

The Forest Plan -- 7-1-93 - Press Version

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EVERYTHING YOU ALWAYS WANTED TO KNOW ABOUT "OPTION 9" (But Were Afraid to Ask)

BACKGROUND: WHAT IS "OPTION 9"?

On April 2 in Portland, Oregon, President Clinton convened the Forest Conference as the first step toward a balanced and comprehensive policy that would recognize the importance of the forests and timber to the economy and ecology of the Pacific Northwest. At the close of the conference, the President established three interagency working groups -- Ecosystem Management Assessment, Labor and Community Assistance, and Agency Coordination -- to study the situation and come up with a comprehensive forest management policy that would allow a sustainable timber harvest based on a scientifically-sound and legally responsible plan. Following this mandate, the Working Group on Ecosystem Management Assessment analyzed ten ecosystem management options that allowed a range of annual timber harvests from .2 to 1.7 billion board feet (bbf). Option 9, which offered the highest level of timber harvesting allowable under current environmental laws (1.2 bbf per year), was chosen by the President to offer as a solution to the crisis in the Northwest.

WHAT DOES OPTION 9 DO?

Option 9's most significant features include the following:

- An approach to ecosystem management that uses key **watersheds** as its basic building blocks. This approach not only protects the most valuable old-growth forests, but also takes steps to safeguard the region's drinking water, restore the region's ailing salmon industry, and protects a wide range of threatened species.
- A **sustainable timber harvest of 1.2 billion board feet annually** on the protected forests. This level may be "phased-in" gradually, allowing for slightly higher levels of harvest in the first few years declining to slightly lower levels in later years (as long as the average over a period of time is 1.2 bbf per year). In addition, the expected release of sales stopped by injunction, steps to move timber from Indian lands, and other measures are expected to increase this figure as the program is implemented.
- **Reserve areas** based on watersheds that include the most valuable old growth forests and designated conservation areas to protect specific species. Only very limited activities would be permitted in the reserves, including salvage and thinning where the primary objective of that salvage and thinning is to accelerate the development of old growth conditions.
- **Ten Adaptive Management Areas** of 78,000 – 380,000 acres each for intensive ecological experimentation and social innovation to develop and demonstrate new ways to integrate ecological and economic objectives and allow local involvement in defining the future.

CONSTRAINTS NARROWING THE RANGE OF OPTIONS

In developing an ecologically and economically sound Forest Management Plan, three important constraints severely narrowed the range of viable options:

- **Compliance With Environmental Laws:** Because of current court injunctions that have frozen timber sales over the past three years, no option exists that can comply with current environmental laws (primarily the Endangered Species Act and National Forest Management Act) and still produce a sustainable annual harvest of 2 billion board feet -- the minimum level of harvest that industry and labor groups demand.
- **A Limited Timber Base:** The disappointing harvest numbers are only in part a function of compliance with environmental laws. When the scientific team looked at the Forest Service timber base, it found that previously-generated forest plans overestimate by 20 to 30 percent the average sustainable annual timber sale level -- the base was much smaller than previously thought.
- **The Viability of Threatened Species:** The harvest numbers are further driven down by the impact of earlier overcutting on the viability of various species. Until now, attention has been focused primarily on the spotted owl and its habitat needs. But it is now apparent that the protection of marbled murrelets and several fish species that will likely be listed under the Endangered Species Act within the next year will have at least as much effect on timber harvests as the owl.

ECONOMIC DEVELOPMENT

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

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

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

Key elements of the President's plan include:

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

from \$438.2 million to \$519.8 million.

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

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

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

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

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