

NORTHWEST  
**Environmental Forum**

School of Forest Resources  
UNIVERSITY OF WASHINGTON COLLEGE OF THE ENVIRONMENT



Where people, science, and technology come together to resolve complex environmental and natural resource issues

# ***Sustaining and Restoring the Health of Washington's Working Forestlands***

## ***Creating an Ecosystem Services Marketplace***

***Brian Boyle, Forum Leader  
Northwest Environmental Forum***

**November 23, 2009**

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Green Diamond Resource Company

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# Today's and Past Forums

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- ❑ The 2008 Forum made recommendations 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 Industry
  
- ❑ What was accomplished in the 2009 legislature
  - SB 5562 Right to Practice Forestry expanded the definition of forest practice to protect tree growers from nuisance law suits.
  - A sales and use tax refund for machinery and equipment to create energy from biomass.
  - A B&O tax credit for harvesters of forest-derived biomass for production of electricity, steam, heat or bio-fuel.
  - A sales tax exemption for hog fuel used to produce electricity, steam, heat, or bio-fuel.
  - The public utility tax on log hauling was reduced.
  - Washington DNR accomplished forest biomass study legislation.
  
- ❑ 2010?

# Forest Restoration and Legislative Task Force – Agenda for 2010?

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- ❑ Forest Restoration and Wildfire Threat Reduction in Eastern Washington - Results of the October 28-29 Forum in Spokane
- ❑ What the Forum asked the Legislature to address in a Task Force
  - Tax reform with incentives to retain forest land and produce ecosystem services.
  - Resource protection with regulatory stability and simplicity to enhance landowner ability to protect resources.
  - Comparison with and applicability of other states' incentive programs.
  - Bio-mass and Bio-fuels incentives for optimizing forest health, energy alternatives, fire risk reduction and job creation from new infrastructure.
  - Ecosystem services payments that help achieve long term goals for water and biodiversity, designed for participation of all levels of working forest landowners.
  
  - Other issues (recommended by groups but not agreed by the full Forum)
    - Public acquisition strategies for high-value forest land with high conversion risk.
    - Improved biodiversity information.
    - Product labeling and market strategies for Washington-produced forest products.
    - State and local procurement requirements for Washington-produced forest products.
    - Other financial mechanisms focused on conversion-threatened areas.
    - Quantification of real costs of fire fighting and restoration, so damage avoidance is apparent in the marketplace.

# Today

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- ❑ Results of the October 28-29 Forum in Spokane
- ❑ Anchor Forests – Pathway to Collaborative Landscape Forestry?
- ❑ “What Landowners Want” – survey
- ❑ Selling Ecosystem Services – Ecosel Analytical Model for Landowners
- ❑ Ecosystem Services Case Studies –  
Deschutes NF – Willamette – Lopez Island
- ❑ Breakouts to address:
  - How to Advance the Eastside Forum recommendations
  - How Ecosystem Services Markets can be advanced within the Task Force proposed in 2008

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## ***Forest Restoration and Wildfire Reduction in Eastern Washington***

**October 28-29, 2009 Forum**

## Statement of the 2008 Forum - Eastern Washington Forests

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- There is real urgency around Forest Health and fire risk, both climate change-related and human-induced. Catastrophic fires are a reality, with major impacts on all values, from biodiversity, threatened and endangered species, to timber supply and public costs. Forest health and fuel reduction treatments are needed on all ownerships. There are critical missing factors in data, including water, aquifers, mill haul costs and fire costs that need to be assembled and evaluated.

# Major Findings of 2008 Forum for Eastern Washington Forests

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**Market stimulation** is vital for:

- Retention of milling infrastructure
- Additional mobile milling capacity
- Development of renewable energy resources

**Three Working Forest zones** must be addressed:

- **Northeast work zone** (including Spokane County) issues:
  - Forest health for large landowners (state, federal, tribes) – Colville coalition working
  - Conversion risk for smaller owners requires a specific set of incentives to retain in forestry, in the area north of Spokane
- **Central east work zone** (Okanogan/Chelan) issues are:
  - Major federal and ESA issues (lynx, spotted owl, salmon) exist
  - Dispersed recreation and real estate conversion are problems
  - Infrastructure for processing is a major problem
- **Southeast work zone** (Yakima, Klickitat-Blue Mountains) issues are:
  - I-90 corridor development
  - East slope Cascades checkerboard ownership and conversion risk
  - Landscape stewardship efforts are underway, with the TAPASH collaboration
  - Klickitat/Goldendale (with Portland influenced conversion) may be a separate issue and there is an need for incentives focused on small landowners

# Findings of the October 2009 Spokane Forum (1)

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- ❑ Eastside Forests are in crisis - active management is needed
- ❑ Climate change directly relates to fire rise ( $2^{\circ}\text{C} = +100\text{-}200\%$ )
- ❑ Fire, disease, bugs outside historic norms
- ❑ Need to mimic resilient large landscape historic conditions
- ❑ Must focus on outcomes, not outputs
- ❑ Outcomes based on what's left, not on how much is taken
- ❑ Treatment units 5,000 -50,000 acres with 10-20 year contracts
- ❑ Multi-resource, landscape scale objectives

## Findings of the October 2009 Spokane Forum (2)

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- ❑ Multi-resource, landscape scale objectives
- ❑ Roaded areas are the focus, unless extreme forest health conditions
- ❑ Fire risk reduction based on USFS modeling
- ❑ Different ownerships require different treatments
- ❑ “Checkerboards” need collaboration & action space authority
- ❑ Ecosystem Service Districts concept, based on landscapes and communities
- ❑ Multi-organization of science and stakeholder facilitation needed
- ❑ Fire threat and forest sustainability education is needed badly

# Actionable Strategies and Pathways to Forest Health

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- Adaptation to Climate Change and GHG emissions
  - Paradigm shift with ecosystem management outcomes
  - Status quo not acceptable or sustainable
- Prioritize early actions
  - Joint Legislative effort – January hearing
  - Memorial to Congress re: USFS funding
  - Support DNR Forest Health Strategy
  - Amend I-937 for renewable energy forest bio-mass and support federal land outputs for renewable energy
  - Legislation for sustainable (10+year) USFS contracts
  - Competitive bid contracts for tribes and others
  - Incentives for Kittitas and Ferry/Okanogan
  - Infrastructure investment incentives
  - State-focused mill siting decisions
  - Smoke management flexibility
  - Public information

# Actionable Strategies and Pathways to Forest Health

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- Innovations across ownerships and constituencies
  - Need federal and state authority to collaboratively-manage significant scale landscapes – **Anchor Forests**
  - **Anchor Collaboratives** with adjacent and in-holdings
  - **Meta-Collaboratives** with a state-wide information network, using Colville and Tapash as models
- Agreements to monitor and adapt
  - Sustained efforts require continuous multi-disciplinary science, monitoring, testing of ideas and disseminating results to managers and policy-makers. (University collaboration in “Institute for Eastside Forest Policy”)
- Trust and confidence-building through Forum standing committee

## Breakout Groups: How to advance Eastside Forum conclusions

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- Is the Spokane Forum assessment of risk and the scale of the problem properly stated?
- The Spokane 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?

# Breakout Groups: How can Ecosystem Services Markets be addressed within the 2008 Forum Legislative Task Force proposal?

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- “Strategic retention of Washington’s Working Forests and Forest Industry” to address, at minimum:
  - Tax reform
  - Resource protection with regulatory stability and simplicity
  - Comparative effectiveness with other states’ incentive programs
  - Bio-fuels and biomass incentives for optimizing forest health
  - Ecosystem Services Payments
    - Are these the right issues or are there others?
    - Given budget realities, should the Task Force be a new entity or within an existing agency/department/board?
    - If a new effort, what should be its make-up/membership?
    - How can current tax-regulation-incentive system be integrated to achieve outcomes of forest retention, landowner incentives and ecosystem services enhancements?
    - What mechanism are needed for an Ecosystem Services payment system?