

- Training

Calendar

- **Next RCERT Meeting:** February 15 - 16, Tacoma, Washington
- **Vice Presidential Visit:** February 16, Tacoma, Washington - attending Congressman Norm Dicks' "Northwest Watershed Restoration Conference"
- **Electronic Bulletin Board Training:** Need to set a date
- **Next MAC Meeting:** Need to set a date
- **Congressional Briefings:** March and April

Letter from the President to
Forest Plan Economic Adjustment Initiative Team Members

Here's a stab Mike - Note that this is only appropriate for federal members, but it can be adapted. I assume that all members will be getting a letter? This was edited by committee (and you know how that works!) So, feel free to cut and edit again yourself. Thanks and sorry this is a bit late. -- Jen

Dear (CERT/MAC Member):

I want to thank you for your participation in our Forest Management Plan's Economic Adjustment Initiative. The lives of many workers; families; and communities in the Pacific Northwest and Northern California are changing as the nation's economic and environmental conditions shift. These changes are challenging the area's way of life, and it is critical that we work together to make sure that adjustments to these challenges still lead to sustainable communities. By crossing federal agencies and working through all levels of government, we will make a real difference in the economic health of this region.

As we pool our resources and energies, it is important that we keep our unified goal in mind -- to help the people of the Pacific Northwest and Northern California adjust in the face of change. In order to be most effective, I urge you to be creative and flexible. Your representative on the Multi-Agency Command (MAC) understands how critical this Initiative is and how important it is that he/she work with you as you try new and innovative ways to respond to our customers in the region. I have asked your MAC member to make sure that you are truly empowered to make decisions and to get the job done. Take this opportunity to work as closely with your national representative as you will with your colleagues on the Community Economic Revitalization Team. This Economic Adjustment Initiative will only work well if we work together.

Once again, thank you for your help in this important effort.

680-0758

720-

President Bill Clinton

OPTIONAL FORM 39 (7-90)

FAX TRANSMITTAL

of pages ► 1

To <i>Mike Schmitt</i>	From <i>Jennifer Pratt</i>
Dept./Agency	Phone # <i>7209369</i>
Fax # <i>45670258</i>	Fax #

NSN 7540-01-317-7-001

5093-101

GENERAL SERVICES ADMINISTRATION

Community Economic Revitalization Teams (CERTS):

CERT	STATE	NAME	TITLE	OFFICE	ZIP	PHONE	FAX
-----> INTERIOR/BUREAU OF LAND MANAGEMENT							
* Regional	Dean	Bibles	State Director	Portland, OR	97208-2965	503-280-7024	-7390
State	OR Van	Manning	District Manager	Salem, OR	97306	503-375-5643	-5622
State	CA Dave	Eowell	District Manager	Ukiah, CA	95482-5399	707-462-3872	-1261
State	WA						
-----> COMMERCE/ECONOMIC DEVELOPMENT ADMINISTRATION							
Regional	Anne	Berlinger	Econ Dev Rep	Oregon	Portland, OR	97204	503-326-3078 -6351
State	OR Anne	Berlinger	Econ Dev Rep	Oregon	Portland, OR	97204	503-326-3078 -6351
State	CA Deena	Sosson	Econ Dev Rep	N. Calif	Sacramento, CA	95814	916-551-1541 -2788
State	WA Johann	Smith	Econ Dev Rep	Washington	Seattle, WA	98174	206-553-4740 -1459
-----> LABOR							
Regional	Armando	Quiroz	Regional Admin	Seattle, WA	98101-3212	206-553-7700	-0098
State	OR Armando	Quiroz	Regional Admin	Seattle, WA	98101-3212	206-553-7700	-0098
State	CA Donald	Balcer	Regional Admin	San Francisco, CA	94105	415-744-6650	-6225
State	WA Armando	Quiroz	Regional Admin	Seattle, WA	98101-3212	206-553-7700	-0098
-----> SMALL BUSINESS ADMINISTRATION							
Regional	John L.	Gilman	District Dir	Portland Dist Off	Portland, OR	97201-6605	503-326-2682 -2808
State	OR Gerald J.	Gruber			Portland, OR	97201-6605	503-326-5217 -2808
State	CA Robert C.	Rand			Portland, OR	97201-6605	503-326-7245 -2808
State	WA Joseph B.	Holder			Seattle, WA	98121	206-553-8544 -4155
-----> HOUSING AND URBAN DEVELOPMENT							
Regional	Jack	Peters	Director	Off - Comm Plan	Seattle, WA	98101-2058	206-553-0374
State	OR Jack	Peters	Director	Off - Comm Plan	Seattle, WA	98101-2058	206-553-0374
State	CA Jack	Peters	Director	Off - Comm Plan	Seattle, WA	98101-2058	206-553-0374
State	WA Jack	Peters	Director	Off - Comm Plan	Seattle, WA	98101-2058	206-553-0374
-----> ENVIRONMENTAL PROTECTION ADMINISTRATION							
Regional	Ken	Brooks	Director	OR Operations Off	Portland, OR	503-326-3250	-3399
State	OR Charles E.	Findley	Water Div Dir	Region 10		206-553-1793	-0165
State	CA						
State	WA						

OPTIONAL FORM 10-7-90

FAX TRANSMITTAL		# of pages ► 2
To	Mike Schmidt	
From	Jennifer Pratt	
Dest./Agency	Sorry for delay - only just got	
Fax #	Co-chairs worked out.	
RSN 7540-01-317-758	569-101	GENERAL SERVICES ADMINISTRATION

Community Economic Revitalization Teams (CERTS):

CERT	STATE	NAME	TITLE	OFFICE	ZIP	PHONE	FAX
-----> AGRICULTURE EXTENSION SERVICE							
State	OR	O.E. (Ernie) Smith	Dir, Coop Ext	Oregon State U.	Corvallis, OR	97331	503-737-2713 -4423
State	CA	Terrell Salmon	Regional Dir	DAMR North Reg	Davis, CA	95616	916-757-8623 -8817
State	WA	Robert McDaniels	State Comm Res & Econ Dev Ldr		Pullman, WA	99164-6230	509-335-2937 -2959
-----> FOREST SERVICE							
Regional		Joyce Muraoka	Dep Reg Forest	Region 5	San Francisco, CA		415-705-2870 -1109
Reg. Altern		Jerry Monesmith	Dir Fire/Av Mg	Region 6	Portland, OR		503-326-2931 -3669
State	OR	Darrel Kenops	Forrest Sup	Region 6	Eugene, OR		503-465-6521 -6322
State	CA	Jean Hall	Dir State/Priv	Region 5	San Francisco, CA		415-705-2750 -1166
State	WA	Sonny O'Neal	Forrest Sup	Region 6	Wenatchee, WA	98807	509-662-4335 -4368
-----> RURAL DEVELOPMENT ADMINISTRATION							
* Regional		Scott Duff	State Dir		Portland, OR	97204	503-326-2735 -5898
State	OR	Bud Fisher	State Rur Dev Coor		Portland, OR	97204	503-326-5898 -2735
State	CA	Larry Smith	Programs Chief		Woodland, CA	95695-2915	916-668-2000 -2055
State	WA	Mary McBride	State Rur Dev Coor		Wenatchee, WA	98807	509-662-3223 -4353

* RCERT Co-Chairs

**UNITED STATES OFFICE OF
FORESTRY AND ECONOMIC DEVELOPMENT
P.O. BOX 3623
PORTLAND, OREGON 97208
503-326-6248
FAX 503-326-6254**

January 14, 1994

Mike Schmidt, Senior Policy Analyst
Office of Domestic Policy
White House
Old Executive Office Building
Room 220
Washington, D.C. 20500

MIKE
Dear Mr. Schmidt:

As you know, I have recently been asked to help oversee implementation of the President's Forest Plan as Director of the newly formed United States Office of Forestry and Economic Development. As the new year and my new responsibilities begin, I just wanted to drop you a short note to let you know how much I look forward to working with you, and also a little bit about how the office will work.

With your hard work and dedication, the Multi-Agency Command (MAC) has provided the region with timely and strong guidance with which they are moving rapidly forward. While there will no doubt be many bumps along the road, the MAC provides an excellent opportunity to work out differences and make timely decisions.

The office will be located in Portland, Oregon. The staff will be small with myself and three professionals to assist on the economic, forest management, and regulatory/technical components of the plan.

The office in no way overrides the line authority of federal agency officials or the government-to-government responsibilities we have with each other. The office is intended to oversee and coordinate all components of the President's Forest Plan and make sure that any problems that may arise are swiftly resolved. In other words, we will focus on making sure questions, ideas, and needs get a fair hearing throughout the region and in Washington, D.C.

I also wanted to take this opportunity to update you on the status of the Small Business and Secondary Manufacturing in the Forest Products Industry Study Group. The Study Group was formed to follow through on the President's Forest Plan commitments. The Study Group is primarily focused on timber supply issues, but, is also looking at financing, technical assistance, and research opportunities.

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January 14, 1994

Mike Schmidt, Senior Policy Analyst
Office of Domestic Policy
White House
Old Executive Office Building
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Washington, D.C. 20500

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The group will be contacting key parties in January to review their initial ideas and will hold one workshop in each of the three states during the first week of February. We hope to have a final report to you, your colleagues on the MAC and the RCERT in early March for your review. Following your review, and any recommendations that result, the White House will make a decision on moving forward.

While the Study Group will be looking at some of the same opportunities for assistance as the CERTs, this effort should only complement their efforts. The Study Group will serve as a "think tank" for this specific issue. Attached is the study group charter, list of members, and summary of their initial options. Please call John Combes who is chairing this effort with any questions you may have. John can be reached at (202) 205-0862.

In closing, please know that my door and phone line are always open with any questions, comments, and concerns you may have. Please feel free to contact me.

Sincerely,



E. Thomas Tuchmann, Director
Office of Forestry and Economic Development

Attachments

HOPE ALL IS WELL. THANKS
FOR ALL YOUR HELP ~~NEXT~~ LAST
YEAR!

**THE FOREST PLAN
FOR A SUSTAINABLE ECONOMY
AND A SUSTAINABLE ENVIRONMENT**

ECONOMIC DEVELOPMENT

**Strengthening Small Businesses and Secondary Manufacturing
in the Wood Products Industry**

EXECUTIVE SUMMARY

Introduction:

Recognizing the importance of timber and forests to the economy and the need to maintain or increase jobs, President Clinton has made a commitment to strengthen small businesses and secondary manufacturing in the wood products industry in western Oregon and Washington, and northern California; particularly in the smaller communities that have historically been dependent upon the industry.

As a result of declining log supplies, primarily from Federal lands, jobs and the economic base that have provided a backbone for many of these communities has become a source of concern.

A study group has been established to develop options to promote federal actions that strengthen small businesses and secondary manufacturing in the wood products industry and create stable employment opportunities for local economies.

Options have been developed for the following output areas:

A. Methods for encouraging the growth of the secondary processing sector.

1. Implement a special set-aside sale program for businesses which requires selling 80 percent of the individual sale volume to primary manufacturers with secondary manufacturing, or to primary manufacturers who contract to sell their output to a secondary manufacturer.
2. Establish purchaser credit against stumpage payments for primary manufacturers that construct a secondary manufacturing operation, or increase the capacity of an existing secondary manufacturing operation.
3. Establish a 10 percent discount on stumpage for businesses which sell or transfer at least 80 percent of the primary manufactured product to a secondary manufacturer.
4. Set aside a portion of the timber sale receipts to assist businesses to develop secondary manufacturing operations.

B. Examine other preferential wood fiber distribution opportunities over and above current set-asides.

1. Eliminate surplus species designation under export regulations for Port-Orford cedar and Alaska yellow cedar.
2. Re-define the definition of a cant to a smaller size that secondary manufacturers are capable of processing. The suggested thickness is 4 inches and sawn on all four sides. The current definition of a cant which can be exported is a piece not exceeding 8 3/4 inches in thickness and sawn on all four sides.
3. Federal land managers would be given authority and funding for the Agencies to harvest and haul timber to sort yards located in local communities, using service contracts to small businesses.
4. Fund a Small Timber Sales and Special Forest Product program.
5. Allow Alaskan timber to be exported to the lower 48 states in log form.
6. Eliminate raw material import tariffs.

C. Opportunities for access to and use of working capital to strengthen the wood products industry, particularly for those involved in secondary manufacturing.

1. Block Grants to communities to assist start-up and maintenance of small wood products businesses.
2. Simplifying the process by which small business can approach Federal agencies to apply for available financial and technical assistance.
3. Establish community assistance positions at the field level (National Forest and BLM districts).
4. Provide loan guarantees in support of capital improvements.
5. Establish a Market Development Fund targeted to expanding the secondary wood products industry.

D. Opportunity for creating partnerships with public and private sectors to develop and enhance secondary manufacturing.

1. Make vacant mill sites available in local communities for the purpose of establishing primary and/or secondary manufacturing.
- 2a. Establish position(s), on a regional or a State-by-State basis, to provide marketing expertise to small business and communities.

2b. Establish position(s) to provide wood products engineering and other direct technical assistance to small businesses and communities.

3. Organize or realign existing secondary wood product industry associations to a single permanent interstate organization.

4. Coordinate efforts to provide a regional business and technical training center for secondary manufacturing.

5. Facilitate stewardship contract authority to encourage community enterprise.

E. Means to improve the efficiency and amount of fiber recovery through improved harvesting and manufacturing technologies.

1. Improve logging practices and technology to extend available supply and better utilize the resource.

2. During harvesting, provide incentives to improve the use of currently under-utilized wood fiber in excess of what is needed to meet resource objectives.

3. Provide continuing assistance to the economy of the region by strengthening technology transfer and research at the Forest Products Laboratory (FPL) and the Pacific Northwest Station (PNW) for maintaining and enhancing the efficiency of secondary manufacturing.

4. Provide immediate assistance to the region by establishing a Federal research and development program with emphasis on secondary manufactured products.

F. Reassessing the Federal timber set-aside program within the affected region.

1. Small business share based on volume: Make available a minimum volume of timber to small businesses based on historic purchases by market area.

2. Establish permanent small business set-aside sales based on historical purchase by market area.

3. Raise all small business shares to 80 percent.

4. Split difference between current small business share and a share of 100 percent.

5. Require large business to dispose of 30% of purchased federal timber volume to small business.

STUDY GROUP MEMBERS

The Study Group includes members from the Forest Service, USDA; Bureau of Land Management, USDI; and Small Business Administration.

John Combes, Staff Assistant for Forest Products, Chief's Office, Forest Service, Washington, D.C. - Chairman

Dennis Caird, Regional Logging Engineer and Small Business Timber Sale Set-Aside Program Coordinator, Pacific Southwest Region, San Francisco, California.

David Green, Project Leader, Engineering Properties of Wood, Forest Products Laboratory, Forest Service, USDA, Madison, Wisconsin.

John Nelson, Deputy Forest Supervisor, Willamette National Forest, Eugene, Oregon.

Bill von Segen, Cooperative Forestry Programs - involved with programs and partnerships related to forest products conservation, marketing, and recycling in the States of Oregon and Washington, Forest Service, USDA, Portland, Oregon.

Ed Shepard, Oregon and California Lands Program Leader, Division of Forestry, Bureau of Land Management, Washington, D.C.

Tom State, Chief, Timber Sales, Contracts and Appraisal Section, Oregon State Office, Bureau of Land Management, Portland, Oregon.

William Berry, Director of Office of Natural Resources Sales Assistance, Small Business Administration, Washington, D.C.

Bob Rand, Industrial Specialist, Timber Programs Western Oregon, Small Business Administration, Portland, Oregon.

Dan Crittenden, Silviculturist, Siskiyou National Forest, Grants Pass, Oregon.

Wanda Irving, Community Outreach, Public Affairs Office, Region 6, Portland, Oregon.

Harry Bonini, Writer-Editor, Congressional Inquiries, National Forest System, Washington Office, Washington, D.C.

THE FOREST PLAN FOR A SUSTAINABLE ECONOMY AND A SUSTAINABLE ENVIRONMENT

ECONOMIC DEVELOPMENT

Charter of the Small Businesses and Secondary Manufacturing Study Group

Problem Statement:

The forest products industry has been a major economic factor in western Oregon and Washington, and northern California; particularly in the smaller communities that have historically been dependent upon the industry. As a result of declining log supplies, primarily from Federal lands, jobs and the economic base that have provided a backbone for many of these communities has become a source of concern. In 1990, the forest products industry employed 144,900 people in this Region. The recent recession, technology improvements, and more recently declining log supplies are expected to reduce the employment level by over 25,000 jobs through the end of the decade.

Goal:

To have the study group develop options to promote Federal actions that strengthen small businesses and secondary manufacturing in the wood products industry with the goal of creating employment opportunities.

Each option will include a discussion of the barriers that need to be overcome in order for it to be implemented, and the consequences that would occur upon implementation.

Planning Process Outputs.

Options will be developed for the following output areas:

- A. Methods for encouraging the growth of the secondary processing sector.
- B. Examine other preferential wood fiber distribution opportunities over and above current set-asides.
- C. Opportunities for access to, and use of, working capital to strengthen the wood products industry, particularly for those involved in secondary manufacturing.
- D. Opportunities for creating partnerships with public and private sectors to develop and enhance secondary manufacturing.
- E. Means to improve the efficiency and amount of fiber recovery through improved harvesting and manufacturing technologies.
- F. Reassessing the Federal timber set-aside programs within the affected region.
