



## *Sustaining and Restoring the Health of Washington's Working Forestlands and Creating an Ecosystem Services Marketplace*

**November 23, 2009 • University of Washington**

### **MAJOR FINDINGS & PROPOSALS FOR 2010 LEGISLATIVE ACTION**

The Northwest Environmental Forum convened more than 60 natural resources managers and policy leaders from the forest industry, small private landholders, non-government organizations, tribes and local, state and federal government. The agenda, handouts, streaming video of presentations and discussions and attendee lists can be viewed at [www.nwenvironmentalforum.org](http://www.nwenvironmentalforum.org). This Forum report summarizes the findings and makes recommendations for action by the Governor and the 2010 Washington State Legislature.

#### **Purpose of the Forum**

This is the sixth Forum to focus on Washington State's working forests. The 2008 Forum made recommendations to the 2009 Legislature regarding:

- Biomass and Forest Health
- Transfers of Development Rights
- Landowner Mitigation Program Funding
- Right to Practice Forestry Legislation
- Funding the Land Parcel Data Base
- Creating a Legislative Task Force on Strategic Retention of Working Forests and Forest Industry

Although the 2009 Legislature did not act all of the Forum recommendations, there were a few bright spots. One of these was SB 5562, which clarifies that the act of owning land upon which trees are growing is a forest practice that is protected from nuisance law suits.

In addition, a sales and use tax refund was allowed for 100 percent of the sales tax paid on machinery and equipment used to create energy from biomass, fuel cells, sun, wind, tides and waves, geothermal resources, anaerobic digestion, and exhaust or landfill gas. A B&O tax credit was provided for harvesters of forest-derived biomass sold or used for production of electricity, steam, heat or bio-fuel; a sales tax exemption was provided for hog fuel used to produce electricity, steam, heat, or bio-fuel; and the public utility tax on log hauling was reduced. The Legislative Task Force to develop an integrated policy framework for forest taxation, regulatory clarification, and ecosystem services incentive payments, a major recommendation of the Forum, was not considered.

## What the November 23, 2009 Forum considered:

### A. How to Advance Forest Restoration and Wildfire Threat Reduction in Eastern Washington

Previous Forums have focused on a state-wide approach to forest land retention. Because of the severity and complexity of forest health and forest fire issues in eastern Washington, on October 28-29, a special Forum *Eastside Forest Health: Challenges and Solutions*, on Forest Restoration and Wildfire Threat Reduction in Eastern Washington, was held in Spokane.

The report *Eastside Forest Health: Challenges and Solutions* is attached, as supported in the November Forum, along with lists of participants in both Forums. A proposed Legislative Memorial is also attached.

**The following questions were posed and discussed on November 23 in Seattle.**

- Is the Eastside Forest Health Forum assessment of risk and the scale of the problem properly stated?
- The Forum produced a list of recommended early actions
  - Are these achievable and supportable recommendations?
  - If not, which are controversial, questionable or need additional clarification?
  - From your perspective, are any critical issues or opportunities not addressed?
  - Based on this discussion, are the proposed recommended actions supportable by you or your organizations if presented to the Legislature and/or Congress?

Forum participants generally agreed with the Spokane Forum recommendations and supported presenting these findings to the 2010 Legislature. The Memorial to Congress expressing the state's full support for collaborative efforts among federal, tribal, state and private forest land managers was also endorsed. The Commissioner of Public Lands and the Department of Natural Resources are the appropriate designated State of Washington entities to take leadership on the forest health issue.

### B. How the 2010 Washington Legislature could address Ecosystem Services Markets, following the task force proposal of the 2008 Forum

Based on the Findings and Recommendations of the 2006 and 2007 Forums, the 2008 Forum called for the creation of a special Legislative Task Force to create an "Action Plan" for the Strategic Retention of Washington's Working Forest and Forest Industry" to address:

- Tax Reform
- Resource protection with regulatory stability and simplicity
- Effectiveness of existing state incentive programs and those of other states
- Bio-fuels and biomass incentives for optimizing forest health
- Ecosystem Services Payments

The complete text of the 2008 task force recommendations is attached.

Because the 2009 Legislature did not act on this recommendation, the November 23, 2009 Forum considered the scope of the proposed Task Force and focused on the following questions:

- Considering current budget realities, should the recommended Task Force be proposed as a new state effort or should it be implemented within an existing agency or department ?
- If the Task Force is a new effort, what should be the make-up/membership of such a Task Force?
- How can the current system of taxes, regulation and incentive payments be integrated to achieve the desired outcomes of retaining working forests, providing land owners with an affirmative set of market and non-market signals designed to encourage continued stewardship and tenure and enhancing ecosystem services?
- What mechanisms could the state consider to implement an Ecosystem Services Payment Program?

Forum participants continued to affirm the urgency for Washington to provide an integrated framework of forest policies. Recognizing current budget realities, Forum participants make the following recommendations for consideration by the 2010 Legislature.

## **Forum Findings – Opportunities that Ecosystem Services Markets can Create for Washington State**

- Integrate incentives, tax policy, forest land retention policies and ecosystem services in one framework to emphasize commitment to working forest land retention and rural economic stability.
- Integrate natural resources agencies capabilities.
- Create market values for ecosystem services, such as for water and biodiversity.
- Focus on creating incentives and reducing disincentives for working forests and forest landowners.
- Achieve social collaboration with a broad set of stakeholders and a focus on working forests and the forest products industry.
- Learn from the best of new models now in use in other states.
  - Strategies for forest retention payments (e.g., Maine and Minnesota)
  - Habitat conservation banking and mitigation (California, North Carolina, Texas)
  - Willamette Partnership for water market creation (Oregon)

## **Option A - Legislature appoints a Task Force as per 2008 Forum Recommendations**

### **Opportunities**

- Can address the full range of issues that the 2008 Forum recommended.
- Builds on Oregon’s example where the Governor and Legislature acted.
- Can enlist other agencies’ capabilities (e.g., Commerce, Puget Sound Partnership, DNR) to direct the Task Force effort.
- Can specify specific locations to catalyze collaborative actions and specific projects to demonstrate how a market-based ecosystem services system could work.
- Can address integration of current regulatory, incentive and land retention policies.

## Concerns

- Budget impacts and staffing requirements.
- Must address long-standing concerns of landowners, especially small private forest land owners regarding policy and financial direction to retain productive forestland.
- Membership needs to reflect a balanced, broad-based and high level of involvement from forestry and environmental interests, land and economic development sectors, and other needs as the Legislature directs.

## **Option B - Legislature directs the Commissioner of Public Lands, in consultation with Forest Practices Board, and with input from appropriate agencies and stakeholders, to study and prepare an Action Plan with recommendations to address strategic retention of working forests and the forest industry**

### Opportunities

- May be able to address long-standing concerns of landowners, especially small private forest land owners, regarding policy and financial direction to retain productive forestland.
- Would be charged to achieve a balance between a regulatory focus and incentives that achieve environmental goals.
- Could focus immediately on state rules that create disincentives.
- Would be an existing structure within state government (but would need additional legislative direction.)

### Concerns

- Because the forest practices board is a rule-making body, it is not currently oriented to deal with market based-issues such as ecosystem services.
- The forest practices board by its nature may be a consumer of incentive programs.
- Additional work requirements would likely present additional financial burdens.
- The Climate Task Force and Spotted Owl Working Group are recent examples of lower cost approaches.
- May not be able to achieve as broad a focus as could a new legislative body.

## What You Can Look Forward To

- The October (Spokane) and November (Seattle) 2009 Environmental Forum Reports will be provided to the 2010 Legislature.
- The Memorial to Congress and the President draft will be presented to the 2010 Legislature.
- We will participate with Forum coalitions to present these findings and recommendations.
- We will consider all suggestions for future Forums, on Working Forests or other subjects.

**Questions or Comments** Please contact Northwest Environmental Forum Leader Brian Boyle at (206)616-8640 or [bboyle@u.washington.edu](mailto:bboyle@u.washington.edu).

## Forum Participants

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## **ATTACHMENTS**

1. Forum Report: Eastside Forest Health – Challenges & Solutions
2. Senate Joint Memorial
3. 2008 Forum Report – Task Force Legislative Request



## FOREST RESTORATION AND WILDFIRE THREAT REDUCTION IN EASTERN WASHINGTON

*Eastside Forest Health: Challenges and Solutions*  
Spokane Convention Center • Spokane, Washington  
October 28-29, 2009

Forest structure and composition have changed significantly in dry forests of eastern Washington. High densities of dead and moisture-stressed trees increase potentials for the spread and intensity of fire, disease, and insect outbreaks, leading to massive environmental degradation, higher costs of management and greater atmospheric pollution. The capacity of these forests to withstand projected reduced precipitation and elevated temperatures under a climate change scenario is very much in doubt.

In response to the University of Washington "Future of Washington's Forests and Forest Industries" report, the 2007 legislature funded a pilot Forest Health project initiated by the Washington State Department of Natural Resources (DNR). The 2007 and 2008 Northwest Environmental Forums recommended that an expanded program is needed to improve forest health and resilience and remove surplus fuel loads to reduce forest fire hazards in eastern Washington.

In the Northwest Environmental Forum on Eastside Forest Health: Challenges and Solutions, an invited group of 60 federal, state, tribal and private forestland managers, in conjunction with government and conservation representatives, addressed an actionable strategy to restore and maintain the ecosystem services of the eastside dry forests. Resilient eastside forests protect the basic ecosystem services – wood and fiber, water and medicinal resources; environmental services – carbon sequestration, biodiversity, wildlife habitat, erosion control and pollination; and cultural services – community stability, recreation, tourism, educational and spiritual.

Forum deliberations were kicked off by keynote addresses from Mary Wagner, USDA Forest Service Regional Forester; Washington Commissioner of Public Lands Peter Goldmark and Northwest Indian Fisheries Commission chair Billy Frank, Jr. A series of presentations by leading scientists with expertise in fire ecology, forest health and wildlife

management set the stage for region-specific breakout groups. The format for these in-depth discussions was based on the results of a multi-question survey completed prior to the forum by attendees. The survey results helped focus group deliberations on the areas of greatest differences of opinion and perception.

In addition to these summary findings of the Spokane Forum, streaming videos of Forum presentations and dialogues can be viewed at [www.nwenvironmentalforum.org](http://www.nwenvironmentalforum.org).

Forum participants agreed that an ecosystem services strategy could improve forest resilience in the face of climate change, reduce greenhouse gas emissions, reduce fire damage and danger, promote rural economic stability, increase the availability of forest-based renewable energy and protect fish and wildlife habitat.

*The stated desired outcome of the Forum was: “A consensus agreement on the elements of an actionable strategy for restoring ecosystem services that are provided by eastside forests.”*

*The Forum Agenda directed that the strategy was to include:*

- 1. Adaptation to climate change and mitigation of greenhouse gas emissions*
- 2. Prioritization of early actions on the eastside forests within the strategy*
- 3. Innovations across ownerships and constituency lines*
- 4. Agreements to monitor and adapt*
- 5. Trust and confidence-building through the Forum collaboration*

## **IMPERATIVES FOR ACTION**

*A summary of comments by the Forum Keynote Speakers*

### **MARY WAGNER, Regional Forester, USDA Forest Service Region 6**

The Imperative is the Land, the People and the Promise. Secretary of Agriculture Vilsack’s new broad vision for American Forests has at its heart an “all lands” approach. All USDA agencies are working together to sustain the entire matrix of federal, tribal state, municipal and private forests. The Forest Service is committed to restoring the resilience of our forests to all types of disturbance and improve:

- Watershed health
- Sustained water flow quality and quantity
- Shelter for wildlife
- Richness of biodiversity,
- Rural prosperity
- Our ability to meet a shared vision of healthy, resilient forests

How do we look beyond ownership boundaries and bring landowners and stakeholders together to decide on common goals for landscapes they share? To meet public expectations for action, how can we increase the pace and scale of work?

We are faced with a series of questions:

- What will it take to accomplish landscape- scale conservation?
- Where are the priority landscapes?
- How can we increase the pace and scale of restoration efforts?
- How do we tap into the necessary resources so that our knowledge and ideas can take advantage of opportunities contained in the Forest Restoration Act?
- How will we take advantage of the nearly completed Washington Forest Assessment?
- How can we take advantage of current revisions to the Region's Forest Plans?
- What ideas and actions can we commit to together?

This Forum is a place to strengthen relationships; expand knowledge, imagine what is next, and grow the capacity to address these challenges.

### **PETER GOLDMARK, Washington State Commissioner of Public Lands**

#### **Imperative #1 – *Changed Forest Conditions***

I have witnessed tremendous change in the eastern Washington landscape over the past 40 years. The worsening forest health pandemic is like a slow moving forest fire. It's destructive, difficult to tackle, incremental change is hard to see and it's difficult to drive home the enormity of the issue

How to convince others of the enormity? We must respond. The forest health problem knows no boundaries and it is getting worse. There is high certainty that climate change has and will play a large role, and will not go away.

The Tripod Fire cost \$100 million to contain. These are untenable and unsustainable costs. Those dollars would be better spent on restoration and other means of improving forest health. Budget problems= opportunity for innovations

#### **Imperative #2 – *Take the Next Step***

Build on 2007 Legislature's bill SB 6141 "Forest Health Law." Coordinate action across landscapes by many landowners. This is an imperative for fire and also for forest health. We need to figure out new ways for cooperation.

The Commissioner of Public Lands is the designated state lead for forest health. In 2008, the legislature designated a pilot project for Stevens County. In 2009, the legislature cut those project funds.

Simultaneously, there are two successful collaborations in northeast (Colville) and southeast Washington (Tapash).

**Imperative #3 – Possible Outcomes and Solutions**

- Support implementation and funding for strategies in place.
- NE – retain infrastructure; build on collaborative success.
- Paradox of the eastern Cascades:
  - Lack of infrastructure for restoration – cost of restoration has to be borne by products extracted.
  - Lack of supply assurance needed to build upon existing infrastructure or attract new investment. Need new strategies.

Steps by DNR: DNR bio-mass initiative, with 30 applications for partnerships DNR for restoration and bio-mass for renewable fuels. Materials will come from forests at risk as well as from normal logging activities.

Great opportunities from new, current and emerging technologies for overstock materials for beneficial use in the market place, for construction materials and/or for renewable fuels.

**BILLY FRANK, JR., Chairman, Northwest Indian Fisheries Commission**

Change has to happen and it has to happen now. Need to involve tribes in management.

Some people and organizations are against harvesting. Tribes want foresters to harvest. We need a strong industry. We want you to stay.

Need to work collaboratively. How do we make the changes needed?

Tribes are committed to forest health. Tribal infrastructure is in place and needs to be utilized.

## FINDINGS

- Eastern Washington dry forests are in a crisis condition that requires active management to restore forest health and reduce catastrophic fire danger. Problems of disease, insects, and wildfire know no boundaries and are growing increasingly worse, accelerated by climate change coupled with lack of treatment.
- Climate change and increased fire risk are inextricably linked. A two degree Celsius rise in temperature will likely result in a 100%-200% increase in forest areas burned by wildfire.
- Fire, disease and bugs are part of the natural forest ecology but conditions today and for the projected future are significantly outside historic norms.
- Management prescriptions for large-scale landscapes (>5,000 acres) for ecosystem restoration should recognize the heterogeneity of Eastside forest and strive to mimic historic conditions of resilience and robustness - a mosaic of even and uneven-aged stands with species mix appropriate to that region. There is a high degree of comfort with the level of scientific knowledge about forest and fire ecology.
- Achieving desired conditions requires removal of surface fuels, ladder fuels and crown fuels in conjunction with controlled understory burning.
- Outcomes should be focused on what's left behind (general target of 50-100 trees/acre in uneven-aged management eastside dry forests) rather than on what is removed.
- Treatment units should be large scale (minimum of 5,000 acres up to 50,000 acres or larger), consistent with Forest Restoration Act criteria. Forest Service stewardship treatment contracts should be at least 10-20 years in duration to allow stability of workforce; investment in infrastructure to process output materials and provide adequate time for assessment and adaptive prescriptions.
- Federal and state management objectives for forest restoration, biodiversity and fire-resistant landscapes on dry, mesic and moist forest ecosystems should be multi-resource, landscape-scale and not oriented toward single species or stand level prescriptions.
- Proposed entries should focus on roaded areas except under extreme forest health conditions, where such entry would require community support. At this time there is much roaded and available land to treat.

- Reduction of catastrophic fire risk requires treatment of 25-30% of affected areas using strategically-focused actions based on USFS modeling, in conjunction with DNR and tribal forestry information. 70% or more of certain areas may need to be treated to achieve desired forest health conditions.
- Different ownerships will require different treatment protocols (e.g. private lands will not have the same prescriptions as habitat-designated USFS land).
- To address the scale of the current problems in areas of inter-mixed or “checkerboard” ownership, collaboration of management actions among ownerships is essential for effective forest health treatments. Authority and resources to create this necessary action space will require congressional and legislative action as well as changes in agency cultures and procedures.
- Ecosystem Services Districts could be defined and organized based on affected landscape and communities (e.g. Santa Fe watershed example – “Forest Restoration and Fire Prevention Districts.”)
- A sophisticated public information and education campaign focused on forest restorations and catastrophic fire threat reduction is essential to sustain activities at the scale and duration required to address the current and projected conditions. Effectively engaging decision makers at the local, state and federal levels is a critical part of this strategy.
- Multi-organization coordination of research and applied science is essential.
- Facilitated collaboration will be necessary to enable stakeholders to reach durable agreements as the necessary basis for landscape scale management.

## **ACTIONABLE STRATEGIES AND PATHWAYS TO FOREST HEALTH**

Consensus agreements to be affirmed by Steering Committee for presentation to Spokane Forum participants and to the November 23, 2009 Forum in Seattle.

### *Adaptation to climate change and mitigation of greenhouse gas emissions*

- In order to sustain both ecosystem values and processing infrastructure over time, planning for management outcomes should reflect an understanding that targets for landscape-level ecological improvements must be integrated with predictable flows of raw material to support required investment in processing infrastructure. Planning errors of the past have alternatively focused narrowly only on annual sale quantity in disregard of ecosystem values, or conversely, have idealized ecosystem

protection to the detriment of reliable harvest volumes. Significant infrastructure investments require at least a 10 year contractual window of predictable outputs in order to accomplish both objectives.

- In this regard, a paradigm shift is required to define “outcomes” rather than “outputs” at a landscape level (> 50,000 acres). Criteria for USFS forest restoration activities need to be changed to “acres treated” rather than board foot output measures, with emphasis on ecosystem management of all lands/ all resources (uplands and aquatic resources). The result will be a shift from single species and small-scale site prescriptions to landscape-scale desired outcomes. Landscape “outcomes” will include valuable social and economic “outputs.”
- The status quo, both institutionally and ecologically, is neither acceptable nor sustainable. Forum participants agree that the following recommendations are necessary to avoid loss of the entire range of forest landscape ecosystem functions and to diminish the likelihood of catastrophic wildfires.

#### *Prioritization of early actions on the eastside forests within the strategy*

- Joint legislative hearing in January, 2010, with Washington State House and Senate Natural Resources Committees on Eastern Washington Forest Restoration and Wildfire Threat Reduction.
- Introduce a Memorial to Congress regarding the urgent need for adequate funding for National Forest System activities and for supporting collaborative, community-supported actions on Forest Restoration and Wildfire Threat Reduction. The focus should be on Washington State while recognizing the urgency for action in the inter-mountain and southwest regions of the country.
- Full support for DNR Forest Health Strategy (“A Desirable Forest Health Program for Washington’s Forests – Forest Health Strategy Work Group Report, 2004).
- Encourage Washington State to recognize forest bio-mass as renewable energy source. Support federal lands outputs to be counted as renewable energy.
- Legislation/ rules changes to allow sustainable and longer (10 + years) for Forest Service stewardship contracts on larger acreages, in conjunction with funding to complete required environmental review and documentation.
- Provide stewardship contracting authority to DNR. Legislative action is needed to create an exception for “valuable materials contract” restriction to create the necessary management flexibility.

- Encourage DNR and USFS to utilize competitive bid contracts with tribal resource agencies and other capable bidders for forest health treatment.
- Support DNR and Okanogan/Wenatchee NF offering of 10 year or longer stewardship contracts with explicit baseline volume outputs to incentivize infrastructure investment in the Ellensburg area. Consider a similar pilot project for the Ferry County/ southeast Okanogan region.
- Create infrastructure investment incentives (see previous Forum recommendations) tied to long-term contracts. A critical incentive for investment is a stable, predictable supply of materials from landscape management units designed to improve forest health and that are supported by affected stakeholders.
- Provide state authority for efficient siting decisions for mills/ processing facilities on existing or former manufacturing sites.
- Provide smoke management flexibility/exemptions for prescribed forest health treatments and maintenance (prevention against catastrophic smoke events).
- Develop public information campaign/ materials re: urgency of forest restoration, public health and fire threat reduction for federal, state and local decision makers as well as for the general public.

### *Innovations across ownerships and constituency lines*

- Emphasize the need for state and federal authority for Forest Service, DNR and tribal nations to collaboratively manage landscape units of a significant scale (“anchor collaboratives”). Consider incentives to help build trust to accelerate multi-agency cooperation, stabilize output/ supply scenarios and encourage infrastructure investments without creating additional financial burdens on the respective agencies.
- Develop mechanisms to coordinate activities on the “anchor collaboratives” with adjacent and private land in-holdings on a voluntary basis.
- Support TAPASH and Northeast Washington Forestry Coalition collaborative efforts through legislative and congressional recognition and create a statewide information network (“meta-collaborative”) for these and other potential efforts (e.g. Colville.) The collaboratives could provide the basis for developing business-based models for forest health and restoration.

### *Agreements to monitor and adapt*

- A sustained effort requires continuous gathering of multi-disciplinary scientific information, monitoring of management activities, testing of new ideas, and dissemination of results to on-the ground managers and policy makers. Possible role for UW School of Forest Resources (“Institute for Eastside Forest Policy”?) in conjunction with “Inland Empire” educational institutions (WSU, U. of Idaho ....?)

### *Trust and confidence-building through the Forum collaboration*

- Maintain momentum of this Forum through a standing steering committee to coordinate agreed upon actions and implementation.
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  - **Brian Boyle** – Northwest Environmental Forum, Forum Leader
  - **Jamie Barbour** – USDA Forest Service Pacific Northwest Research Station, Program Manager, Portland Forestry Sciences Lab
  - **Gary Morishima** – Intertribal Timber Council, Board Member; Quinault Nation
  - **Chuck Turley** – Washington State Department of Natural Resources, Deputy Supervisor
  - **Aaron Everett** – Washington State Department of Natural Resources, Forest Health Policy Specialist
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  - **Becki Heath** – USDA Forest Service Okanogan & Wenatchee National Forest, Forest Supervisor
  - **Rodney Smoldon** – USDA Forest Service Colville National Forest, Deputy Forest Supervisor
  - **Larry Mason** – University of Washington School of Forest Resources, Research Scientist
  - **Phil Rigdon** – Yakama Nation, DNR Deputy Director
  - **Maurice Williamson** – Consulting forester
  - **Pete Heide** – Washington Forest Protection Association, Senior Director of Forest Management
  - **Duane Vaagen** – Vaagen Brothers Lumber Inc., President
  - **Mike Peterson** – The Lands Council, Executive Director
  - **Bob Rose** – Environmental Forum consultant

Note: Members of the Steering Committee have reviewed and approved the text of this summary of the 2009 Spokane Forum Findings and Actionable Strategies

## IDENTIFIED REGION-SPECIFIC NEEDS

### NORTH CENTRAL

- At present there is no collaborative stakeholder group to form a consensus base in Okanogan region.
- Lack of infrastructure and workforce precludes economically viable forest treatment alternatives.
- Efforts must begin with land managers and elected officials concerned about watershed and fish restoration and fire protection.

### SOUTH CENTRAL

- Support continuation of the DNR timber sales and management program in the Southeast Region.
- Expand the Tapash partnership to include community stakeholders.
- Support the Yakama Nation infrastructure as essential for long-term restoration

### NORTHEAST

- Increase forest restoration outcomes to insure outputs that support the region's functioning infrastructure (pulp, chips, small and large log mills)
- The region requires at least 1 billion bf/year from all ownerships to continue functioning.
- Preserve the Northeast Washington Forestry Coalition - Forest Service unique relationship through continuation of "proof of concept" framework.
- Northeast Washington Forestry Coalition support provides the flexibility for the USFS test and use a wider range of capabilities and authorities.

## FORUM SPONSORS

Many thanks for the generous contributions from the following organizations:

Green Diamond Resource Company  
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Port Blakely Tree Farms  
The Nature Conservancy  
USDA Forest Service Region 6  
USDA Forest Service Pacific Northwest Research Station  
Washington Forest Protection Association  
Washington State Department of Natural Resources

## FORUM PARTICIPANTS

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Brian	Vrablick	Area Operations Manager	Northwest Management Inc.
Mary	Wagner	Regional Forester	USDA Forest Service Pacific Northwest Region 6
Maurice	Williamson	Owner	Williamson Consulting

**SENATE JOINT MEMORIAL xxxx**

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**State of Washington 61st Legislature 2010 Regular Session  
By Senators Morton, Jacobsen, and xxx,xxx,xxx, .....**

Read first time XXXXX. Referred to Committee on Natural Resources.

TO THE HONORABLE BARACK OBAMA, PRESIDENT OF THE UNITED STATES, AND TO THE PRESIDENT OF THE UNITED STATES SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES, IN CONGRESS ASSEMBLED, AND TO THE SECRETARY OF THE DEPARTMENT OF AGRICULTURE AND THE CHIEF OF THE USDA FOREST SERVICE,

We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

WHEREAS, Dry forests in western states, including Washington, Oregon, Idaho, Montana, Colorado, and Wyoming are suffering from high densities of dead and moisture-stressed trees that pose serious threats of catastrophic loss from wildfire, disease, and insect outbreaks; and

WHEREAS, Realization of such threats would lead to soaring costs for restoration, fire-control and management, atmospheric pollution from black carbon and green house gas emissions, loss of supply and values for wood, fiber, and renewable energy, and massive environmental degradation of water, soils, fish and wildlife habitat; and

WHEREAS, Climate change and increased fire risk are inextricably linked, and scientific projections indicate that a two degree Celsius rise in temperature will likely result in a 100-200% increase in forest areas burned by wildfire; and

WHEREAS, The USDA Forest Service has determined that wildfire in these forest types could severely affect water supplies, as for example, water supplies for 33 million people could be endangered if forests infected by mountain pine beetles in the Rocky Mountains area catch fire; and

WHEREAS, Forest wildfires could damage thousands of miles of electrical transmission lines and result in widespread disruption of regional power supplies; and

WHEREAS, Disease, insects, and wildfire problems will become increasingly worse unless active management is undertaken on a large scale to restore forest health and resiliency; and

WHEREAS, Restoration of the health of these forests is essential to provide important ecosystem services such as water, carbon sequestration, biodiversity, fish and wildlife habitat, erosion control, pollination, medicines, educational, cultural, and spiritual uses, to improve their ability to endure increased stress from climate change, and to promote stability in rural economies from recreation, tourism and the sustainable harvest of renewable wood, fiber and biomass; and

WHEREAS, Federal and state management objectives for forest restoration, biodiversity and fire-resistant landscapes on dry, mesic and moist forest ecosystems should be multi-resource, landscape-scale and not oriented toward single species or stand level prescriptions; and

WHEREAS, Different ownerships will require different treatment protocols (e.g. private lands will not have the same prescriptions as habitat-designated USFS land); and

WHEREAS, Collaborative efforts are the most effective way to ensure durable and successful actions on the ground in areas of inter-mixed or "checkerboard" ownership (as evidenced by efforts such as the TAPASH and the Northeast Forest Coalition in eastern Washington, the Lake County Resources Initiative in eastern Oregon, the Flathead Forestry Project in Montana and the Colorado Bark Beetle Cooperative), to effectively conduct forest health treatments; and

WHEREAS, On October 28-29, 2009, the University of Washington's Northwest Environmental Forum convened a forum on "Eastside Forest Health: Challenges and Solutions," at which an invited group of more than sixty (60) federal, state, tribal and private forestland managers, in conjunction with university, government and conservation representatives, considered the need to develop and implement an actionable strategy to restore and maintain the health of Washington's eastside dry forests; and

WHEREAS, Forum participants agreed that action is urgently needed to restore the health of Washington's dry eastside forests; and

WHEREAS, Restoration of ecosystem functions on Washington's eastside dry forests requires treatment areas of 50,000 acres or larger to mimic historic conditions of resilience and robustness, with a mosaic of even and uneven-aged stands with appropriate species mix; and

WHEREAS, Restoration and necessary treatments at the scale required can only be sustainably accomplished when the value of the extracted products can significantly defray costs of restoration; and

WHEREAS, Forest health conditions are deteriorating on millions of acres of federal forest lands where administrative constraints prevent the Forest Service from providing the reasonable assurances of supply that are necessary to encourage investments to create new capacity or improve existing infrastructure; and

WHEREAS, Stewardship Contracting is a proven and effective mechanism to achieve forest health objectives on federal forest lands; and

WHEREAS, Greater flexibility in both the scale and time frames for stewardship contracts will help create a positive business and investment environment to accomplish restoration goals across multiple ownerships; and

WHEREAS, Secretary of Agriculture Thomas Vilsack has announced a broad "all lands" vision for American forests in which all USDA agencies are directed to work together to sustain the entire matrix of federal, tribal state, municipal and private forests; and in this context, the Forest Service is committed to restoring the resilience of our forests to all types of disturbance and thereby improve watershed health, sustained water flow quality and quantity, shelter for wildlife, richness of biodiversity, community stability and rural prosperity; and

WHEREAS, Congressional direction to federal agencies and budget allocation through the Forest Landscape Restoration Act calls for "landscape-scale ecosystem restoration of priority forest landscapes," and the level of funding available within the Collaborative Forest Landscape Restoration Fund will significantly affect the ability of all land managers dealing with this catastrophic situation; and

WHEREAS, The Washington Commissioner of Public Lands and the Washington Department of Natural Resources (DNR) have been

designated as the lead Washington state agency to address forest health issues, and there are significant collaborative efforts with the USDA Forest Service and Indian tribes; and

WHEREAS, Public support for management treatments for forest restoration and catastrophic fire threat reduction at the scale and time frame required demands a sophisticated, multi-party public information and education and a high level of engagement with decision makers at the local, state and federal levels;

NOW, THEREFORE, Your Memorialists respectfully pray that the President and the United States Congress elevate the restoration of healthy, sustainable forests as a national priority and establish a framework that: (a) facilitates and encourages active forest management on all ownerships; (b) informs the public of the benefits provided by maintaining working forest landscapes; (c) integrates service delivery for the various programs and authorities for forest retention and ecosystem services administered by federal agencies; and (d) recognizes the values and contributions of forests in federal climate change, renewable energy, and water legislation and policies.

BE IT FURTHER RESOLVED, Your Memorialists respectfully request that the President and the United States respond to the urgent need for collaborative, community-supported Forest Restoration and Wildfire Threat Reduction actions that emphasize "anchor collaboratives" - managed landscape units of a significant scale with shared authority between state and federal agencies and tribal nations that accelerate multi-agency cooperation, stabilize output/supply scenarios and encourage infrastructure investments.

BE IT FURTHER RESOLVED, Your Memorialists respectfully request that the President and the United States Congress fully support and fund current TAPASH and Northeast Forest Coalition collaborative efforts, and help create a "meta-collaborative" network to provide the basis for similar business -based models for forest health and restoration on Eastern Washington's dry eastside forests.

BE IT FURTHER RESOLVED, Your Memorialists respectfully request that the President and the United States Congress support longer (10-20 years) Forest Service stewardship contracts on larger acreages, with adequate funding to complete required environmental review and documentation.

BE IT FURTHER RESOLVED, That copies of this Memorial be immediately transmitted to the Honorable Barack Obama, President of the United States, the Secretary of Agriculture, the Chief of the USDA Forest Service, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the States of Washington, Oregon, Montana, Idaho, Colorado, and Wyoming.

--- END ---



**Securing a Long-term Future for Washington State Working Forest Lands**  
**October 30-31, 2008 • Semiahmoo Resort - Blaine, Washington**

## **MAJOR FINDINGS & PROPOSALS FOR 2009 LEGISLATIVE ACTION**

### **Recommendations for Legislative Action**

#### **ACTION 6: LEGISLATIVE TASK FORCE ON STRATEGIC RETENTION OF WASHINGTON'S WORKING FORESTS AND FOREST INDUSTRY**

Forum participants call for the creation of a special legislative Task Force to create a “Plan of Action” based on the issues and recommendations identified by the Findings and Recommendations of 2006 and 2007 Forest Forums, which form the basis for the findings of the 2008 Forum. The following elements are most urgent for the task force to address if we are to retain the state’s working forestlands.

1. Tax Reform
  - a. An integrated forest-specific tax structure that will provide incentives to retain forest land, encourage long-term forest management, produce a range of ecosystem services and provide for the movement of forest products to processing sites.
  - b. Notwithstanding potential 2009 Legislative session actions, the Task Force should be charged with developing tangible next steps for:
    - i. Introducing incentives for green energy wood sources;
    - ii. A “sustainability” tax waiver for working forests;
    - iii. A biomass exemption from the forest excise tax and \$10/Ton credit for transportation;
    - iv. Consideration of a transfer of development rights (TDRs) exemption from the real estate excise tax (REET).
2. Resource Protection with Regulatory Stability and Simplicity
  - a. Clarification and simplification of the forest practices-related rules structure to protect the ability of small forest landowners to operate as working forest managers. “Clarification and simplification” is intended to expand choices to accomplish resource protection and not diminish overall protection, as for example, with riparian buffers standards that can be managed with lower risk and potential impacts, commensurate with their smaller harvests.
  - b. Incentives that enhance landowner ability to effect resource protection standards.
  - c. Density clustering credits that promote sustainable forest management.
3. The applicability of other state incentive programs (see Appendix - Dille, UW 2008) to Washington, and the cost-effectiveness of current Washington State incentive programs for most efficient application to priority landscapes and watersheds.
4. Bio-fuels and Biomass incentives for optimizing forest health, energy alternatives, reduction of forest fire risk and job creation from new infrastructure.

5. Ecosystem service payments that help achieve long term goals for water and biodiversity and are designed for participation by all levels of working forest landowners.

Other Task Force Issues should include the following:

1. Public acquisition strategies for high-value forest land with high conversion risk, where forest management incentives are insufficient to keep the land in forestry. Appraisal rules are also an issue.
2. Improved biodiversity information to coordinate biodiversity strategies with sustainable forest management practices, and leverage incentives with enhancement of key habitats and species.
3. Product labeling and market strategies, to raise consumer awareness and promote the uses for Washington-produced forest products.
4. State and local procurement requirements for Washington-produced wood products.
5. Other financial mechanisms for sustainable forest management, focused on areas where conversion would jeopardize the ability of adjacent forestland owners to continue active forest management.
6. Continually quantify the real costs of activities such as fire fighting or restoration, so that avoiding damages can be valued in the market place, future costs avoidance can be monetized and the value of providing ecosystem services incentives can be more apparent.

#### **FORUM REQUEST**

Create a Legislative Task Force on strategic retention of Washington's working forests and forest industry that addresses, at minimum, tax reform, resource protection with regulatory stability and simplicity, the effectiveness of existing state incentive programs and those of other states, bio-fuels and biomass incentives for optimizing forest health and ecosystem service payments.