

**WASHINGTON STATE
FOREST CONFERENCE
FOLLOW-UP ACTIONS**

**PHOTOCOPY
PRESERVATION**

The Washington Post

AN INDEPENDENT NEWSPAPER

The President's Timber Plan

THE TIMBER management plan that the Clinton administration has proposed for the old growth forests in the Pacific Northwest is for once an effort to solve this problem rather than use it as a political stage. The law requires a difficult weave of interests so that the viability of a once-grand, still actively exploited and badly weakened ecosystem be preserved.

The Reagan and Bush administrations basically ducked the responsibility. Neither quite summoned the courage to propose outright that the protective environmental statutes be reversed. They practiced a form of implicit nullification instead, by letting it be known that they favored timbering and leaving the hard political and practical questions of how, if at all, to enforce the law to others—private organizations, Congress, the courts. The predictable result was an impasse. A federal judge rightly enjoined further timbering on federal land until someone either changed the law or came up with a legal plan. That's what the new administration now has done.

"We attempt to answer the questions and let people get on with their lives," the president said the other day. That's not a bad definition of good government.

options. The administration chose the one right on the margin—the one that would allow the most timbering and still permit the ecosystem to survive. That's well understood. The environmental groups would like a larger cushion, fewer risks and stronger guarantees. But they are not suggesting that this is a plan outside the envelopes of either the science or the law.

The industry says the plan is too restrictive, but it too may end up at the bargaining table rather than in opposition. The law isn't likely to be much changed in the present political climate, nor is it likely to go unenforced. If timbering continues as it did in the 1980s, there won't be any trees left in a few years anyway. Timbering jobs already were declining for reasons of technology and competition having nothing to do with environmental protection, and the administration is offering aid in the restructuring of the region's economy that was continuing anyway.

As to the politicians: If they want, they are offered the opportunity to stand aside and let the court and the administration take the heat. That may be a bargain that they too find difficult to resist in the end. Interior Secretary Bruce Babbitt cut a huge environmental deal like this, involving water, when he was governor of Arizo-

PHOTOCOPY
PRESERVATION

A Lighter Shade of Green

Clinton's healing tone at the forest parley

Bill Clinton and Al Gore spent plenty of time during the 1992 campaign talking about the need to avoid what they called "false choices" between saving jobs and protecting the environment. But the choices, as they saw at last week's forest conference in Portland, Ore., are all too real. At issue was the fate of a single threatened bird, the northern spotted owl, and 8.3 million acres of forest that federal experts say is the owl's last habitat. At issue on the other side, in a five-year legal and political controversy that seems to have no solution, was the future of an industry that is fabled throughout the Northwest. "I'm here today because I'm scared," said Buzz Eades, a sixth-generation logger. "I represent thousands and thousands of timber workers just like me... modern Paul Bunyans who are hiding in their cars while their wife buys groceries with food stamps." "We have cut our way from the Atlantic to the Pacific," said Bill Arthur of the Sierra Club's Seattle office. "The timber frontier is over."

Trapped between these diametrically opposing forces, Clinton did his best to project hope for a mutually acceptable compromise. "How hard would it be to get everyone to agree how much [forest] to put aside?" he asked one discussion group in Portland. "Very hard," a participant answered. At another point, Clinton predicted that the outcome "won't make anyone completely happy." "I cannot repeal the laws of change," he said. "We'll do what we can. [But] I don't pretend any of this is easy." In fact, the timber industry's economic problems go far beyond the spotted owl—and, in fact, the Endangered Species Act gives Clinton and Congress precious little leeway to pro-



LARRY DOWNING—NEWSWEEK

'I cannot repeal the laws of change': *Conferring with Gore at the Portland conference*

tect endangered jobs. But the daylong conference was never intended to produce a settlement: it was a peace parley whose main goal was to ventilate the issues and educate the public. In the end, Clinton ordered his cabinet to bring him a plan to end the stalemate within 60 days. It wasn't action, but it created a mood of reasonableness. "We thought we lost the election," said Luke Popovich, a timber-industry lobbyist. "But he doesn't think we're a bunch of greedy animals. He really wants to solve the problem."

Environmentalists, who in recent years

have all but shut down logging on federal lands through lawsuits and administrative appeals, seemed less satisfied. They argue that 90 percent of all "old growth" forests have already been cut, and they see no good reason to cede any part of the remaining 10 percent. Although environmental groups worked hard to elect the Clinton-Gore ticket, some activists fear that Clinton's penchant for consensus will lead to further harm. "If they want to cut the baby in half the answer is no," said Andy Kerr, conservation director of the Oregon Natural Resources Council. Kerr, whose take-no-prisoners rhetoric almost got him excluded from the conference, seemed to reflect the doubts about the administration. "I'm going to remain optimistic for now," he said. But, he added, "how green this administration is still to be determined."

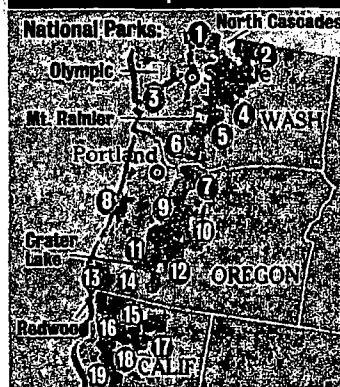
One reason for their caution was the news from Washington last week. In a decision with big implications for the West, Clinton temporarily dropped his proposal to impose new fees for mineral and grazing rights on federally owned lands. This proposal had been contained in the administration's economic plan, which now faces tough going in the Senate; Clinton needs the support of West-erners like Sen. Max Baucus of Montana and Rep. Tom Foley of Washington, the speaker of the House. White House officials said the reversal was only tactical and



FRITZ HOFFMANN—JE PICTURES

On the vanishing frontier: *Logger*

National lands that are home to the spotted owl



UNDER DISPUTE

Bureau of Land Management Areas

- | | |
|-------------------|----------------|
| 1 Mt. Baker | 10 Deschutes |
| 2 Okanogan | 11 Umpqua |
| 3 Olympic | 12 Winema |
| 4 Wenatchee | 13 Siskiyou |
| 5 Snoqualmie | 14 Rogue River |
| 6 Gifford Pinchot | 15 Klamath |
| 7 Mt. Hood | 16 Six Rivers |
| 8 Siuslaw | 17 Shasta |
| 9 Willamette | 18 Trinity |
| | 19 Mendocino |

that the proposal would be presented to Congress separately at a later date. But that will probably make it more vulnerable to attack by ranchers and mining companies, and some in the environmental movement sensed strategic damage in the administration's "tactical" retreat. Tim Hermach of the Native Forest Council complained of Clinton's pattern of "boldly advancing on issues, only to turn tail and run every time he gets pressure from Congress and the special-interest groups."

Still, most participants in the conference seemed to feel that it had done much to heal

the bitterness that has marked the Northwest timber controversy. Loggers and their supporters, gathering for a "Family Forest Summit," did their best to stifle the "fry-the-spotted-owl" jokes that have antagonized the greens, and one millworker, Mike Oswald, said, "There's no reason to be angry—let's be polite." Eco-radicals like Earth First! marched in downtown Portland, and some 50,000 attended a rock festival that starred Neil Young, Kenny Loggins and Carole King. "I am tremendously cheered and encouraged, and I didn't expect to be," said Karin Sheldon of the Wil-

derness Society. "We are beginning finally to look at solutions." Russell Dondero, a political scientist at Pacific University, thought "people are so fascinated with the idea of being included that they're mesmerized," which was another way of saying that Clinton's brand of touchy-feely politics was working once again. The question now is what happens when the mood evaporates—and whether Clinton will still be seen as having done the right thing.

TOM MORGANTHAU with
ELEANOR CLIFT and PATRICIA KING in Portland
and MARY HAGER in Washington

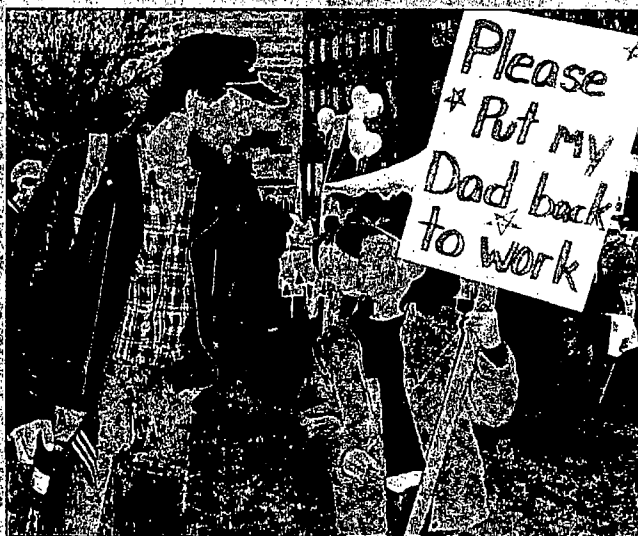
Beyond Owls Versus Loggers

BY GREGG EASTERBROOK

It's beyond dispute that many old-growth timberlands must be exempt from logging to preserve the northern spotted owl. Beyond that, practically everything you've heard on the owl-versus-logger issue is wrong. Let's consider a few contrarian propositions about the controversy:

■ **Loggers are green, too.** If any resource is endlessly renewable, it is the tree. Ecology-oriented policy ought to encourage consumers to substitute wood for materials derived from nonrenewable ores and chemicals. Instead, per capita wood use has been declining, partly because wood prices have risen with the spread of environment-friendly logging practices, such as planting more trees than are cut. For all the recent blather about "sustainable development," anti-logging sentiment is forcing workers and customers out of one of the few industries that is in every sense sustainable.

■ **American forests are not in decline.** The tall-tree forests of the Pacific Northwest have been hurt in recent decades, though many millions of acres remain. By every other measure, American forests are thriving. According to forestry expert Roger Sedjo of the nonpartisan Resources for the Future, U.S. forest cover reached its nadir about 1920. Sometime around the



ERIC RISSBERG—AP

Forced out: A logger and his son in Portland, Ore., last week

early 1940s," Sedjo has written, "forest growth nationally came into balance with harvests, and since that time growth has exceeded harvest." Vermont, for example, was about 35 percent forested a century ago; today it is about 76 percent forest. Through the postwar era the forested portion of the United States has steadily risen, not gone down.

■ **Ancient forests are renewable.** Most of what environmentalists call "ancient" Northwest forests are around 200 years old. Age per se is not what makes them right for owls; it's the tallness of the trees, which comes with time. Two hundred years is a long span by human standards but the wink of an eye to nature. As long as forests

are allowed to recover, they can be "ancient" again relatively quickly.

■ **Logging is good for the greenhouse effect.** If global warming is coming, government policy ought to encourage logging. Young trees withdraw carbon dioxide, the primary greenhouse gas, from the air much more rapidly than do mature trees.

Within greenhouse science there's something called the "missing carbon" problem: human activity puts about 7 billion tons of carbon into the air each year, but tests find only about half of it there. Where does the other half go? Increasingly researchers suspect it is pulled from the atmosphere by young trees growing quickly under mod-

ern forestry practices. So an environmentalist who says the greenhouse effect is an emergency and also that logging is a disaster isn't shooting straight.

■ **'Industrial' forests are very much alive.** The "second growth" forests run by big lumber companies don't have the haunting, Middle Earth esthetic quality of tall-tree forests, mainly because trees are cut before reaching full height. And industrial foresters are given to comments like, "It took us a lot of R&D to find a tree that will perform in the wild," as James Rochelle, Weyerhaeuser's manager of environmental forestry research, says.

But it's a fallacy that managed forests are dead zones. They brim with life. Climax species like spotted owls can not thrive in second-growth forests, but browsing species such as elk love them. Some studies show that young "industrial" forests have greater biological diversity than old-growth stands.

■ **High-intensity forestry is good for owls.** An ideal solution may be to encourage more intense, managed forestry on private lands. This would protect lumber jobs and permit higher production of sustainable timber, while reducing the need to log Forest Service lands, which could then increasingly be set aside as areas for strict preservation. In this sort of compromise, high-tech forestry and pure preservation would both be boosted. They are not incompatible; they can be allies.

POLITICS & POLICY

Timber Summit to Attract 30,000 Peacemakers In War Between Loggers and Environmentalists

By CHARLES MCCOY
And ROSE GUTFELD

Staff Reporters of THE WALL STREET JOURNAL

President Clinton might want to bring his own chain saw to the timber summit Friday in Portland, Ore. He might need it to cut through all the hoopla.

About 30,000 loggers, environmentalists, journalists and other interested parties are set to descend on Portland for the summit, meant to start a peace process in the nation's protracted wars over wildlife protection and logging. Bonnie Raitt, one of the president's favorite singers, and other pop stars will perform. Salmon fishermen will send a flotilla up the Columbia River. Lumberjacks will hold a midnight prayer vigil. Magicians, sword swallowers and jugglers will do their things, too.

"It has all the elements of a circus," observes Brock Evans, vice president of the National Audubon Society.

No Big Initiatives Expected

Indeed, the much-anticipated summit is shaping up as a lot more show than go. The government no longer is expected to put forth any major initiatives at the summit to break the logjam over forest policy — a fact that will disappoint many in the West. And the kind of things that the Clinton team is likely to promote at the summit, like job retraining for displaced loggers and broad ecosystem management in public forests that would allow some logging, don't address some of the biggest problems right now. Those problems include sky-high lumber prices and heavy logging — often with brutish logging techniques and harsh impacts on wildlife — on private timberlands.

The president's call for a timber summit fulfilled a campaign pledge and raised a lot of expectations in the West, where it was seen by many on both sides of the issue as a last shot at ending the warfare over wildlife protection and logging that has raged since the spotted owl was declared endangered in 1990. In addition to Mr. Clinton, Vice President Albert Gore, Interior Secretary Bruce Babbitt and several other cabinet officials will attend.

Administration officials say the conference, modeled after December's economic gathering in Little Rock, Ark., will consist of round-table discussions on three topics: who is affected by the timber crisis; the economic, environmental and sociological issues involved in forestry, and "new and innovative" ideas for forest management

and economic development. After the event, an interagency task force that has already been working on issues related to the conference will help develop a comprehensive forest-management plan. One aim will be to standardize the often-conflicting practices of the various federal agencies involved in timber policy — and to assure that they obey timber-management and wildlife-protection laws, which they repeatedly failed to do during the past two administrations.

The Clinton administration's long-term plan for resolving the clash over cutting in the federal forests centers on first getting court injunctions banning logging on millions of acres of public forest lifted. That won't be easy: Federal timber agencies must first come up with a spotted owl-protection plan that federal judges deem meets legal requirements; the courts have rejected several previous plans, which can take months to compile, as inadequate.

Survey Completed

Moreover, a just-completed survey by Forest Service biologists has found that the Northwestern ancient forests are home to more than 600 species, many of which are suffering. The scientists' report concludes that any owl-protection measures should be expanded to ensure that those other species are protected as well. It implies more logging restrictions than the government has ever proposed for the ancient forests. Mr. Babbitt has praised the new report, but the Forest Service's chief, Dale Robertson, has been cool to it.

In the long run, the Clinton administration seems headed toward allowing some cutting while setting aside enough habitat to ensure that healthy forest ecosystems survive intact. Indeed, "It's the habitat, stupid," has become a catch phrase among summit-going environmentalists — and some administration aides. The government may also try to restrict raw-log exports, which have remained high even as millworkers have been cast out of work by the thousands because of log shortages.

Walt Minnick, chief executive officer of TJ International Inc., a Boise, Idaho, lumber company, says the industry shouldn't expect logging on public lands to ever reach more than about 40% of the levels seen in the 1980s. "Those days are gone for good, and we better face reality,"

he says. Mr. Minnick and other timber operators also believe they'll eventually be required to use far more gentle logging techniques. "The era of those big clearcuts is over," he says.

Congress May Act

Much of what the administration hopes to achieve in the forest, though, will take many months and probably require congressional action. Moreover, because of the factionalization in the environmental community, timber harvests will still be subject to legal challenge and protest, even if mainstream environmental groups sign on to the new approach. Timber companies want to somehow restrict their opponents' ability to sue; environmentalists are dead set against that.

In the meantime, the situation in the Western forests is growing grimmer.

The plunder of public timberlands has slowed and owls are safer, but the logging restrictions have helped drive lumber prices to record highs in recent months. The price of redwood logs in California, for example, has soared to \$900 per 1,000 board feet, more than double year-earlier prices. To date, the increased costs haven't seemed to have much impact on the general economy because home sales have been relatively slow and builders haven't been able to pass on their increased lumber costs to consumers.

Prices Spur Heavy Logging

The surging prices, however, have spurred heavy logging on private lands and prompted many holders of smaller timber parcels to sell them off for logging.

"It's a great irony, but a lot of trees that would have stood forever are coming down because of high prices and the landowners have that they might never be able to log," said Don Beaty, a timber manager and forestry consultant in Redding, Calif. Moreover, because the logging industry is meeting timber-harvesting regulations and acquiring permits have soared in the past few years — to about \$8,000 for a state-required timber harvest plan in California, Mr. Beaty says — landowners who do decide to log are having to cut more to make a profit.

Aaron Smythe's family owns a timberland in Mendocino County, in California's redwood country. He considers himself an environmentalist, but he rec-

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STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 • (206) 753-6780

April 15, 1993

The Honorable Bill Clinton
President of the United States
The White House
1600 Pennsylvania Avenue N.W.
Washington, D.C. 20500

Dear President Clinton:

Congratulations on your successful Forest Conference. It was a remarkable event. We both felt honored to be there and we believe the interests in the northwest feel they have been heard. All are now eagerly awaiting your forthcoming decisions.

We want to offer our help. Our subcabinet for Economic Development and Natural Resources is working on proposals for our state and private forest lands to be integrated with your proposals. Led by Jennifer Belcher, our elected Commissioner of Public Lands, Curt Smitch, Director, Department of Wildlife, and Mike Fitzgerald, Director, Department of Trade and Economic Development, the subcabinet proposes to work with federal agencies to integrate state and federal forest management and economic revitalization plans.

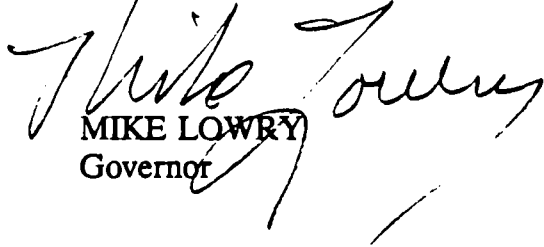
As you are aware, our situation in Washington is unique. In addition to federal forest lands we have 2.1 million acres of state forests and 10 million acres of private industrial and non-industrial forest lands. These nonfederal lands currently produce over 80% of our state's timber supply, but must be counted on to meet growing public expectations for salmon habitat and other environmental needs as well. For our state, it is imperative that resolution of forest management disputes include federal, state and private lands.

Several members of our subcabinet including Jennifer Belcher and Curt Smitch are planning to be in Washington, D.C., on April 26 and 27, to discuss these issues with your administration.

The Honorable Bill Clinton
Page Two
April 15, 1993

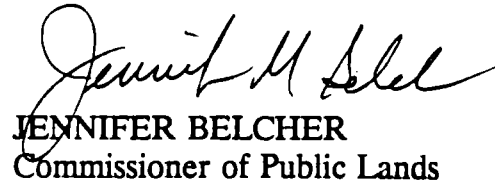
We look forward to working with your administration to overcome these environmental and economic problems in a way that prepares our people and their communities for a future based on sustainable economies and environmental enhancement.

Sincerely,



MIKE LOWRY
Governor

Sincerely,



JENNIFER BELCHER
Commissioner of Public Lands

WASHINGTON STATE PRINCIPLES FOR SUCCESSFUL OPTIONS FOR FOREST CONFERENCE FOLLOW-UP

The serious ecological damage to our forests and their wildlife, waters and fish leads to serious economic impacts in timber-dependent communities. Healthy and sustainable communities and industries depend on healthy and sustainable ecosystems.

Ecosystems know no ownership boundaries. Real solutions that serve the public interest can only be achieved through creative federal, state, tribal, local and private partnerships. Successful partnerships must incorporate and support the state's successful collaborative processes and expertise. Solutions should not leave states burdened by demands for social service, timber harvest, or habitat protection which cannot be satisfied.

Solutions must be based on sound science and include all actions necessary for a scientifically credible plan, including protection for eastside owl habitat.

A real solution must include an increased commitment to research, ecosystem inventories, and monitoring, so we improve our knowledge about the success of ecosystem protection, restoration, and management practices.

A long term federal commitment is needed to assist timber dependent communities in their transition to a sustainable, diversified economy in which predictable economic conditions, including raw material supplies, are founded on ecosystem health.

Federal and state agencies must work together to see that long term jobs on their lands promote community stabilization by being predictable, well paying and year round to the maximum extent possible. Regional coordination of projects by federal and state agencies could provide stable, long term work.

A solution must include federal assistance to promote economic diversification, including value added, in timber dependent communities. Initial financing and tax incentives for investment in a development bank are two ways the federal government could help.

The state needs federal assistance to fund, design and deliver training programs that work for timber dependent communities. Training must be aimed at real jobs.

The log export tax credit should be eliminated and revenues gained should be used to fund economic revitalization and ecosystem restoration.



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 • (206) 753-6780

The Working Group on Forest Conference Follow up includes the following:

Jennifer Belcher, Commissioner of Public Lands (elected)
Judith Billings, Superintendent of Public Instruction (elected)
Kaleen Cottingham, Department of Natural Resources
Curt Smitch, Department of Wildlife
Bob Turner, Department of Fisheries
Mike Fitzgerald, Department of Trade and Economic Development
Barbara Gooding, Department of Community Development
Mary Riveland, Department of Ecology
Peter Goldmark, Department of Agriculture

Tom Bristow, Governor's Timber Team Coordinator

The Group is coordinated by Terry Surguine, Executive Policy Staff Director





WASHINGTON STATE DEPARTMENT OF
Natural Resources

April 23, 1993

Katie McGinty
Office of Environmental Policy
284 Old Executive Office Bldg.
Washington, DC 20500

Dear Katie:

At a recent briefing in Portland for state officials, Jim Pipkin challenged the states to propose creative ideas for consideration by the working groups developing options as a follow up to the Forest Conference. We appreciate the opportunity to work together towards resolution of our forest controversy. Governor Lowry and Commissioner Belcher have sent you a list of principles which Washington State officials believe must be used to judge the success of any proposed solution. Among those principles is a call for creative partnerships among all governments, which build on existing successes and new ideas at the state level.

I am sending for your information examples of creative natural resource programs and ideas we are pursuing, as well as recommendations for federal help to make these initiatives work better to meet our common goals.

These initiatives address several goals: protection of old growth habitat and forest ecosystems generally; promotion of ecological research; support for ecologically sound timber production on state and private lands; and contributions to community and worker assistance, and rural economic development.

Our state initiatives address these goals through state land management actions, forest practices regulations on private and state lands, and technical and financial assistance to small nonindustrial forest landowners.

We need federal support to make these programs work to meet our goals. Federal support can come in several forms. At a minimum we need the acknowledgement of the Clinton Administration that certain state actions are necessary pieces of an overall forest solution. Such actions include proposed forest practices rules for owl, murrelet, and salmon conservation on state and private lands to supplement conservation on federal lands. In addition, many current or proposed state initiatives will not be successful without new or increased federal funding. Federal funds are needed to support our new Watershed Analysis Program, watershed restoration activities, our Cooperative Monitoring Evaluation and Research Program, our Olympic Natural Resources Center, and our Forest Stewardship Program. Finally, we make several policy recommendations to increase incentives or remove disincentives experienced by our private landowners trying to play a constructive role in ecosystem protection and enhancement.

Katie McGinty
April 23, 1993
Page 2

The attachments consist of brief overviews, graphs, and explanations covering each of the ideas mentioned here, as well as a summary list. I hope you will view these as useful components of a complete solution. We will be happy to provide more information and discuss how these ideas might be incorporated into the options to be considered by the Administration.

Other Washington State agencies will be providing you with additional ideas within their areas of expertise.

We believe all these ideas are consistent with the principles Governor Lowry and Commissioner Belcher have articulated.

We very much appreciate the encouragement we have received from the Clinton Administration to consider ourselves partners in your search for solutions. Please let me know how we may be of continuing assistance.

Sincerely,

A handwritten signature in cursive script, reading "Kaleen Cottingham", followed by a horizontal line.

Kaleen Cottingham
Supervisor

c: Jim Pipkin; Jim Lyons



WASHINGTON STATE DEPARTMENT OF
Natural Resources

April 23, 1993

Katie McGinty
Office of Environmental Policy
284 Old Executive Office Bldg.
Washington, DC 20500

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Sincerely,



Kaleen Cottingham
Supervisor

c: Jim Pipkin; Jim Lyons

**WASHINGTON STATE NATURAL RESOURCE ACTIONS
PROMOTING A COMPREHENSIVE SOLUTION TO THE FOREST CONTROVERSY**

SUMMARY OF INFORMATION MATERIALS

Actions to Protect Old Growth Habitat while Easing Restrictions on Timber Harvest

- Summary of proposal for Habitat Conservation Plan for State Lands
- Summary of proposal for forest practices rule process for owl conservation
- Federal Spotted Owl Recovery Plan - Concepts for Nonfederal Lands

Actions for Ecosystem Protection and Management

- Summary of Cumulative Effects/Watershed Analysis Rule
- Summary of Washington Forest Landscape Management Project
- Organic debris for stream restoration - increase in salmon production (graph)

Actions to Promote and Conduct Ecological Research

- Summary of Cooperative Monitoring, Evaluation, & Research Program
- Summary of Olympic Experimental State Forest
- Pamphlet on Olympic Natural Resources Center

Actions to Increase Timber Supply from State and Private Forest Lands

- Forest Stewardship Program Summary
 - Volume increase from nonindustrial private lands (graph)
 - Management goals of nonindustrial private landowners (table)
- Thinning on Department of Natural Resources' Lands (article)

Natural Resource Contributions to Community/Worker Assistance

- Displaced Timber Worker Employment Programs

Natural Resource Contributions to Rural Economic Development

- Summary of specialized timber products from state lands
- Summary of non-timber forest products from state lands
- Effects of log export ban on domestic timber supply from state lands (graph)

**RECOMMENDATIONS FOR FEDERAL POLICY CHANGES
TO SUPPORT STATE INITIATIVES**

- Recommendations for improvements in small landowner assistance programs
- Recommendation on Reforestation Tax Act of 1993
- Recommendation to amend Sherman Antitrust Act

**HABITAT CONSERVATION PLANNING FOR
NORTHERN SPOTTED OWL, MARBLED MURRELET,
AND OTHER SPECIES ASSOCIATED
WITH LATE SERAL FORESTS**

A PROPOSAL

**Washington Department of Natural Resources
State Lands**

April 21, 1993

EXECUTIVE SUMMARY

In 1973, Congress passed the Endangered Species Act (ESA) which prohibits the "take" of any listed species. To take a threatened or endangered species is "to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect [it], or to attempt to engage in any such conduct." "Harm" is an act which actually kills or injures wildlife; this may include adverse habitat modification. A person convicted of take is subject to criminal and civil penalties. The ESA authorizes the Secretary of the Interior to issue permits allowing for the "incidental take" of listed species. Any application for such a permit must be accompanied by a habitat conservation plan (HCP). An HCP is a self-directed plan approved by the Secretary of the Interior in which the landowner identifies management actions that offset incidental take by promoting conservation of the species.

In an effort to avoid incidental take of the federally listed northern spotted owl, the department has initiated an expensive owl survey program which surveys all timber sales in suitable spotted owl habitat. In 1993, the department will survey 518 timber sales at a cost of \$4,700,000. Although the concept of incidental take is equally applicable to the marbled murrelet, the department has not initiated a marbled murrelet survey program.

This proposal looks at five alternatives ranging from maintaining the current program to developing a statewide multi-species HCP for all lands managed by the department. In addition, two alternatives are presented for the development of the HCP. At this time, the department is faced with the listing of the spotted owl and marbled murrelet; however, the HCP process could be utilized to address other species.

State Lands proposes that the DNR initiate a habitat conservation planning effort for the northern spotted owl, marbled murrelet, and other old-growth related animal and plant species. This planning effort would focus on all forested lands managed by the department. Development of an HCP by the department, and its approval, would end the very costly annual survey program the department initiated in 1991 in support of its ongoing timber sales program. Although monitoring surveys probably would be part of the HCP, they would not be anywhere near the magnitude of the current survey program. Monitoring surveys would likely cost less than \$350,000 per year. Additional costs may be associated with plan implementation.

If Executive Management approves the development of an HCP, the department would initiate a three stage process of draft development, internal analysis and review (including the U.S. Fish and Wildlife Service [USFWS] and the Department of Wildlife [WDW]), and lastly public review prior to seeking approval from the Secretary of the Interior, Commissioner of Public Lands, and Board of Natural Resources. The department could develop the HCP by the use of a team of expert scientists or an in-house team with assistance from the USFWS and WDW. The schedule is to develop the plan between May 1 and October 1, 1993 (it is not necessary to know the results of 1993 owl surveys before beginning the plan); conduct in-house evaluation and review between October 4, and December 15, 1993; and conduct public review and obtain USFWS approval between December 16, 1993 and December 30, 1994. Implementation of the HCP would begin on January 1, 1995. If the department is successful in obtaining plan approval, no surveys to support the timber sales program would be needed during the 1995 survey season; this would result in immediate savings of about \$5,000,000.

Proposal to the Washington State Forest Practices Board
to Address Spotted Owls

On February 10, 1993, the Department of Natural Resources proposed that the Forest Practices Board adopt a process for developing endangered species rules prior to February 1994. DNR's proposal calls for the development of baseline rules which define the types and levels of forest practices that are allowable within spotted owl habitat. Suitable habitat would be defined.

The rules would also include a State Environmental Policy Act (SEPA) "trigger" for the listed species (spotted owl), which can be defined as the threshold at which forest practices could have a substantial adverse impact on the environment. This threshold should be based on substantive technical/scientific information and defined in rules. Forest practices that trigger SEPA are classified as Class IV-Special.

The Board has previously expressed a preference for a landscape approach to spotted owl conservation, rather than an owl-site by owl-site approach as currently required under federal and state guidelines. A landscape approach may provide landowners with more flexibility and may provide better habitat protection for a variety of species, not just spotted owls.

The landscape approach would be based on the science developed in the federal recovery plan for the northern spotted owl, as the DNR believes the science in the recovery plan is the best currently available.

On April 1, 1993, the Board approved the formation of a three-member science group comprised of wildlife biologists with proven and credible expertise in spotted owl management in a variety of settings. The group will develop the scientific basis upon which to draft new rules which meet the Forest Practices Board's obligations under SEPA. The Board will also consider whether there is any scientific basis for the current rule protecting 500 acres of habitat per owl currently stayed in the litigation by the Department of Wildlife.

Once the scientific basis is established, the Board, with DNR staff assistance, will develop rule concepts and subsequently rule language.

From: Final Draft Recovery Plan for the Northern Spotted Owl - Dec. 1992

2. Nonfederal Lands

The recovery plan was prepared with the understanding that the Endangered Species Act's authorities and the preponderance of owl habitat and population concentrations on federal lands give the federal government the primary role in achieving recovery. However, the recovery plan also documents a major role for nonfederal lands in achieving recovery. It recommends a "protective management" approach by which landowners, state agencies, and the FWS would carry out comprehensive planning and implementation activities to help achieve recovery objectives and provide benefits to landowners that are not realized under existing regulatory regimes. The following discussion addresses the habitat conservation plan (HCP) and special rule processes authorized under the Endangered Species Act, and the recovery plan's guidelines for protective management which provide a general basis for preparing these plans and rules (as well as changes in state regulations). It also addresses other mechanisms and approaches for implementing recovery on nonfederal lands.

Habitat Conservation Plans and Special Rules

Nonfederal entities are prohibited from taking listed animal species under section 9 of the Endangered Species Act. However, the Endangered Species Act authorizes them to take listed species in accordance with an approved section 10 HCP or a section 4(d) special rule.

Under section 10, landowners may develop HCPs as a condition for issuance of an incidental take permit. An HCP is a legally binding document requiring NEPA and section 7 compliance. It must describe appropriate conservation measures for habitat maintenance, enhancement, and protection, and include provisions for appropriate mitigation.

HCPs provide an excellent opportunity for nonfederal landowners to participate in protective management because they can be tailored to an individual landowner's situation. In California, several landowners, forestry associations, environmental interests, and scientists currently participate in protective management efforts with the state, FWS, Forest Service, and BLM. In addition, the state is making significant progress in developing a statewide HCP. Some California timber companies are working directly with the FWS to develop HCPs that are expected to be consistent with the statewide HCP. Efforts to develop additional HCPs should be assisted and encouraged by the FWS, other federal agencies, and the states. The coordinating group (see section IV.C.) recommended in the recovery plan should play an important role in this regard.

An HCP should help to bring about recovery in the province in which its activities will occur. Any detrimental impacts of the HCP, such as incidental take, must be balanced by beneficial effects in the province. Consequently, the general standard for determining the acceptability of a proposed HCP should be that its implementation would not distinctly reduce the likelihood or timeline of owl survival and recovery in the province.

Under section 4(d), the FWS may also promulgate special rules for the conservation of species listed as threatened under the Endangered Species Act. The FWS has adopted special rules for more than 30 species. Formulation of a special rule requires NEPA compliance and is subject to public review and other legal and procedural requirements associated with rulemaking.

The special rule mechanism could provide flexibility to design take prohibitions for the spotted owl in ways more likely to promote its conservation. A well-crafted special rule framework would incorporate many of the characteristics of an HCP, but would be more comprehensive and consistent across different ownerships. As previously noted, special rules must promote conservation and are subject to public review and comment. These requirements would tend to ensure that special rules would permit some take only when a more effective program (providing long-term recovery benefits) had been implemented.

One possible role for federal special rules would be to ratify owl protection measures implemented under state authorities. For example, a state could adopt regulations governing the harvest of owl habitat on nonfederal lands, including measures aimed at maintaining unoccupied habitat in some areas to address important connectivity objectives. In areas where nonfederal contributions to recovery do not require absolute prohibition of taking, restrictions on timber harvest might be substantially less than those now applied. The owl population would gain benefits not available under the take prohibition in areas that now have no owls, and landowners could be relieved of some of the current restrictions on take in occupied owl habitat. Another option would be to place more of the substantial restrictions within the federal rules.

Building a climate for negotiating protective management.

This plan indicates that recovery will be enhanced in many instances by replacing the short-term protection of individual owls with long-term conservation efforts consistent with the recovery goal. However, such efforts will not be initiated unless landowners believe they will benefit by participating in protective management. Currently, many landowners are reluctant to participate because they believe such efforts will be too costly, time consuming, and process-bound. Such real or perceived difficulties delay implementation of improved protection for the species. When protective management opportunities are foregone or delayed, habitat may be harvested where allowed by the take prohibition, thus reducing options for recovery. After several years of such management, options for habitat recovery on nonfederal lands may become limited in some areas. Consequently, expeditious development, approval, and implementation of protective management are essential for it to succeed. In this regard, it should be noted that while some HCPs have been completed in 6 to 12 months, others have required substantially more time, and the State of California's effort to develop a statewide HCP has required an extensive level of effort but is not yet complete. Mechanisms to achieve province goals on nonfederal lands should be streamlined to achieve conservation goals in an efficient and cost-effective manner. This will greatly assist creation of a cooperative climate for negotiation among landowners, the states, and federal agencies.

If these concerns are addressed, it will be easier to realize the considerable benefits of protective management, since it is apparent that all key parties—landowners, government agencies, and communities—have much to gain by participating. The following discusses the incentives which already exist and will be enhanced further by constructive negotiation.

Incentives to participate in protective management.

Landowners, communities, and government agencies share several incentives to participate in protective management:

Management flexibility for owl protection and timber harvest planning: Protective management could tailor protection to fit the owl population's long-term habitat requirements, with less emphasis on short-term protection of owl activity centers. Long-term protection could be adjusted throughout the landscape to improve the configuration of owl habitat and to complement actions on federal lands more effectively. If HCPs were prepared, the FWS could authorize take where assurances were provided by landowners that long-term, effective mitigation efforts would be implemented. Other measures, such as designating certain areas to be protected, also might be more attractive to landowners than continuing take prohibitions and annual surveys.

Certainty of owl protection and timber harvest planning: Landowners would manage for long-term owl habitat needs, providing a better guarantee of habitat than is provided by the prohibition on taking. Landowners then could plan timber harvest based on the certainty of knowing which areas would be affected by owl protection.

Reducing costs of owl protection: Perhaps the most compelling incentive for some landowners to participate in an alternative conservation program is the potential for significant reductions in the costs of owl protection they now incur including: a) maintenance of habitat around known pairs of owls, b) conducting annual owl surveys, and c) a portion of administrative costs associated with compliance with state forest practices regulations protecting listed species.

Authorizing incidental take in exchange for implementing conservation measures identified in the recovery plan: Consistent with the Endangered Species Act, landowners could be authorized a level of incidental take through the HCP or special rule processes if they are found to exceed protection recommended in the recovery plan.

CUMULATIVE EFFECTS OF FOREST PRACTICES WASHINGTON STATE FOREST PRACTICES RULES

“Cumulative Effects” Defined

As defined in the forest practices rules “**cumulative effects**” means changes to the environment caused by the interaction of natural ecosystem processes with the effects of two or more forest practices.

Cumulative Effects Policy (in Watershed Analysis)

The policy statement describes an overall approach that uses proposed new rules for watershed analysis along with existing rules to assess and regulate cumulative effects on the public resources of fish, water and capital improvements of the state or its political subdivisions. Prescriptions will be designed to allow recovery of public resources while maintaining a viable forest products industry.

What is Watershed Analysis?

Watershed analysis is the biological and physical assessment of the condition of selected public resources in a watershed. Management prescriptions will be developed, based on the assessment, which will address cumulative effects on the selected public resources.

Watershed Analysis Policy

Long-term objective — Protect and restore public resources and the productive capacity of fish habitat adversely affected by forest practices while maintaining a viable forest products industry.

Non-forest practice contributions to cumulative effects — Non-forest practice contributions to cumulative effects should be addressed by the appropriate jurisdictional authorities, such as counties or other state agencies.

Minimizing processing delays — The rules aim to minimize the delay associated with the review of individual forest practice applications and notifications by increasing the predictability of the process and the appropriate regulatory and management response.

Watershed Analysis Process:

Watershed Administrative Units — Watershed analysis will be performed on areas known as watershed administrative units (WAUs), generally between 10,000 and 50,000 acres within a water basin.

Steps in Analysis:

◦**Level 1 Assessment** — An initial low intensity evaluation of a WAU to see if more detailed analysis is necessary.

◦**Level 2 Assessment** — A more thorough analysis to be conducted if the Level 1 assessment results are indeterminate or the method otherwise calls for it.

◦**Assessment conducted by landowner** — Any landowner or cooperating group of owners with at least 10 percent of nonfederal forest land in a WAU may choose to conduct a level 1 or 2 assessment at its own expense.

◦**Prescriptions for practices in areas of resource sensitivity** — For each area of resource sensitivity identified in watershed analysis, a team of field managers would recommend prescriptions to minimize, prevent or avoid impacts on certain public resources.

Prescriptions become conditions for approval of practices in a specific area of sensitivity. Alternate plans may be proposed by the landowners, and if approved will replace conditions for the proposed forest practices application.

Prioritization — Priorities for the conduct of watershed analysis of WAUs will be set by the Department of Natural Resources (DNR) for each region in cooperation with the departments of Ecology, Wildlife, and Fisheries, affected Indian tribes, forest landowners, and the public.

Who conducts analysis — Each level of analysis will be conducted by a team representing relevant disciplines. Everyone conducting watershed analysis must meet minimum qualifications set by DNR. All will have formal education and field experience in the relevant discipline.

Approval — Watershed analysis and prescriptions are subject to approval of DNR.

Washington's natural resources at risk

Proposed budgets seriously under-fund forest practices in Washington

Clear Messages from Conference

Participants in President Clinton's forest conference delivered several clear messages:

- We have to manage Pacific Northwest forests using a watershed-based landscape ecosystem approach.
- We have to protect watersheds/riparian zones/wetlands for fish and wildlife, or we will keep triggering the Endangered Species Act, which serves the same purpose as the "warning lights" on the dashboard of your automobile.
- We have to end the "gridlock" over Northwest forests so there can be a reliable supply of timber without risking our forest ecosystems.
- While President Clinton promised that the federal government will do its part to provide a solution within 60 days, he made it clear that we in the Pacific Northwest have to do our part as well.

1993-1995 Budget

The 1993-95 budget proposals to date seriously under-fund the state's ability to protect public resources on state and private lands.

For example, the proposed budgets:

- Provide a funding level that will allow only 13 percent of the staff needed for watershed analysis. This analysis is necessary to assure that future forest practices on state and private lands will protect fish and water quality. *See attached list.*
- Create nearly a 20 percent shortfall in the staff needed to process forest practices applications in the time allowed by the law. This staffing shortage will impair the agency's ability to provide the help needed by small landowners who infrequently submit applications.
- Severely limit the department's ability to monitor the effectiveness of state forest practice rules in protecting public resources. Such monitoring would enable the department to recommend specific improvements in forest practice rules based on the actual effectiveness of existing rules.
- Reduce the department's ability to assure compliance with forest practice rules. Reduced attention to this area leaves the state vulnerable to legal challenges similar to those that have created gridlock over management of federal forests.



WASHINGTON STATE DEPARTMENT OF
Natural Resources

Jeruniter M. Belcher—Commissioner of Public Lands
Kaleen Cottingham—Supervisor

Comparison of Forest Practices funding levels

Threatened Watersheds

Here is how the proposed budgets compare to the needs identified by the Department of Natural Resources:

DNR REQUEST		ALL OTHER PROPOSALS*	
MILLIONS	FTEs	MILLIONS	FTEs
\$16.8	138.2	\$12.3-\$12.8	95.8-101.8

*Budgets proposed by Governor Gardner, Governor Lowry, and the Senate.

These are watersheds where the Department of Natural Resources proposes to identify high-quality public resources, to identify potential threats to those resources from proposed forest practices, and to prescribe appropriate forest practices to protect those resources.

The proposed budgets do not provide a funding level sufficient to allow this analysis to take place.

OLYMPIC PENINSULA

Upper Wynoochee
North Fork Calawah (Bogachiel)
Upper Clearwater
Sitkum (Quillayute)
Hoko (Clallam)
Rain Forest (Hoh)
South Fork Skokomish
Hamma Hamma River
Lilliwuap River

NORTH PUGET SOUND

Monte Cristo (Suiattle)
Porter Canyon (Nooksack)
Howard Creek (Nooksack)
Skookum Creek (Nooksack)
Clearwater (Nooksack)
Sloan Creek (Suiattle)
Upper Middle Snoqualmie
North Fork Snoqualmie
Tokul Creek (Snoqualmie)

SOUTHWEST WASHINGTON

Connelly Creek (Cowlitz)
Headwaters of the Naselle
Morton Creek (Cowlitz)
Nineteen Creek (Cowlitz)
Middle Fork Satsop
West Fork Satsop
Main Fork Grays
Copper Creek (Lewis)
Silverstar (Washougal)
Canyon Creek (Lewis)
North Fork Toutle
Upper South Fork Toutle

EASTERN WASHINGTON

South Fork Touchet
Wolf Fork Touchet
Enchantment (Wenatchee)
Pataha Creek (Tucannon)
Chiwaukum (Wenatchee)
Nason (Wenatchee)
Whitestone (Joseph)
Summit Creek (Salmon)
Chapaka (Sinlahekin)
Upper West Fork (Sanpoil)
Deadman Creek (Kettle)
Cecile Creek (Sinlahekin)



WASHINGTON STATE DEPARTMENT OF
Natural Resources

Jennifer M. Belcher—Commissioner of Public Lands
Kaleen Cottingham—Supervisor

Washington Forest Landscape Management Project

Goal:

To determine whether it is possible to integrate forest management across federal, tribal, state, and private land ownerships and thereby increase the likelihood of sustaining viable populations of sensitive species and anadromous fish stocks, while reducing landowner costs and uncertainties.

Objectives:

To develop and test, within the project area(s), a scientifically credible approach for using landscape management techniques to conserve native wildlife in watersheds containing federal, state, tribal, and private ownerships.

To develop and maintain forest stand structures and placement to provide habitat for wildlife species sensitive to intensive forest management.

To identify methods for producing high quality wood at a reasonable rate of return to landowners.

To identify practical and viable incentives for landowners to participate in landscape management.

To analyze alternatives for degree of species protection and economic costs and benefits.

To coordinate a information management system for resource planning, monitoring, and analysis.

Project Structure:

The Project was initiated by the Governor's Office and the Washington Department of Natural Resources (DNR) in 1992, and is directed by the DNR and the Washington Department of Wildlife. The project is currently organized within the DNR. The state agencies join the USDA Forest Service as partners in the project. The project is funded through federal appropriations, at approximately \$278,000 for FY93.

Two committees will be asked to advise on the project, an interdisciplinary Scientific Committee and an Implementation Committee.

The Scientific Committee, comprised of biologists, silviculturists, and economists, will:

Design and evaluate several alternative landscape management strategies for the project area.

Work the Implementation Committee (see below) to translate the preferred alternative into an integrated landscape management plan.

The Implementation Committee, representing state and federal agencies, tribes, and private landowners within the project area, as well as other constituent interests, will be asked to share their practical management expertise and knowledge of the local area. Members will be asked to:

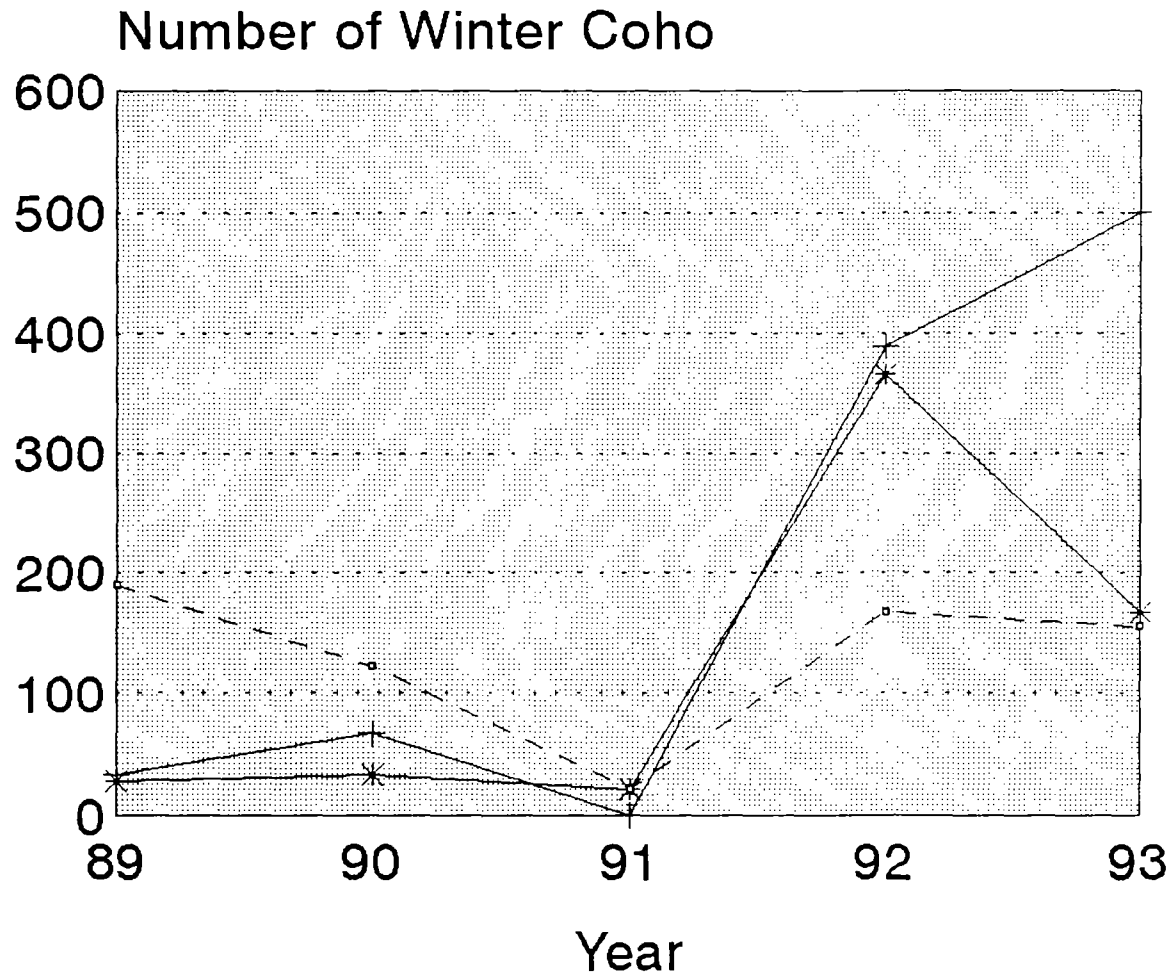
Advise the project manager and scientific committee during the generation and evaluation of alternative landscape management strategies for the project area.

Work with the scientific committee to translate a preferred alternative into an implementable landscape management plan.

Work to be Completed during FY 93:

1. **Define "landscape management."**
2. **Select project area(s) and inventory current conditions.**
3. **Describe the types, amounts, and locations of wildlife, fish, forests, and economic benefits we want within the project area(s).**
4. **Generate several different strategies for manipulating the landscape to achieve the physical results we wish to obtain.**
5. **Evaluate the advantages and disadvantages of each alternative from ecological, legal, policy, and economic perspectives.**
6. **Prepare a list of forest management "tactic," i.e. specific landscape management techniques.**
7. **Identify incentives for and constraints on landscape management, i.e., legal, regulatory, policy, and physical sideboards.**
8. **Make recommendations that will guide the development of an implementable landscape management plan during FY94.**

Organic Debris and Log Placement Study Results



Treatments were completed in the fall of 1991. In the logger's placement treatment materials from the existing riparian zone, usually low quality alder, were placed in the stream by the logger. Little attention was given to designing debris structures.

In the engineered placement high quality softwood material from outside the riparian zone was used with the riparian zone alder. Debris was carefully placed in a manner designed to mimic structure which might exist in natural systems.

- Control
- + Engineered Placement
- * Logger's Placement

Unpublished Data adapted from work done by
J. Cederholm Washington State Department of Natural Resources
B. Bill The Weyerhaeuser Company

THE COOPERATIVE MONITORING, EVALUATION, AND RESEARCH PROGRAM

The Cooperative Monitoring, Evaluation, and Research Programs Mission

The mission of the Cooperative Monitoring, Evaluation, and Research Program is to provide information that will:

- 1) help evaluate the Timber, Fish and Wildlife (TFW) Agreement's effectiveness, and
- 2) offer a framework for Adaptive Management. The CMER Program is designed to answer questions about how forest practices affect public resources. It has several key purposes, including:
 - Examining ways in which forestry activities such as timber harvest and road construction impact fish, wildlife, and water quality.
 - Providing the technical and informational framework for making and evaluating resource-management decisions.
 - Promoting understanding of ecosystem interactions.

The Cooperative Monitoring, Evaluation, and Research Program's Objectives

In responding to the CMER Program's mission, its objectives include providing TFW Agreement managers, policy makers, and regulators with information in the following categories:

- The success of different elements of the TFW Agreement in protecting public resources.
- The validity of those assumptions that form the basis for current regulations and proposed resource management alternatives.
- the most reliable methods for helping resource managers assess and reduce risks connected with forest practices.

The outcome of accomplishing these objectives should be a set of practical procedures that will:

- 1) improve the management of forests and other public resources, and
- 2) provide the basis for Adaptive Management strategies.

Research in Support of Adaptive Management

The need and the design of the Cooperative Monitoring, Evaluation, and Research (CMER) Program were both identified as an outgrowth of the Timber, Fish and Wildlife Agreement. Many of the CMER Program's aspects are geared toward the concept of Adaptive Management as outlined in the TFW Agreement -- managing resources using the best available information, with the understanding that policies and practices should be changed in response to research and monitoring results.

Explicit Objectives -- Adaptive Management seeks a balance between resource use

and protection, and is best applied where resources are managed for explicit objectives. It becomes more of a challenge to apply in the face of competing or undefined objectives.

Link to Local Conditions -- Adaptive Management also means linking resource practices and decisions to local conditions. An example is salmon harvest quotas that are now set according to population monitoring data. Regulatory measures -- which have the efficiency of being easily applied and uniformly enforceable -- are insensitive to the widely ranging geographic and ecosystem zones found in the state. For example, stipulations for riparian zone management must take into account that various stream types within the same watershed may respond differently to silvicultural treatments.

In addition, regulation is often influenced by interest groups who argue for use prescriptions which serve their parochial needs. Therefore, Adaptive Management techniques -- supported by the CMER process -- that tailor use prescriptions to specific sites promise better overall resource use and protection.

The CMER Committee

Its Role and Responsibility -- The CMER Committee -- as the technical arm of the Timber, Fish, and Wildlife Agreement -- is responsible for administering the design, implementation, and review of the CMER program. The CMER Committee's role may also include answering technical questions relating to the TFW Agreement, providing technical services to TFW Agreement participants, and reviewing relevant technical and scientific information.

The CMER Committee also has primary responsibility as part of the CMER Program mission for providing the unifying framework for monitoring and research projects. Such a framework must impart a clear understanding to all Agreement participants of how proposed projects complement each other to form an integrated monitoring program that is responsive to the needs of Adaptive Management.

Its Direction -- The CMER Committee receives its direction from the TFW Agreement Administrative Committee, and reports results back to it.

Its Members -- The CMER Committee is composed of representation from a number of TFW Agreement participants along with others interested in the research aspects of the TFW Agreement.

The CMER Work Plan

The CMER Work Plan was developed to help provide a unifying framework for sub-programs and projects in support of CMER's activities.

The Work Plan will help ensure that projects are:

- Scientifically sound
- Properly documented
- Evaluated using equal standards
- Coordinated so that information is readily accessible

The CMER Work Plan covers a number of issues and guidelines connected with both Sub-program Management and Project Management, as well as details on key current projects.

CMER PROGRAM PLAN

ISSUE: Status and trends of physical stream conditions
PROGRAM: Pilot program to monitor effect of forest practices regulations on stream health

ISSUE: Status and trends of physical stream conditions, cont.
PROGRAM: Classify channel units, valley types, watersheds or physiographic provinces for stream response patterns

ISSUE: Status and trends of physical stream conditions, cont.
PROGRAM: Watershed: identification of features (geology, climate, etc.) that most impact stream potential.

ISSUE: Effectiveness of TFW-era forest practices
PROGRAM: Evaluate trends in resource conditions against watershed analysis/TFW regulations effectiveness.

ISSUE: Effectiveness of TFW-era forest practices
PROGRAM: Establish a network of regional reference sites to get baseline values for resource condition indicators.

ISSUE: Cumulative effects of forest practices, excluding wildlife
PROGRAM: Objective techniques of cumulative effects assessment are identified to develop management responses.

ISSUE: Effects of forest practices on fish
PROGRAM: Evaluate the effect of large woody debris, flow, sediment, temperature regimes on salmonids and fish

ISSUE: Effects of large woody debris on fish populations, production and habitat
PROGRAM: Evaluate the effectiveness of current LOD addition methodology and alternative methods

ISSUE: Erosion from mass wasting
PROGRAM: Evaluate forest road design and construction problems posed by steep and unstable hillslopes.

ISSUE: Erosion from mass wasting
PROGRAM: Evaluate current slope hazard ratings of potential landslide areas to determine deficiencies

ISSUE: Erosion from mass wasting
PROGRAM: Predictive measures of the effects of forest practices on the stability of deep-seated mass movements

ISSUE: Channel damage from landslides
PROGRAM: Assessment of the role of logging debris and habitat characteristics and recovery rate of impacted channels.

ISSUE:	Rain-on snow hydrologic effects
PROGRAM:	Forest management effects on hillslope and stream hydrology
ISSUE:	Channel response to forest practices
PROGRAM:	Determining a method to predict channel responses to forest practices for risk assessment
ISSUE:	Sediment BMPs
PROGRAM:	Evaluation of the effectiveness of BMPs on controlling erosion at forest practices sites
ISSUE:	Forest Chemicals and water quality
PROGRAM:	Determine pesticide concentrations to evaluate effectiveness of regulations on water quality
ISSUE:	Forest Chemicals and water quality
PROGRAM:	Determine whether water quality and the aquatic biota are adequately protected from fertilizers
ISSUE:	Bioassessment of Forest Practices
PROGRAM:	Determine baseline biological conditions to monitor effects of forest practices on ecoregions.
ISSUE:	Forest Practices and water temperature
PROGRAM:	Develop a method to assess effectiveness of current BMPs on water quality and temperature.
ISSUE:	Cumulative Effects on Water Quality
PROGRAM:	Develop methods to evaluate cumulative effects on non-fish aquatic communities and habitats.
ISSUE:	Conversion of forest lands into other forest types and uses displaces and impacts wildlife
PROGRAM:	Assess the effects of oak forest conversion on fauna and wildlife
ISSUE:	Wildlife protection needs to be species specific/ goal oriented
PROGRAM:	Evaluate the effects of forest practices on sensitive wildlife species and their habitats
ISSUE:	Provide for biodiversity (riparian, wetlands, and old growth)
PROGRAM:	Identify and assess species-habitat relationships and health
ISSUE:	Cumulative effects of maintaining entire landscapes in low diversity stands: wildlife impacts
PROGRAM:	Evaluate species-habitat relationships and overall habitat effectiveness for wildlife

WASHINGTON STATE'S OLYMPIC EXPERIMENTAL STATE FOREST

- The Olympic Experimental State Forest is an innovative idea for ecological management of 260,000 acres of Washington State-owned trust land. State trust lands are legally dedicated to be managed for the financial support of specified beneficiaries, mainly public schools.
- The experimental forest lies on the western Olympic Peninsula in Washington State. It contains most of the old growth forest remaining on state lands. About 50,000 acres of mature forest, though mostly fragmented, contribute to the habitat of spotted owls on adjacent federal lands on the peninsula.
- The Olympic Experimental State Forest is a concept originating in Washington State's appointed Commission on Old Growth Alternatives. That diverse citizens' commission in 1989 reached consensus on a comprehensive set of recommendations for managing state-owned old growth. The experimental forest, along with logging deferrals on the critical spotted owl habitat and adoption of a separate sustained yield policy was an integral part of the commission's consensus solution.
- The goal of the experimental forest is to develop, and implement methods to produce a reduced but sustainable timber supply and simultaneously provide for ecological values. The forest will test whether maintaining structurally diverse forest stands across the landscape will result in maintaining habitat for all native animals to remain in their original range while some forest products are removed.
- The features of experimental forest planning include 1) measurable objectives for both commodity production and ecological health; 2) initial use of forest structural diversity as a proxy for ecosystem diversity; 3) use of a broad range of harvest and silvicultural techniques to produce desired results; 4) an aggressive approach to protecting water resources, fish habitat, and other environmental features; 5) a detailed and comprehensive research and monitoring program; and 6) an adaptive management approach to quickly apply new knowledge.
- Examples of actions that might occur on the experimental forest include patch cuts, selective harvest and thinning; leaving large green trees, snags, and down logs; planning for longer harvest cycles; leaving or reestablishing proportions of different stand structure across landscape units; and using natural regeneration methods.
- The experimental forest can have a role in protecting the spotted owl and other species under the federal Endangered Species Act. In 1992 Congress passed HR 4489 to speed implementation of the experimental forest. Since the listing of the spotted owl, much harvestable timber in the experimental forest has been off limits due to the federal prohibition against "taking" the owl. However the final Spotted Owl Recovery Plan identifies the experimental forest as a reasonable framework for conserving the owl. HR 4489 would exempt from the take prohibition any actions to implement the experimental forest once the U. S. Fish & Wildlife Service finds Washington State's plan for the experimental forest satisfactory for owl conservation. The State is now working to produce an approvable plan.

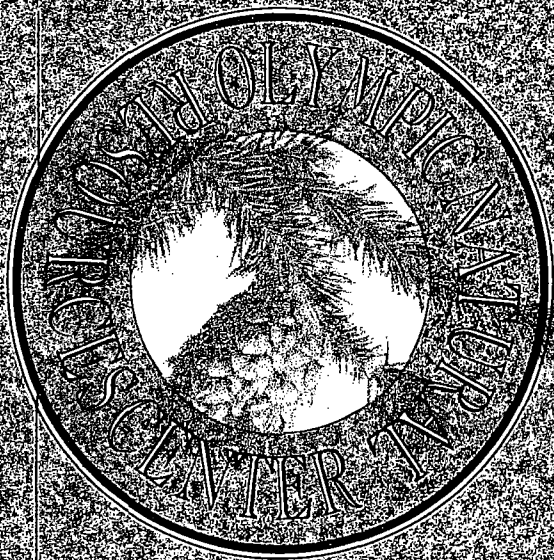
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Olympic Natural
Resources Center
Brochure [4 pages]



Olympic Natural Resources Center
The University of Washington, AR-10
Seattle, WA 98195

OLYMPIC NATURAL RESOURCES CENTER

The University of Washington



FOREST STEWARDSHIP

Division of Land and Water Conservation

What?

The Washington Department of Natural Resources (DNR) Forest Stewardship Program provides technical and financial assistance to non-industrial forest landowners. The Forest Stewardship Program includes:

- Forest management planning assistance
- Forest resource protection and enhancement advice
- Financial assistance for stewardship practices
- Landowner education

The Forest Stewardship Program can assist those landowners who choose to manage their property for timber, fish, wildlife or other natural resources. Each tract of land and each landowner is different. Planning and technical assistance is designed to meet the landowner's long-term forest resource stewardship goals.

Where?

Stewardship Foresters provide direct assistance to non-industrial forest landowners statewide.

How?

Forest Stewardship reflects the coordinated efforts of federal, state, local agency and university programs. Landowner assistance includes administration of federal cost share programs for resource enhancement and protection.

The first step in forest stewardship includes the development of a forest management plan. Individual landowner goals and objectives are the primary concern in developing the plan. Plans include recommendations for management, protection and enhancement of the property's major natural resources. Examples include fencing livestock from riparian areas, planting or thinning a stand of timber, installing fish and wildlife habitat enhancement structures and restoring riparian and wetland areas.

Many educational opportunities are available through the Stewardship Program. DNR cooperates with Washington State University Cooperative Extension and other organizations to provide workshops, tours, newsletters and other educational opportunities. Educational programs include all aspects of managing forest land for multiple natural resource goals.

Landowners can learn more about stewardship assistance by contacting any DNR region office (listed on reverse), or the Forest Stewardship Program, Division of Land and Water Conservation, P.O. Box 47046, Olympia, WA 98504-7046, (206) 902-1650.



Forest Stewardship

To request Forest Stewardship information or assistance call our toll free number, 1-800-527-3305, and ask for the DNR region office serving your area.

Southwest

USDA Service Center
1708 Allen St
Kelso, WA 98626
206/578-0728

Northeast

225 S Silke Rd
P.O. Box 190
Colville, WA 99114
509/684-7474

Olympic

Hwy 101, Route 1
P.O. Box 1375
Forks, WA 98331
206/374-6131

Southeast

713 E Bowers Rd
Ellensburg, WA 98926
509/925-6131

Northwest

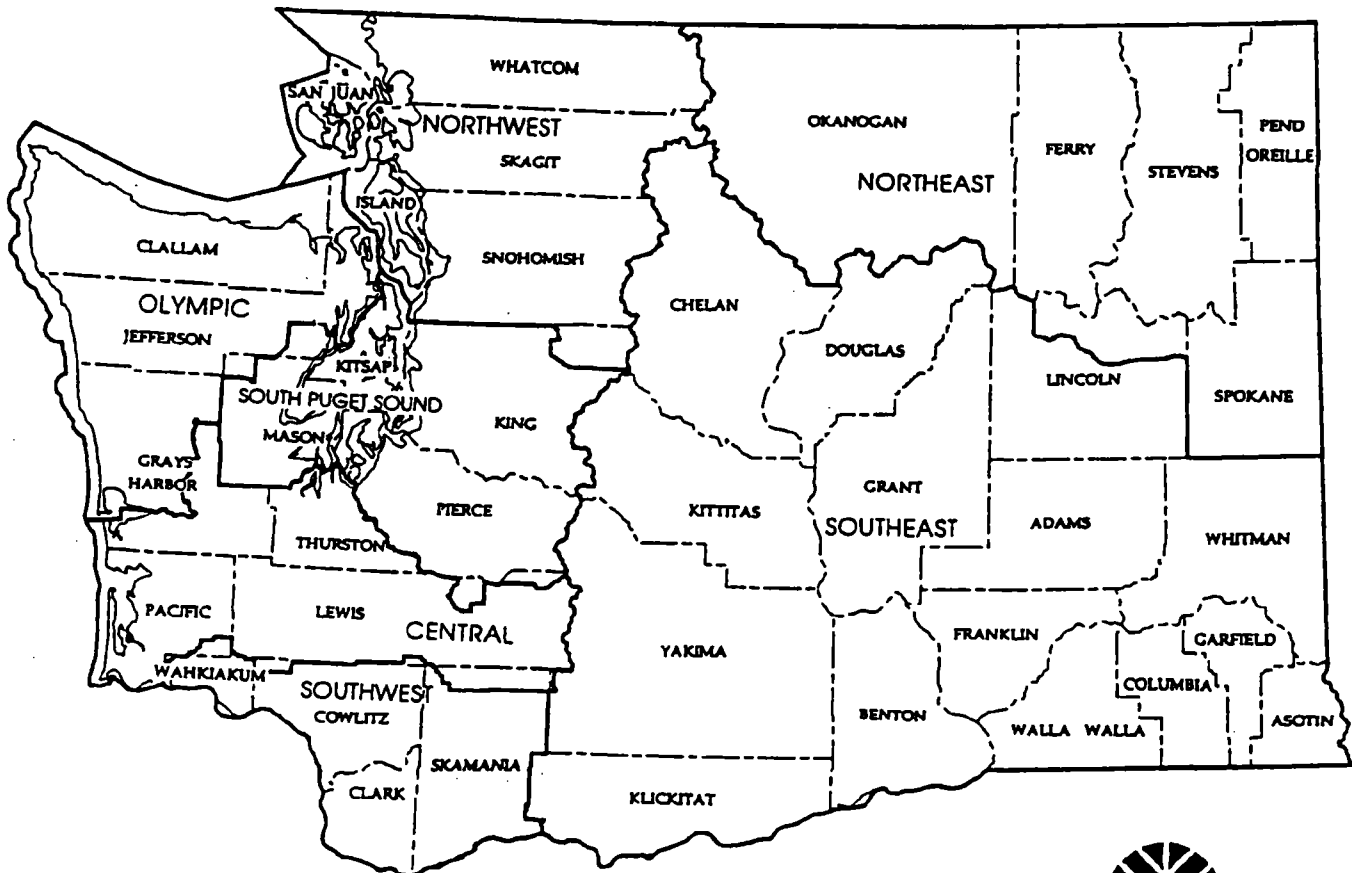
919 N Township St
Sedro Woolley, WA 98284
206/856-3500

Central

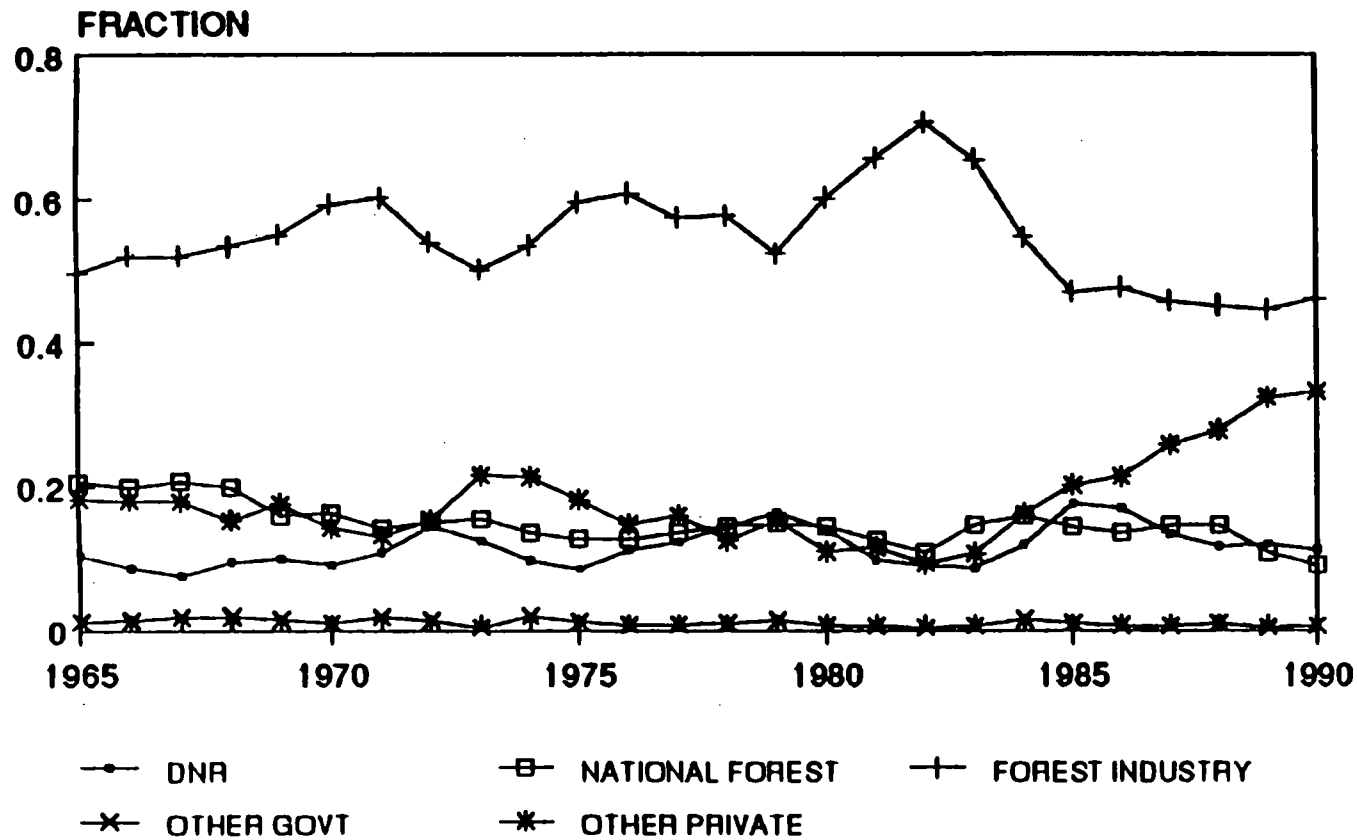
1405 Rush Road
Chehalis, WA 98532
206/748-2383

South Puget Sound

28329 SE 448th St
P.O. Box 68
Enumclaw, WA 98022
206/825-1631



WASHINGTON STATE DEPARTMENT OF
Natural Resources



While federal, state and industrial harvests have decreased in the last decade, nonindustrial harvests have increased.

Forest Management

Objectives of Non-Industrial Private Forest Landowners

Which statement describes the way in which you would like your timber managed?

	% owners	% forest ac
1. High interest in timber management - want timber to be intensely managed on continuing basis.	17	36
2. Some interest in timber management - may use occasional practices.	60	59
3. No interest in timber management - own land for nontimber purposes and have no intentions to harvest timber.*	23	5

Washington State mail survey by WSU and DNR 1988

* Reasons given by over half of the NIPF landowners for owning forest were: scenic beauty or aesthetics, sentimental attachment to the land, privacy, satisfaction from owning land, keeping it natural, wildlife habitat, legacy for their children, to practice conservation, and firewood.

Forest Prescription

Forest Land Management & Timber Sales



Shared knowledge enhancing management of trust lands

Thinning pays, now and in the future



Charles Chambers measures the distance between rows in a 35-year-old stand typical of those suitable for commercial thinning. Current stocking is about 450 stems per acre, stand density (RD) is 60 and average tree diameter (DBH) is nine inches.

by Stan Biles

"Meet or exceed environmental standards while generating adequate income for trust beneficiaries."

"Promote multi-species stands and the characteristics of an old growth forest while generating sustained revenue."

These are the goals of a DNR forest manager in the 1990s and beyond. Easier said than done. How can we accomplish these seemingly opposed objectives? While there is no single methodology that can accomplish our goals, part of the solution rests with commercial thinning.

Historically, the department has

measured progress by volume production. The harvesting of old growth has allowed the department to accomplish those objectives with reasonable production costs. By focusing upon old growth we sometimes passed over management tools that could be used on fast-growing young stands. Now those young stands are becoming our present and future bread and butter. Commercial thinning is a management practice especially

designed for younger forests.

The department manages about 400,000 acres in the 20-to-40-year age class. Almost 50 percent or 200,000 acres meet the guidelines for commercial thinning. Thinning will clearly benefit these stands. And we have 163,000 acres in the 10-to-20-year age class that will be approaching thinning age in the relatively near future. Even with an aggressive thinning program, the department will have difficulty thinning every stand that needs it. Clearly we have a tremendous resource that can sustain a significant long-term thinning program. In the

past year we have commercially thinned 9,900 acres, producing more than 12.6 million board feet at a value range of \$160 to \$533 per thousand.

Commercial thinning produces many benefits, including:

- ☐ silvicultural advantages;
- ☐ value is captured now while future timber values are improved by creating poles, better grades and growing larger trees;
- ☐ increasing total volume removed per acre by managing stands;
- ☐ a socially acceptable method of harvest;
- ☐ a substitute for older stand values restricted by owl habitat;
- ☐ a source of wood for mills which have retooled to process smaller timber;
- ☐ providing a tool to develop future stand structure and diversity in our young stands;
- ☐ meeting wildlife and ecological needs.

As we seek to maximize value flowing from our forests rather than volume, commercial thinning is a proven tool for forest managers. Simultaneously, we can meet the needs for enhanced value while also providing environmental benefits. I encourage each of our forest managers to quickly incorporate commercial thinning into your management strategies. Our forests, and their beneficiaries, will gain from your commitment. If you have any questions don't hesitate to call Dave Vagt in the Timber Sales Division (902-1750, Voice Com 902-1735) or Dennis Carlson in Forest Land Management (902-1347, Voice Com 459-9077). ♦

February 1993

THE DISLOCATED TIMBER WORKER PROGRAM

In 1992 the Department of Natural Resources took part in a joint program with the Department of Employment Security to employ dislocated timber workers.

Specific areas of agency responsibility

The ESD identified, recruited and screened dislocated workers for eligibility and referral to the DNR for employment. The DNR developed a job list, hired, supervised and trained DTWs.

Criteria for eligibility

Applicants must have been employed in the timber industry for a minimum of 680 hours, and/or currently unemployed in one of the identified counties. Referrals were based on minimum level of training, experience, and suitability for the position.

Eligible applicants and work availability

The ESD identified 114 eligible applicants. The DNR hired about 46 workers over the life of the program. Both agencies gave varying accounts of the ease or difficulty of identifying applicants and matching them with jobs. Intensive recruitment methods were used to attract applicants. However, both the ESD and DNR stated funding was the biggest obstacle. There was still work available when funding ended. Due to statutory constraints the DNR could not use trust land funds for this purpose.

Geographic availability

Overall, the DNR was able to match jobs to workers, and travel was not a problem. However, state lands didn't always match up with the impacted counties such as Grays Harbor and Colville.

Quality of workers

Very good to excellent, with few exceptions.

Improvements

Adequate levels of funding are needed (administration and equipment costs included), and more flexibility could be built into the program to ensure jobs, training and workers are a good match.

Program workers could do services for counties, cities, and possibly even private land owners.

Allow longer employment periods than six months. Investments in training would be greater and benefits for the agency maximized if employment lasted a year or two.

POTENTIAL EMPLOYMENT OPPORTUNITIES DNR
DISPLACED TIMBER WORKERS

Number of positions: approximately 218 plus (may be seasonal)

Job categories:

Forest land management (planting, pruning, thinning, etc.)	61
Stream maintenance and fisheries enhancement	19
Warehouse and other (maintenance, shop help, mechanic)	7
Fire control (crew and wardens)	24
Recreation (garbage cleanup, recreation site maintenance, install and maintain gates)	22
Road maintenance and heavy equipment operators	19
Range management	2

Plus an additional 64 positions which may incorporate several categories

Regions:

SW=	10
NW=	28
Oly=	81
Central=	15
South Puget=	40
SE=	23
NE=	21

Additional areas of job potential (no numbers available):

Field inspections for aquatic lands lease compliance;

Assist in education and monitoring for water pollution control;

Spartina control efforts

RECOMMENDATION FOR LOGGER RETRAINING

Many logger training programs center around training them for jobs outside the timber industry and are met with limited enthusiasm. Opportunities to train loggers to expand their current skills may be more popular, though also more limited.

A) New forestry principals

Provide more work opportunities by training for application of new forestry practices. Sponsor workshops in timber communities to teach loggers the basis of bio-diversity and stand manipulation techniques of new forestry. Loggers normally follow customary routines. Once training is established and work available in new forestry thinning and harvests, loggers will be able to market their new skills, just as they have marketed current skills. Future compliance and technical assistance time will be reduced for large landowners and landowner assistance programs.

B) Arboriculture Training

Many loggers find additional work by providing urban tree services. They are generally untrained in pruning techniques, and may cause problems for landowners, cities and utilities over the long term. This is evidenced by the amount of commercial tree topping that goes on, a practice not recommended by arborists and urban foresters. The DNR Urban Forestry Program has already proposed working with DCD, Employment Security, Cooperative Extension, SBA and local arborists to provide such training.

SPECIALTY FOREST PRODUCTS PROGRAM

Washington Department of Natural Resources

The Washington Department of Natural Resources recently created a Specialty Forest Products Program within the Timber Sales Division to enter second-growth timber stands and extract trees with characteristics demanding higher values in the market place.

The trees removed are primarily co-dominant and intermediate stems; most of the larger dominant trees in the stand are left. The program is targeting Douglas-fir and western redcedar in western Washington, and western redcedar in eastern Washington. Trees removed range from 40 to 80 years old and stand 35 to 95 feet in height.

The volume removed through this Specialty Forest Products Program has averaged from 10 to 30 % of the timber stands. However, because of value selection, these volumes represent 25 to 75% of the dollar value of the stands if they had been completely harvested as clear-cuts.

The program has sold 31 timber sales in western Washington and 7 timber sales in eastern Washington, for a total of 10 million board feet. Total value of these sales is \$9,000,000. An additional 23 million board feet (\$28,000,000) is ready for sale.

What we have discovered in this program is that you can extract a respectable percentage of the value from the stand and still leave the major stand structure in place.

Agroforestry

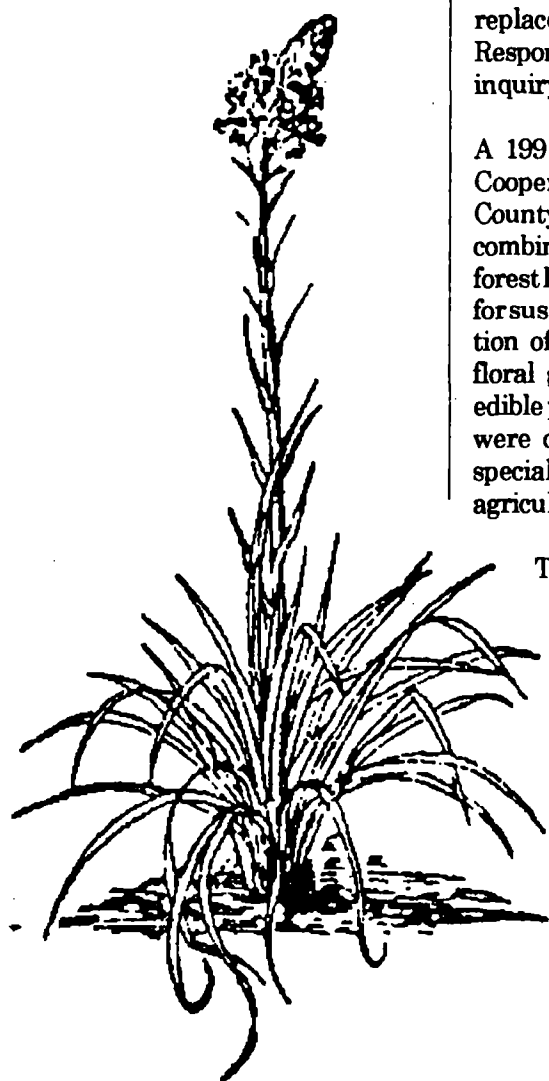
A Community Development Alternative for Rural Communities

by

Joel R. Myer, Special Projects Manager
WSU Cooperative Extension, Mason County

Beargrass

Xerophyllum tenax



During the 1992 elections, a certain candidate for statewide office dismissed the commercial impact of the special forest products industry by rhetorically asking "how many bunches of beargrass will it take to replace one board foot of timber?" Responding literally to this toss-off inquiry, the flip answer is two.¹

A 1991 study conducted by WSU Cooperative Extension of Mason County defined Agroforestry as, "the combined use of agricultural and forest land management techniques for sustainable, commercial production of commodities ranging from floral greenery to herbs and wild edible products. These commodities were categorized in the study as special forest products and small agriculture

The special forest products industry employs an estimated 10,000 persons and generates between \$70 and \$120 million in annual sales from Washington, Oregon, British Columbia and Idaho. Most of the major firms are located in Washington State.

Estimates as to the size of the special forest products industry in the region varies widely due to a relatively loose organization of harvesters and the cash nature of

product acquisition. An indicator of industry participants can be seen in an evaluation of Standard Industrial Classification (SIC) codes for 13 Western Washington counties by WSU Cooperative Extension. 860 businesses were identified as having connections to the special forest products industry.

The list of commercially harvested products is as broad as the subject title itself. The "big three" of salal, sword fern and huckleberry have long been the staples of the regional industry. However, innovative product uses by floral designers and suppliers continue to expand the numbers of species of floral greens used domestically and abroad. Approximately 80% of all forest greenery harvested in the Pacific Northwest is shipped out of the region or to foreign markets. An estimated 17% of this product is utilized locally.

The Washington State Department of Agriculture estimates the wild mushroom harvest was valued at 1.35 million dollars in 1990 (based on reports from mushroom dealers and buyers). Due to the cash nature of this industry, a better estimate places the value at between six and ten million. Most of this product is shipped to the Pacific Rim and Europe. Local processing has traditionally been limited to drying, packing in brine or freezing.

The commercial potential of medicinal plants from the Pacific Northwest demands further investigation. More than one-third of all medicines are made from plants. Following the Amazon rain forest, the Olympic Peninsula and Southwest Washington are considered to have the second highest species diversity in the world. Cascara bark is used in "natural" laxatives and foxglove leaves in the production of the heart medicine, digitalis. The United States is the third largest producer of ginseng in the world, with virtually all of it going to Southeast Asian countries. Western Washington's native gin-

Agroforestry

seng, Devil's Club shows that wild or domesticated, this plant or its more domesticated cousin *Panax Quinquefolium* could be cultivated for commercial benefit.

The value of using native plants in Pacific Northwest landscaping and habitat mitigation is just now being realized. Drought and disease tolerance of native plants make them a desirable alternative for large and small landscaping projects in the region.

Native wetlands plants are also seeing a large increase in demand. Wetlands legislation requiring mitigation of impacts on bogs and swamps affected by construction or agriculture has created a demand for plants ranging from cattails to red dozier dogwood.

Small agriculture operations also hold great promise in this agroforestry project. Small farmers in Southwest Washington are distressed by the fact that individually their level of supply does not meet quantities demanded by grocery store chains or food processors. Indeed, large food cooperatives (and in some cases large farmers' markets in the Puget Sound Region) maintain they cannot be adequately supplied by single, small producers.

By forming farmers' cooperatives, small farms could meet specialty demands of wholesale buyers such as grocery stores, food cooperatives or institutional buyers such as prisons, local jail facilities, schools and summer camps. By pooling production in a collectively-owned cooperative, small farmers would be able to provide the output needed to meet those demands, provide consistent product quality and provide a more stable price for their goods.

Many rural counties in Washington State have a resource base with which to support an agroforestry project: local residents intent on becoming financially independent, a growing

resource base for agricultural and alternative forest products management, a change in the way forests are managed, local resource knowledge and the desire of small agriculture producers to gain more access to markets.

It must be stressed that agroforestry does not provide the promise of a single, major industrial employer. Rather, the cumulative economic benefits of numerous small businesses entering the market place is its strength.

Following is a list of commonly harvested special forest products in the Pacific Northwest and their uses:

Basketmaking

Beargrass

Berries

Blackberries

Blueberry

Huckleberry

Cooking Greens

Fern Shoots

Nettle Shoots

Cones

Cones for seeds

Cones for decorations

Floral Greenery

Beargrass

Cedars

White Pine

Shore Pine

Douglas Fir

True Firs

Moss

Oregon Grape

Salal

Scotch Broom

Sword and Long Ferns

Decorative Wood

Bigleaf Maple

Madrone

Manzanita

Oregon Ash

Sitka Spruce Roots

Yew

Medicinal Materials

Cascara Bark

Foxglove Leaves

Oregon Grape Roots

Rosehips

Western Yew

Mushrooms

Armillaria

Boletes

Chantarelles

Matsutake

Morels

Shiitake

Ornamental Plants

Dogwood

Ferns

Kinnickinnick

Madrone

Rhododendrum

Salal

Red Huckleberry

Red Osier Dogwood

¹The cost breakdown can vary. The assumption used to make this determination is as follows:

Timber is priced at between \$1.00 and \$1.20 per board foot.

Depending on the season, beargrass is purchased from harvesters at between 25 and 75 cents per bunch. The product is eventually sold to end users at between 95 cents at \$1.45 depending on seasonal and supply factors.

For further information about special forest products and the 1991 Agroforestry Project, please contact:

James R. Freed, or Joel R. Myer
WSU Cooperative Extension
Mason County
N11840 Highway 101
Shelton, WA 98584

(206) 427-9670

No. 8: Special Forest Products

- ▼ **The department will encourage and promote the sale of special forest products where appropriate and will market them in a manner consistent with the overall policies of this plan.**

Discussion

In the last five years, the department has seen a marked increase in demand for special forest products such as evergreen boughs, salal greens, mushrooms, tree bark and moss. Pacific yew bark, for example, which is used in cancer research, is currently in demand.

The growth in these industries has occasionally created special challenges for the department. Some new materials are sought by entrepreneurs and scientists on short notice. Other products may threaten limited resources.

Before deciding to sell these items, the department will analyze the value of the product in light of the environmental impacts of harvesting. The department intends to develop consistent policies and procedures for selling, leasing and marketing special forest products. The department also intends to develop clear guidelines that protect the environment, ensure the best return to the trusts and eliminate inconsistent practices among the department's regional offices.

Department decisions regarding the harvesting of special forest products will take into consideration applicable treaty provisions with Native American tribes and the goals of the department's tribal policy (contained in Appendix F).

From

Final Forest Resources Plan
Washington Department of Natural Resources
July 1992

Biology, Ecology, and Social Aspects of Wild Edible Mushrooms in the Forests of the Pacific Northwest: A Preface to Managing Commercial Harvest

Randy Molina
Thomas O'Dell
Daniel Luoma
Michael Amaranthus
Michael Castellano
Kenelm Russell

U.S. Department of Agriculture
Forest Service
Pacific Northwest Research Station
Portland, OR
General Technical Report PNW-GTR-309
February 1993

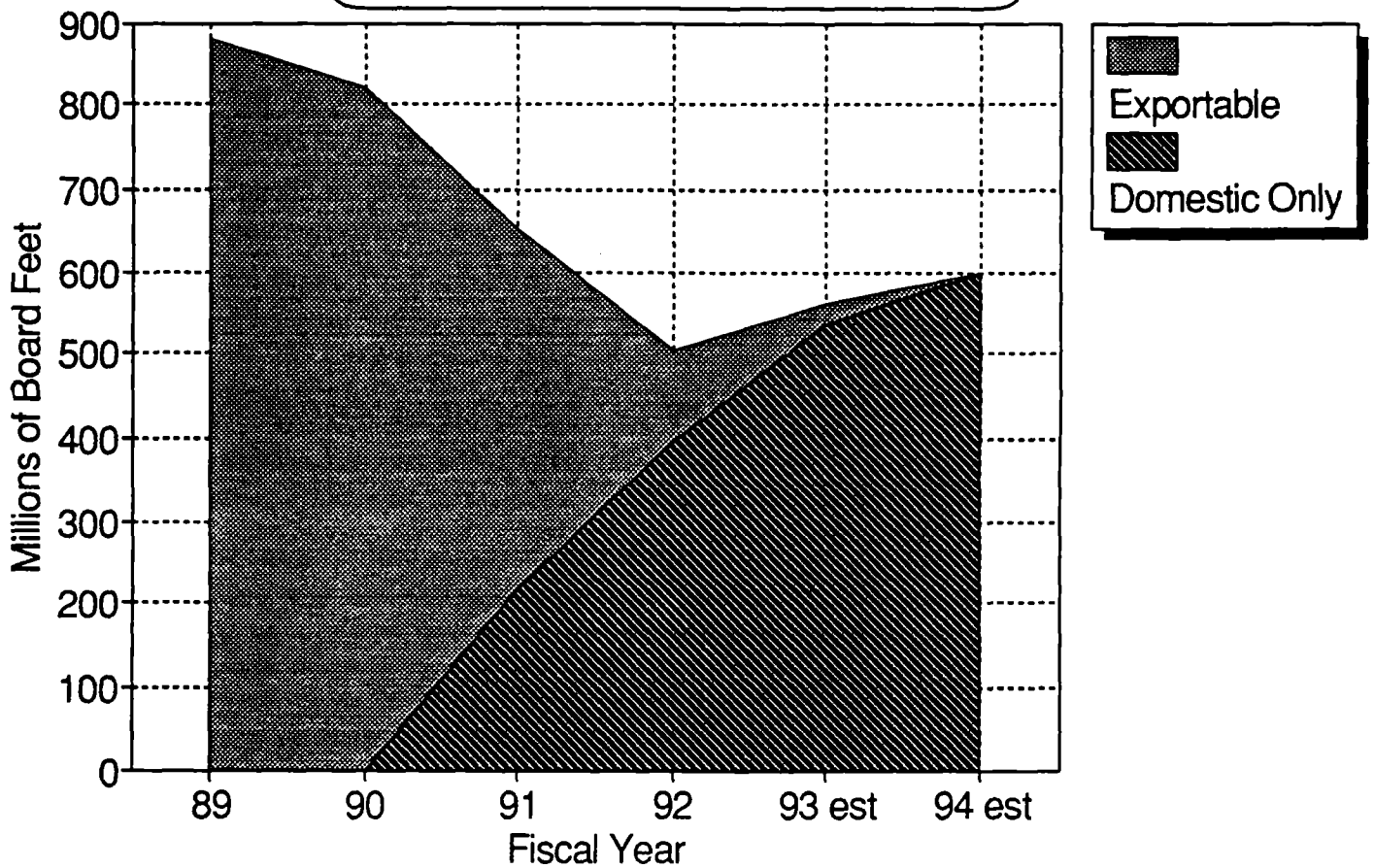
Abstract

Molina, Randy; O'Dell, Thomas; Luoma, Daniel; Amaranthus, Michael; Castellano, Michael; Russell, Kenelm. 1993. Biology, ecology, and social aspects of wild edible mushrooms in the forests of the Pacific Northwest: a preface to managing commercial harvest. Gen. Tech. Rep. PNW-GTR-309. Portland, OR: U.S. Department of Agriculture, Forest Service, Pacific Northwest Research Station. 42 p.

The commercial harvest of edible forest fungi has mushroomed into a multimillion dollar industry with several thousand tons harvested annually. The development of this special forest product industry has raised considerable controversy about how this resource should be managed, especially on public lands. Concerns center around destruction of forest habitat by repeated entry and harvest, gradual loss of the mushroom resource by potential overharvest, conflict between recreational users and commercial harvesters, and regulation and monitoring of future harvests. A key to wisely managing the edible mushroom resource is common understanding among resource managers, the mushroom industry, and the concerned public about the biology of these unique forest organisms, their ecological importance in forest ecosystems, and effects of forest disturbance on their survival. The primary objectives of this overview paper are to provide information on the biology of forest fungi, describe the major edible fungi harvested in the Pacific Northwest, integrate a perspective on the social aspects of the mushroom harvest issue, summarize the development of the commercial mushroom industry, and suggest research and monitoring protocols for developing management guidelines.

Keywords: Fungi, mushrooms, mycorrhizae, monitoring, forest ecology, forest management, special forest products, recreation.

Washington State Timber Sales from State Lands



Sales restricted for domestic processing only have increased to 600 million board feet while exportable sales have been phased out.

**RECOMMENDATIONS FOR IMPROVEMENTS IN
SMALL LANDOWNER ASSISTANCE PROGRAMS
EMPHASIZING TIMBER PRODUCTION**

Increase technical and financial assistance to non-industrial forest landowners through the Forest Stewardship and Stewardship Incentives Programs.

Non-industrial forest landowners collectively own 3.2 million acres of timber land in Washington State. This is second to the Forest Service and Forest Industry. These lands are second only to forest industry in their contribution to the State's timber supply. In 1970 and 1980 harvest from non-industrial forest lands contributed 10% to the State's timber supply. **By 1990, these lands contributed 27% to the State's timber supply(see accompanying graph).** Average parcel size is 30 acres in Western Washington and 100 acres in Eastern Washington.

Non-industrial forest landowners are very dependant on public forestry assistance programs due to small parcel sizes, infrequent harvest scheduling and ownership turnover. Current technical assistance funding, provided to the Department to service Federal cost share programs through the Forest Stewardship Program, will fund approximately ten service forester positions to provide service to 40,000 landowners in 35 forested counties. Combined with limited technical assistance available through other agencies this is still just a small fraction of the staffing available on public or corporate lands.

Congress directed that the Forest Service shall consider productivity as one factor in the distribution of Forest Stewardship and Stewardship Incentive funds. Washington State ranks fourth nationally in softwood inventory on non-industrial private forest lands, and twelfth in total hardwood and softwood inventory on non-industrial private forest lands. Yet Washington only ranks 26th on the basis of acres, which is the primary criteria used by the Forest Service. **Washington receives far less funding than other states making similar contributions to the nations non-industrial private timber supply. Increased federal support of these programs in Washington State would increase the timber supply benefits in this region.**

Remove conversion incentive from Stewardship Incentives Program.

Under the federal Stewardship Incentives Program (SIP) forestry practices required by law are ineligible for cost share assistance. The Forest Service has directed that tree planting is a national priority under SIP. **Landowners in states such as Washington, Oregon, and California with progressive forest practices acts which require reforestation are thus restricted from receiving assistance.** States without required reforestation are rewarded.

In Washington reforestation is not required if a landowner chooses to convert the land from forestry. In mixed use areas, annual tax assessments alone can exceed long term financial return on reforestation investments. In areas not limited to timber production through zoning and land use planning, the SIP prohibition on cost sharing reforestation is just one more incentive to convert after harvest. **Removing the prohibition in areas subject to conversion pressure could keep some land in forestry.**

Combine incentives for timber production with incentives for environmental enhancement

Studies conducted in Washington, Oregon, Alabama, Pennsylvania and other states indicate that most non-industrial landowners value income from timber as a secondary objective to the benefits they receive from enjoyment of non-timber resources. (see accompanying table.) Many landowners are resistant to a management approach focused too strongly on timber production. Studies and experience also indicate that landowner acceptance of timber management and harvest practices will increase when the landowner recognizes their primary objective can be met or enhanced. **Increased recognition and appeal by policy makers and the public to this set of values can have a two-fold benefit to the environment and to timber supply.**

RECOMMENDATIONS FOR IMPROVEMENTS IN SMALL LANDOWNER ASSISTANCE PROGRAMS EMPHASIZING ENVIRONMENTAL ENHANCEMENT

Remove disincentives for environmental enhancement practices

Landowners whose primary objective is income from timber are often resistant to fish or wildlife enhancement practice for fear of possible future regulatory restrictions. Landowners fear that by improving, rather than just meeting minimum protection requirements, they may be encouraging the next Spotted Owl to reside on their property. This has already been experienced by some landowners with other species. **Existing flexibility within the Endangered Species Act should be used if possible to remove this disincentive.**

Remove tax penalty for environmental enhancements

A landowner is allowed to deduct required operational expenses as business expenses. These include timber management and reforestation costs. Costs such as riparian and wetland restoration or fish and wildlife habitat enhancement practices, which are not required business expenses, are not deductible. In addition, any cost share dollars received for accomplishing these practices are taxable as income, even though they are only reimbursing the landowner for funds already spent. **This results in an incentive to do no more than required and makes application of cost share programs for private benefit more rewarding than when applied for the public good. This tax policy should be addressed.**

New Forestry Timber Stand Enhancements

The majority of state, forest industry and non-industrial forest lands are in early reproduction to young saw timber stages. There are millions of acres of lands that could have diversity improved by stand manipulation in the form of commercial thinning and pre-commercial thinning designed to meet silvicultural objectives and increase diversity and wildlife tree recruitment. Washington State currently cost shares these on a small scale through Stewardship Incentives.

New incentives can lessen impacts to landowners. This can result in increased early rotation wood to market to offset set asides, more jobs and better wildlife habitat sooner. These efforts can best be accomplished by private contractors, through existing programs to lessen administrative costs and implementation delays, rather than by creating new public hiring programs. Existing small businesses that have the equipment and know how can be hired through landowner cost share, agency grants and routine contracts to perform the work.

Overhaul the Forest Legacy Program

Currently Washington expects to receive about \$800,000 to purchase conservation easements on forest land threatened by conversion under the Forest Legacy Program. This will purchase about 80 acres. We accomplish far more than this just through incidental contact through the Forest Stewardship Program.

Between 1970 and 1990, Washington lost 1.4 million acres of private forest land to urban growth. At the current rate we can expect to lose another 1.5 million acres by the turn of the century. Even with a significant increase in Federal Funds, the amount of private lands which can be acquired will not make a significant difference in the total picture. In addition many landowners are reluctant to sell interest in their property to the federal government.

We can make better use of the dollars by working with landowners and local land trusts to obtain voluntary contributions of conservation easements to the local land trust. Legacy acquisition dollars should be rechanneled, away from purchasing Federal interests in lands, to cost sharing the documentation required to execute a donated local land trust easement. These dollars could also be passed on to the land trust, through the state, in the form of grants to endow a management fund for each donation. The state's Legacy administrative funds should be used to provide staff assistance to find interested landowners and bring them together with the land trust.



WASHINGTON STATE DEPARTMENT OF
Natural Resources

"Reforestation Tax Act of 1993"

Bill Analysis

Summary

By supporting small forestry businesses, this bill will have an immediate positive impact on incomes and employment in timber-dependent areas, and promote long-run sustainable supplies of forest products through forestry investments. This bill would also promote longer rotations and increase the incentive to retain forest lands in productive forest uses by increasing the potential returns to forestry.

The legislation has been endorsed by a number of forestry and environmental groups like the Washington Farm Forestry Association, Northwest Woodland Owners Council, National Association of State Foresters, Natural Resource Defense Council, the Wilderness Society, Forest Industries Council on Taxation, and the National Woodland Owners Association.

The Reforestation Tax Act of 1993 is similar to bills presented in previous years. It would restore some of the tax incentives for making forestry investments that were lost during the '80s.

The only negative impact of the Act is its short-term effect on tax revenues. However, President Clinton has expressed his support of targeted tax cuts aimed at stimulating small businesses.

Primary Features of the Bill

Sec. 2 "Partial Inflation Adjustment for Timber"

This section of the Act provides a deduction from taxable income at the time of harvest or sale of timber. The inflation adjustment is equal to three percent per year of the capital gain for the number of years held up to a maximum of 50 percent.

Example: Timber purchased in 1980 at \$30,000 is sold or harvested in 1993 for a gross value of \$80,000. If this Act were in place, the partial inflation adjustment would be \$19,500 (3% of \$50,000 X 13). This would reduce the taxable gain from \$50,000 to \$30,500. The actual increase due to inflation from 1980 to 1993 was \$22,827.

(over)

Impact of Provision: By reducing the inflation tax, commonly called "the cruelest tax of all," this provision would promote timberland investment and holding of timber stands by private landowners for longer rotation periods, providing additional total harvest as well as additional wildlife habitat and various environmental benefits.

Sec. 3 "Application of Passive Loss Limitations to Timber Activities"

This section would exempt "closely held timber activity" from treasury regulations that prevent "passive owners" from deducting current business expenditures from non-business income. Limited partnerships "...shall in no event be treated as a closely held activity..." under this Act. Consequently, timberland owners would not have to wait until harvest to deduct these expenditures from their taxes.

Impact of Provision: This would provide small landowners with a tax incentive to perform timber management activities, such as planting, cultivation, caring, cutting and preparation (other than milling) for marketing of trees. Additional management investments would stimulate expenditures, boosting income and create badly needed jobs in rural areas.

Sec. 4. "Amortization of Reforestation Expenditures and Reforestation Tax Credit."

This section would double the maximum reforestation tax credit to \$20,000, index the maximum credit to inflation, and shorten the amortization period from seven to five years.

Impact of Provision: While Washington's timberland owners are required to make sure that their land is reforested, they are not required to plant or incur other reforestation expenditures that will increase the productivity of their timber stands. This section would provide economic incentives to landowners to incur up to \$20,000 per year in reforestation expenditures to improve the quality of the next forest crop. This section also shortens the time period for landowners to recoup their reforestation costs by two years.

###

RECOMMENDATION TO AMEND THE SHERMAN ANTITRUST ACT

The Sherman Antitrust Act imposes criminal sanctions against corporations for collusive business practices. Northwest timber companies are very cautious about activities which might be subject to the Act's prohibitions. Potential violation of the Act is frequently cited by representatives of large industrial forest landowners as a reason against cooperative planning for watershed restoration, spotted owl conservation, or other ecologically beneficial goals. Many cooperative planning proposals from government agencies do not proceed due in part to this stated concern by industrial landowners.

Consideration should be given to examining if the Sherman Antitrust Act is in fact working to frustrate otherwise desirable cooperative planning for ecological benefits. If it is found there is such an effect, consideration should be given to creating an exemption in the act for cooperative planning for public environmental benefits.

The State of Washington is willing to participate in such an analysis.