



### Washington, DC Updates

On January 25, President Trump announced an agreement to end the record 35-day partial government shutdown. The House and Senate passed a Continuing Resolution (CR) to fund the government until February 15, and President Trump then signed the CR. Congress is now negotiating border security and immigration issues – including President Trump’s demand for billions of dollars to construct additional physical barriers along the southern border.

The 35-day shutdown affected 800,000 federal employees, including personnel at the Forest Service and Department of the Interior. The financial impacts of the shutdown will likely become clearer in the weeks and months ahead, including the Fiscal Year 2019 Forest Service and Bureau of Land Management (BLM) timber sale programs. Both agencies were planning to sell additional timber volumes this year. The Forest Service, BLM, U.S. Fish and Wildlife Service, and National Marine Fisheries Service also had important reforms in the regulatory process, including regulations implementing the Endangered Species Act and National Environmental Policy Act. It is unclear how much the shutdown will affect the Administration’s ability to execute these important administrative reform efforts.

Throughout the shutdown, AFRC staff worked closely with the Federal Forest Resource Coalition (FFRC) to communicate with the agencies and monitor the status of the federal timber

IN THIS ISSUE
- DC Update
- AFRC Rebrand
- Washington Legislative Update
- Seiad-Horse Opinion Issued
- Lowell Country Project
- Salvage in Record Time
- Montana GNA Update
- Member Profile: Sierra Forest Products

sale program. On January 10, the industry sent a [letter](#) to Agriculture Secretary Sonny Perdue and Acting Interior Secretary David Bernhardt supporting agency efforts to keep timber sales operating and highlighting the contractual rights of timber purchasers, which generally are not affected by a lapse in appropriations. The agencies should be commended for their efforts to keep current and pending sales moving forward by using available balances to fund essential agency activities and keep key staff working through the shutdown.

Hopefully, Congress and the White House will reach a long-term agreement to fund the government and avoid another shutdown on February 15. If not, the consequences for our industry could be significant. AFRC will be monitoring those negotiations and the resumption of agency operations as we work to reschedule

numerous forest monitoring meetings across the region that were canceled due to the shutdown.

*Congressional to-do list.* In addition to finding a long-term solution to funding the government, Congress will also have to tackle other unresolved issues from last year, including a massive 680-page public lands omnibus and Land and Water Conservation Fund (LWCF) reauthorization that failed to get a vote in the final hours of the last Congress. The legislation includes dozens of public lands bills, including provisions from Oregon Senator Ron Wyden’s “Oregon Wildlands Act” to set aside hundreds of thousands of acres of federal lands in Western Oregon (see [December 2018 Newsletter](#)).

Congress will also need to tackle a series of expiring tax provisions that include energy tax breaks, reauthorizing the National Flood Insurance Program that received a temporary six-month extension in late 2018, and begin work on an infrastructure package – one of the few areas of potential bipartisan agreement, although paying for it will prove challenging.

With Democrats in control of the House, we do not expect to see much progress towards securing additional federal forest management reforms, although there is interest in the Senate to develop legislation. It also will not stop House Republicans from continuing to push for past proposals such as Congressman Bruce Westerman’s (R-AR) Resilient Federal Forests Act. Earlier this month, Congressman Greg Walden (R-OR) introduced [H.R. 691](#), which would significantly expand the use of the 2014 Farm Bill’s proven 3,000-acre insect and disease Categorical Exclusion (CE). The legislation would expand its use on BLM lands and allow it to be used on all federal forests experiencing declining forest health, not just those acres designated under the authority. /Heath Heikkila

## **AFRC’s New Look**

You may have noticed the new AFRC logo on the top of the newsletter (and below). Over the last six months, the entire AFRC team worked together to produce a symbol that we believe better represents the philosophy of our association, members, and staff.

First and foremost, AFRC is all about responsible management of our public forests. We work to ensure our members have an adequate supply of timber to make renewable products every American uses every day in their lives. Thus, the prominence of a tree: forests are our focus and priority.

We also chose new colors, blue and green, to represent the benefits our forests and Association work provide to the public: clean air, water, resilient landscapes and healthy wildlife populations. The circle signifies the sustainable life cycle of both forest management and wood products.

Finally, while the new logo has a modern look, we wanted to recognize our industry’s and association’s rich and proud history. “AFRC” is encapsulated in bold letters – as we strive to be a bold association – in a “throwback” axe head. As a symbol, AFRC’s new logo is intended to capture the growth, change, excitement, and passion of our association.

The new logo is also timely. The AFRC Portland office is moving on January 31 to a new office in the Lloyd Center district. Our new address is 700 NE Multnomah, Suite 320, Portland, OR,

97232. Our telephone and fax numbers will remain the same. We look forward to hosting our members, partners, friends, and visitors in our new space. /AFRC Staff



## Washington Legislative Update

The Washington Legislature convened on January 14 following the 2018 election that resulted in Democrats picking up additional seats in both chambers - Democrats now have a 28-21 majority in the Senate and a 57-41 majority in the House. Republicans controlled the upper chamber just two years ago. It has been a busy couple of weeks in Olympia on Department of Natural Resources (DNR) issues, and we expect more activity as agency budgets and the anticipated cap and trade legislation are introduced.

There is continued legislative interest in DNR's Marbled Murrelet Long Term Conservation Strategy (LTCS). On January 22, two committee work sessions were held to receive an update on the status of the LTCS and an overview of the "losses and gains" report delivered to the legislature in response to last year's [ESHB2285](#). That same day, bipartisan legislation ([SB5547/HB1546](#)) was introduced in both the House and Senate to address two of the key issues identified during the work sessions.

The first work session was in the House Rural Development, Agriculture, & Natural Resources Committee. The work session opened with a presentation by Angus Brodie and Andy Hayes with DNR. The DNR panel was followed by a stakeholder panel that consisted of AFRC, Conservation Northwest (CNW), Washington Association of Counties (WSAC), and the Washington State School Directors Association (WSSDA). You can view a replay of the work session [here](#).

The second work session was in the Senate Agriculture, Water, Natural Resources & Parks Committee. DNR's presentation was essentially the same as the morning session in the House. The stakeholder representatives were AFRC and WSSDA. The Committee also held a work session on wolves immediately following the Marbled Murrelet LTCS report. You can view a reply of the work session [here](#).

In both work sessions, committee members pressed DNR to explain the rationale for the proposal to set aside tens of thousands of acres of young plantation forest stands that are not marbled murrelet habitat and will not become marbled murrelet habitat during the life of the plan. DNR

responded that the size of the set-asides and the prohibition on managing younger stands, including thinning, were being driven by the U.S. Fish and Wildlife Service (FWS).

SB 5547 and HB 1546 would require a Joint Legislative Audit and Review Committee analysis of the long-term revenue impacts to the beneficiaries, including junior taxing districts and local governments. The analysis would compare Alternative H to Alternative A of the LTCS with the baseline of approximately 567,000 acres of Long-Term Forest Cover set aside under the 1997 HCP.

Thus far DNR's "losses and gains" analysis has been limited to the first decade of the plan and only looked at the revenue impacts to individual counties, not individual junior taxing districts. While DNR acknowledged that there would be harvest volume and revenue reductions in subsequent decades, it has not provided projected estimates. The bipartisan bill would require this information be provided before the Board of Natural Resources adopts a LTCS.

The legislation would also relieve procedural restrictions on DNR's ability to manage about 100,000 acres currently encumbered by Alternatives F and G. DNR recognizes the conflict with its trust mandate but remains within the range of alternatives currently under consideration by DNR and the FWS.

In recent weeks, DNR has signaled a willingness to provide more detailed fiscal impact information for local governments and junior taxing districts, although they do not believe it is possible to provide the level of detail called for in SB5547/HB1546. We expect any differences in expectations between elected officials and DNR will be resolved as the legislation comes up for hearings sometime in February.

The sponsors of the Senate legislation are Kevin Van De Wege (D-24), John Braun (R-20), Dean Takko (D-19), Judy Warnick (R-13), and Shelly Short (R-7)., The House Sponsors are Brian Blake (D-19), Jim Walsh (R-19), Mike Chapman (D-24), Joel Kretz (R-7), and Ed Orcutt (R-20). If any of these legislators represent you, please consider reaching out to thank them for their efforts to highlight the importance of providing fiscal impact information to affected beneficiaries, including junior taxing districts, and addressing the procedural constraints posed by Alternatives F and G. /*Heath Heikkila*

## **Court Trims Fire Recovery Project in Northern California**

On January 25, Judge Troy Nunley of the Eastern District of California issued an order that [halted](#) portions of the [Seiad-Horse Risk Reduction Project](#) on the Klamath National Forest. The project was designed following the 2017 Abney Fire to reduce safety hazards along roads and in concentrated stands, reduce fuels adjacent to private property, and reduce the risk of future large-scale high severity fire losses of late-successional habitat. The project includes hazard tree removal along 39 miles of National Forest System roads and salvage harvest of 1,269 acres of fire-killed and dying trees, mostly in late-successional reserves (LSR). The project has the potential to provide 19 mmbf of timber volume.

Three environmental groups challenged the project's compliance with the Northwest Forest Plan's Aquatic Conservation Strategy and the Plan's snag-retention standards. They filed a

motion for a preliminary injunction/temporary restraining order on a section of the project in November 2018. An AFRC member purchased one of the project sales, and most of the timber from the project is expected to be processed at AFRC member mills. In early December, the court granted AFRC's motion to intervene ( [December 2018 Newsletter](#) ). A hearing was held on January 10 after the court [rejected](#) the government's request to delay the hearing due to the government shutdown.

The court's opinion is in many ways a throwback to the style of judicial decisions from about 20 years ago, where courts were eager to substitute their judgment for the professional determinations of the agencies. Here the court rejected the Forest Service's reading of two provisions of its Forest Plan, where the agency is normally entitled to significant deference. The court also did not consider the substantial private and public interests in reducing the risk of further severe fire, protecting safe travel, and defending the community of Seiad Valley.

The decision is reminiscent of those overruled by the *en banc* [McNair decision](#) (2008), where the Ninth Circuit said it is not appropriate for a court to "act as a panel of scientists that instructs the Forest Service how to validate its hypotheses regarding wildlife viability, chooses among scientific studies in determining whether the Forest Service has complied with the underlying Forest Plan, and orders the agency to explain every possible scientific uncertainty." The decision here is out of step with the most recent decisions in the Ninth Circuit. In litigation over the similar Westside project, both the district court and [Ninth Circuit](#) approved the project's compliance with the Northwest Forest Plan's direction for post-fire harvest in LSRs. Similarly, in [League of Wilderness Defenders v. Allen](#) (2010), the court said *McNair* was intended to halt such "second-guessing of the Forest Service."

Because plaintiffs sought an injunction against a small part of the project, some activities may continue while the case proceeds on the merits. The government and AFRC can appeal the preliminary injunction to the Ninth Circuit; however, the District Court will also conduct a thorough examination at the summary judgment stage. */Lawson Fite*

## **Lowell Country Project**

Last month, the Middle Fork District of the Willamette National Forest completed an environmental assessment (EA) that considers commercial thinning treatments on approximately 15,900 acres of mid-seral forest stands located in the 125,000-acre Fall Creek watershed. Stands range from 40 to 75 years in age and are all comprised of second-growth Douglas-fir resulting from past regeneration harvests. The predominant silvicultural treatment proposed is variable density thinning. Those familiar with typical vegetation management projects completed by the Forest Service will note that the stands proposed for treatment, and the design of those treatments described above, are nothing new for the Forest Service and represent the status-quo for the agency in the region. Those familiar with the Forest Service's analysis processes will also note the uniqueness of both the scale and efficiency demonstrated by this project.

The Middle Fork District initially proposed the Lowell Country Project on November 27, 2017. The Draft EA was published on December 21, 2018; just over a year from when it started. To put this into perspective, a previous project completed by the District, Upper Little Fall, considered the same silvicultural treatments (thinning) on the same type of forest stands (mid-

seral plantations). However, it took them 2 ½ years (March 2015-September 2017) to complete the EA that analyzed thinning treatments on 1,727 acres. In other words, it took them almost 2.5 times the amount of time to complete an analysis covering about 10% of the stand acreage!

These numbers are not unique to the Middle Fork District either. The Lemon Butte project on the Umpqua National Forest recently took 18 months to analyze and generated only 603 acres of thinning. The Siuslaw National Forest's standards are about the same: 22 months to complete the Schooner Rock Project EA for 2,400 acres of thinning. Critics might be suspicious that the Middle Fork District took shortcuts during their analysis or simply did a less-than-thorough job. The reality is that the District took advantage of their gained knowledge and experience stemming from the agency's longstanding status-quo management paradigm of thinning plantations. In other words, after spending the last two decades almost exclusively analyzing the effects of thinning young forest stands and seeing that thinning implemented, it should come as no surprise that the District would become more efficient at documenting it. The Lowell Country Project is evidence of this.

The Forest Service explains in the EA to the public that “the District is taking a general, large-scale approach in the analysis, based on previous projects in the watershed, extrapolation from surveys, and professional judgment.” Naturally, the consideration of environmental impacts is ongoing, and the District anticipates more “site-specific” considerations to be reviewed on subsequent Decision Notices. The Lowell Country EA should generate about seven of these notices over the next several years. If fully implemented, the project could generate up to 239 mmbf of timber. This volume represents about six times as much annual volume as the District typically offers.

AFRC hopes to see neighboring Districts and Forests strive for the same level of analysis efficiency displayed by the Middle Fork District by taking advantage of the decades of experience they have developed in analyzing and seeing the effects of thinning mid-seral forest stands year after year after year. /*Andy Geissler*

## **Salvage in Record Time**

The Grave Creek Fire ignited on July 15, 2018 from a lightning storm and was one of twelve fires that made up the Garner Complex Fire. The Grave Creek fire was contained in August and burned just over 7,800 acres, of which 3,567 acres were on the Medford District of the Bureau of Land Management (BLM).

Time is of the essence to salvage burnt timber due to the accelerated insect activity and dry conditions. Both are contributing to wood deterioration at rates previously unseen in Oregon, and the timber is losing its merchantability within months of the fire. This was discovered on private forest land in southwest Oregon during salvage operations immediately following the 2017 wildfires.

The Grants Pass Field Office is cognizant of this new paradigm and acted quickly to prepare the project by identifying areas during mop-up operations for hazard tree removal and salvage. The project utilizes a categorical exclusion (CE) authority which allows for salvage of 250 acres of dead and dying trees and no more than 0.5 miles of temporary road construction. The CE also

allows for green trees to be felled and removed to facilitate safe directional falling and removal of hazard trees. The BLM identified the areas that had the most severe impacts from the fire and where it was most economically feasible to salvage timber. They also identified areas with limited operational impacts to other resources such as wildlife and hydrology. BLM's new Resource Management Plans (RMP) prohibit salvage on certain designated land, specifically late successional reserves and riparian reserves, which constitute about 80% of their total land base. The RMP does not permit salvage on all 3,500 acres.

The project officially began on August 27, 2018 and the decision record issued on December 21, 2018. The timber sale was advertised a few days later with a planned auction date of January 24, 2019 but was delayed due to the government shutdown. Typically, this type of analysis can take up to 10 months, yet the BLM completed it in exactly four months!

AFRC would like to recognize the outstanding work and leadership of the Grants Pass Field Office in executing the analysis and sales promptly to ensure maximum timber value. /*Amanda Astor*

## **GNA Program in Montana Gaining Momentum**

The Montana Department of Natural Resources Conservation (DNRC), US Forest Service Northern Region and the forest products industry are working in close partnership to increase the amount of forest restoration in Montana. The Good Neighbor Authority (GNA) is being used to improve forest health and resiliency, reduce threats to communities and watersheds from large and destructive wildfires, and create more jobs and economic benefits.

Under GNA, income generated from timber harvest can be utilized for planning, preparation, and implementation of more restoration activities. It increases the DNRC and Forest Service collective capacity and gains efficiency by utilizing state procurement procedures. GNA may be used to accomplish work across ownerships and allows flexibility in funding projects using Forest Service, state, and third-party dollars.

Through diversified funding from the Montana timber industry, business and conservation partners, and the Forest Service, the DNRC currently has signed agreements with the Kootenai, Helena Lewis and Clark, Beaverhead-Deerlodge, and Custer-Gallatin National Forests. The Lolo, Bitterroot, and Flathead National Forests are finalizing project agreements. GNA staffing within the DNRC includes a Program Manager, two foresters on the Kootenai and Flathead National Forests, and a part-time accounting specialist. The agency is finalizing a plan to hire staff for Helena and eastern Montana to expedite implementation.

The DNRC and Forest Service have developed a three-year plan of work on each National Forest. Initial planning is focused on timber harvest projects to generate income for long-term program stability. GNA projects will focus on collaboratively developed projects most important to communities and will include service restoration projects.

There are currently 28 identified GNA projects, with at least one project on each National Forest. The identified FY19 and FY20 projects could treat 10,934 acres and produce 68 million board feet, contingent on budget and staffing. DNRC's goal is to support NEPA work and planning

efforts, perform project layout, sell and administer timber sales, and develop service restoration projects. (The chart below.)

## GNA PROJECTS THAT HARVEST TIMBER

Planning Document subject to frequent changes. Updated December 2018

National Forest	Project	Status	USFS Fiscal Year	Acres	Harvest Volume MBF
Kootenai	Elk Gem	Sold IFG	Q1 FY19	185	2700
Kootenai	Lazy Jack	In Progress	FY19	400	4300
Kootenai	Buick Divide	In Progress	FY19	250	2000
Kootenai	HooDoo	In Progress	FY20	930	1000
Kootenai	Pinkham Meadow	Proposed	FY20 or 21	400	4000
Kootenai	Ripley	Proposed	FY20 or 21	650	5000
Kootenai	Young Growth*	In Progress	TBD	TBD	TBD
Flathead	Taylor-Hellroaring	In Progress	Q4 FY19	710	5000
Flathead	Hungry Lion	In Progress	Q3 FY19	360	1900
Flathead	Weed Lake	In Progress	Q4 FY19	400	3000
Flathead	Salish Good	Proposed	TBD	TBD	TBD
Beaverhead-Deerlodge	Boulder-Lowlands	Sold Sun mtn	Q1 FY19	369	2259
Beaverhead-Deerlodge	Rancho Deluxe	In Progress	Q1 2020	1300	6500
Helena-Lewis and Clark	Upper Tenmile	Proposed	Q1 2020	1500	12000
Helena-Lewis and Clark	Willow Creek	Proposed	Q1 2020	1600	12000
Helena-Lewis and Clark	Newlan	Proposed	Q3 2021	1650	12500
Custer-Gallatin	Liscom	Proposed	Q1 2020	1000	1200
Lolo	Grant Creek fuels	In Progress	Q4 2019	140	500
Lolo	Jam Cracker	Proposed	2020	500	3500
Lolo	Swamp Eddy	Proposed	2021	TBD	TBD
Lolo	Westside Bypass	Proposed	2021	TBD	TBD
Lolo	Red Bull	Proposed	2022/2023	TBD	TBD
Lolo	Wildfire Missoula	Proposed	2022/2023	TBD	TBD
Lolo	Brewsters Kitchen	Proposed	2023	TBD	TBD
Bitterroot	Threemile	In Progress	Q4 2019	170	1000
Bitterroot	Mill Creek	Proposed	Q1 2020	70	700
Bitterroot	Gold Butterfly	Proposed	2021	1000	TBD
Bitterroot	Gird Creek	Proposed	2021	325	TBD
<b>Total</b>	<b>28 projects</b>			<b>13,909</b>	<b>81,059</b>

\*multi year project



<b>Fiscal Year 2019 and 2020 Summary</b>			
<b>Fiscal Year</b>	<b># of Projects</b>	<b>Acres</b>	<b>Estimated Harvest Volume MBF</b>
<b>FY 2019</b>	<b>9</b>	<b>2,984</b>	<b>22,659</b>
<b>FY 2020</b>	<b>8</b>	<b>7,950</b>	<b>45,900</b>
<b>Total</b>	<b>17</b>	<b>10,934</b>	<b>68,599</b>

Two bills have been introduced in the Montana Legislature that could have a significant impact on the GNA program. Governor Bullock has proposed permanently funding the DNRC- Forest Service liaison position and the Local Government Forest Advisor position and adding 6.5 one-time-only funded FTE positions. Ideally, when program income comes to fruition these positions will be permanently funded. The proposal will be taken up by the legislature through the general appropriation process in House Bill 2. House Bill 34 would create a statutory appropriation for Good Neighbor accounts. DNRC presently has no spending authority for this account. If approved, the bill will allow the DNRC to tap GNA funds without further legislature approval. AFRC appreciates the efforts to bolster the GNA program in Montana, and we look forward to the implementation of these important projects. / *Tom Partin*

### **Member Profile: Sierra Forest Products**

Sierra Forest Products, a family-owned business in Terra Bella, California, celebrated their 50<sup>th</sup> anniversary in 2018. The sawmill cut their first log in February 1968 and is the only remaining sawmill in the area. The mill produces products from white fir, ponderosa pine, and sugar pine. Co-founded by Glen Duysen, they are a small but strong company of 120 employees that has survived a continuing decline in available timber on public land, multiple recessions and an ever-changing technological landscape in sawmilling. Glen spent much of his life building the mill and its operations to the size and scale that they are today. He led by example, which continues to shape the culture and ethic of the family business today.

Kent Duysen, Glen’s son, is the company’s General Manager. Over the years he has worked as a logging supervisor, timber sale appraiser, sawmill superintendent and lumber broker for Sierra. As General Manager, he oversees all facets of the company from the purchase and harvest of timber sales, to the manufacturing and sales of their products. Kent says the company’s biggest challenge right now will be replacing the long-term managers who are at retirement age. Many began working at Sierra when they were 18 years old, and Kent is looking for people who will continue to lead the company in the future. Sierra is focusing on growing the next generation of leaders by promoting from within as well as working with high school and junior college programs.

Sierra Forest Products is a strong supporter of their local community. Two examples are financing a soccer field for the Terra Bella Middle School, purchasing animals, and donating shavings to FFA and 4-H auctions. They are also heavily involved with the local Farm Bureau, Chamber of Commerce, and other service organizations.

Kent credits the company's long history of success and their ability to thrive in a difficult economy to hands-on management, which allows the business to make decisions quickly. This adaptability and decisiveness were key in 1990 when Sierra Forest Products chose to start processing pine products to continue to expand and grow.

The forest products "family," such as SFP helps drive local economies and support communities all over California. When the resource of public timber declines and harvest levels drop, the ripple effects on rural economies dependent on manufacturers are substantial. That can be a difficult point to get across to the general public and was never more evident than during the timber wars of the 1980s. To illustrate that point, Sierra paid their employees in \$2 bills which caused quite a stir with local businesses. Years later, the \$2 bills were *still* in circulation in the local community, demonstrating how important the family business is to the local community, businesses, employers, and workers – even those not directly employed by SFP.

Kent says one of the most frustrating things over the years is educating the general public on the importance of forest management and the role it must play in forest health. However, he believes there is hope. Almost all the timber volume Sierra purchases is off the Sierra and Sequoia National Forests. Over the last five years, both forests have had four significant wildfires which resulted in severe mortality from the pine beetle. These occurrences have helped make people aware that responsible management is needed to make our forests more resilient to wildfire and insect and disease infestations. /*Asha Aiello*