



Washington, DC Update

Wilderness Legislation. On July 10, the House Natural Resources Subcommittee on National Parks, Forests, and Public Lands held a hearing on several wilderness proposals, including the Wild Olympics Wilderness and Wild and Scenic Act (H.R. 2642 – Rep. Derek Kilmer) and the Northwest California Wilderness, Recreation, and Working Forests Act (H.R. 2250 – Rep. Jared Huffman).

Environmental groups have funded an ongoing campaign in support of the Wild Olympics legislation, which was first introduced in 2012 and would designate over 126,000 acres of the Olympic National Forest as wilderness. This is the first time the proposal has received a hearing in the House, although its Senate companion received a committee hearing last year. The Northwest California legislation was first introduced in late 2018 and has companion legislation in the Senate introduced by Senators Kamala Harris and Diane Feinstein. With the House now in Democratic control, wilderness bills are likely to have a greater chance of passage.

The Forest Service’s [written testimony](#) on both bills outlined concerns about some of the areas proposed for wilderness designation and wild and scenic rivers that weren’t found to be suitable through the agency’s land and resource management plan process. However, the testimony falls short of signaling agency opposition to the bills.

AFRC has worked with affected member companies on the Olympic Peninsula to analyze the Wild Olympics proposal, including the inclusion of about 28,000 acres of forests under 100 years of age and approximately 47 miles of roads. A review of the map also reveals proposed wilderness boundaries that would border Washington State Department of Natural Resources

state trust lands and areas of the Olympic National Forest where current and planned timber management activities are underway or being planned.

IN THIS ISSUE

- DC Update
- Lower Grave Remanded Back
- Progress on Environmental Analysis
- DNR Timber Sale Program
- Oregon Federal Forest Restoration Program Study
- Objection Resolution on the Colville
- Idaho Identifies Shared Stewardship Areas

On July 24, AFRC submitted a [formal letter](#) to the House Committee on Natural Resources outlining our concerns with the Wild Olympics proposal. AFRC has not formally weighed in the Northwest California wilderness proposal, but a grassroots effort is underway to generate comments in opposition to the proposal.

Budget and Appropriations. As reported in the [May Newsletter](#), appropriators in the House have advanced several Fiscal Year 2020 (FY20) appropriations bills, including the Interior and Environment spending bill. The House bills include discretionary domestic spending above the levels outlined in President Trump's FY20 budget request, which were thought to be acceptable in the Republican-controlled Senate and exceed the spending caps established under the Budget Control Act of 2011 (BCA).

The Trump administration has been in negotiations with Congressional Democrats to address the need for an increase in the debt limit, which the Treasury Department estimates could be reached sometime later this summer or early fall. Congressional Democrats have been pushing for increases in discretionary spending levels, which were set to be cut by \$125 billion in FY20 under the BCA's sequestration.

President Trump and Speaker Nancy Pelosi recently announced a deal that would suspend the debt limit through July 2021 – after the 2020 Presidential election. Instead of cuts of \$125 billion, the deal would increase discretionary spending by \$325 billion over the next two fiscal years – Fiscal years 2020 and 2021. The increases would be split across defense and non-defense domestic programs. Only \$77.4 billion of the increased spending would be offset – primarily through sales from the strategic petroleum reserve.

President Trump is calling on Republicans to back the agreement and the increased spending on defense. However, fiscal conservatives have been concerned about the increased spending and spiraling national debt. On the other hand, progressive Democrats pushed for the inclusion of policy provisions related to immigration and other hot-button issues.

On July 25, the House approved the budget deal by a vote of 284-189, with 65 out of the 197 Republicans voting for it. The House then promptly adjourned for its August recess. The Senate is expected to take the measure up the week of July 29 before joining the House for recess through September 8.

BLM Headquarters Moving West? On July 16, the Department of the Interior announced that it planned to relocate the Bureau of Land Management (BLM) headquarters from Washington, D.C. to Grand Junction, Colorado, which is about 260 miles west of Denver. Denver is already home to a large presence of Interior employees.

The Trump Administration has been evaluating the move for the past two years as part of a broader Interior reorganization plan championed by former Secretary Ryan Zinke. The relocation is intended to put the agency's headquarters in the western United States where the overwhelming majority of the 245 million acres it manages are located.

There are about 500 BLM employees based in Washington, D.C., and initial reports indicated that about 50 positions would remain under the proposal. There are about 10,000 BLM employees nationwide. The proposal faces opposition from Democrats in Congress and the Public Lands Foundation (PLF), an organization representing BLM retirees. Ed Shepard, former BLM OR/WA State Director, and current PLF President has raised concerns about the cost of the

move and potential impacts to the BLM's relationship with Congress, as well as the disruption for employees being reassigned to Colorado.

Secretary David Bernhardt, who grew up near Grand Junction in Rifle, Colorado, is taking an active role in developing the specifics of the proposal – including reviewing the positions that would be transferred. Bernhardt has pledged to submit a proposal to Congress, although the Administration has indicated that it would like some of the relocations to take effect on October 1, 2019 – the beginning of FY20. The Congress provided \$14 million for Interior's overall reorganization effort in FY19, so some funding is likely available for a potential move.

Republican lawmakers from Colorado cheered the proposal, which has also been supported by Republicans from nearby states who hope to benefit from the positions being transferred out of Washington, D.C. Key Democrats, however, have pledged to block the proposal. It is not clear what effect the proposal will have on the BLM Chief O&C Forester position, which is based in Washington, D.C. and serves as a liaison between the OR/WA state office and BLM senior leadership.

Meanwhile, the BLM recently announced another leadership change in Washington, D.C. William Perry Pendley has been named the BLM's Deputy Director for Policy and Programs and will also serve as Acting BLM Director. Pendley comes to the BLM after 30 years with the Mountain States Legal Foundation. A Wyoming native, Pendley also served as a staffer on Capitol Hill and as an Interior Deputy Assistant Secretary during the Reagan Administration.

Pendley assumes the Acting BLM Director position from Casey Hammond, who stepped into the position following the departure of Brian Steed to serve as executive director of the Utah Department of Natural Resources. Hammond remains at Interior serving as a Deputy Assistant Secretary for Land and Minerals Management, which oversees the BLM. Given his long tenure at the Mountain States Legal Foundation, Pendley has forged relationships with natural resource industries across the West and is a strong advocate for federal energy, mining, and timber programs. /Heath Heikkila

Lower Grave Project Sent Back to the Drawing Board

On July 2, Oregon District Court Judge Michael McShane remanded the BLM's Lower Grave Project, rubber-stamping a recommendation from Magistrate Judge Clarke.

The Lower Grave Project is a modest land management effort designed to improve forest health and produce commercial timber involving harvest on a small portion of the 22,841 acre planning area. In fact, the project would commercially treat *only 582 acres* – equal to 0.25% of the planning area – and produce approximately 8.5 million board feet (mmbf) of timber.

The project has been in limbo for four years since auction in the summer of 2015. BLM took *nearly two years* to respond to protests of the sale. This was followed by an administrative appeal to the Interior Board of Land Appeal, and then two years of federal court litigation.

AFRC submitted an amicus brief to address narrow issues: (1) whether BLM analyzed a reasonable range of alternatives; (2) whether BLM reasonably determined that supplemental NEPA review was unnecessary based on the movement of an owl nest site; and (3) whether BLM took a “hard look” at the direct, indirect, and cumulative effects of the Lower Grave Project on the spotted owl. AFRC also participated in oral argument alongside counsel for BLM and Murphy Company, the purchaser of the sale.

As reported in our [February Newsletter](#), Magistrate Judge Clarke issued a recommendation that the project be remanded due to two NEPA violations: (1) BLM failed to consider a reasonable range of alternatives, and (2) BLM failed to explain why the plaintiffs’ preferred “Ecological Forestry” alternative would have been unfeasible by providing the public with information about the level of timber harvest necessary to make an alternative economically viable.

The most unusual part of the court’s decision is the alternatives analysis. Normally, when reviewing a project of such a small size, it is often enough to analyze just the proposed action and the no-action alternative. But the court found this inadequate on the basis that the no-action alternative would not meet any of the stated goals and purpose of the project. That determination led the court to further conclude that BLM’s consideration of the proposed action and an unreasonable no-action alternative did not satisfy NEPA’s minimum requirements. This makes little sense because there would be no reason to do most projects if the no-action alternative met the purpose and need. Nor does Ninth Circuit case law support a finding that an Environmental Analysis (EA) should be deemed arbitrary and capricious simply because it considered a no action and preferred action alternative.

We will have to wait and see whether BLM elects to appeal Judge McShane’s ruling to the Ninth Circuit or, instead, revise its analysis of the project. */Sara Ghafouri*

Progress on Environmental Analysis

The Willamette National Forest has signed the first [Decision Notice](#) authorizing forest management treatments analyzed under the Lowell Country Project EA. The project is located on the Middle Fork District in the Fall Creek watershed and, if fully implemented, will thin approximately 16,000 acres and yield up to 240 mmbf of timber. The project seeks to meet multiple objectives ranging from the enhancement of late-successional forest characteristics to the provision of a sustainable supply of timber products. Commercial treatments will consist primarily of thinning previously managed stands in the stem-exclusion stage of seral development. Those familiar with the conventional forest management practices on federally managed land in the Pacific Northwest will note that these treatments are nothing unique or innovative. What is innovative is the way the Forest Service fulfilled requirements to comply with NEPA and the efficient process used to prepare these actions for implementation and the speed at which the decision notice was signed. ([January Newsletter](#)).

NEPA requires the federal government to utilize a systematic, interdisciplinary approach which ensures the integrated use of the natural and social sciences in planning and decision-making. This translates to robust environmental analyses that consider the impacts that any individual action will have on the natural and social environment. In the case of forest management, this analysis includes impacts to resources ranging from wildlife habitat to socioeconomics. In recent

years, the degree and magnitude of this analysis have swelled while, oddly, the substance of the forest management actions analyzed have generally remained the same. This counterintuitive trend is a significant barrier to active forest management on Forest Service land and seems to be prompting some National Forests to reconsider previous habits and processes.

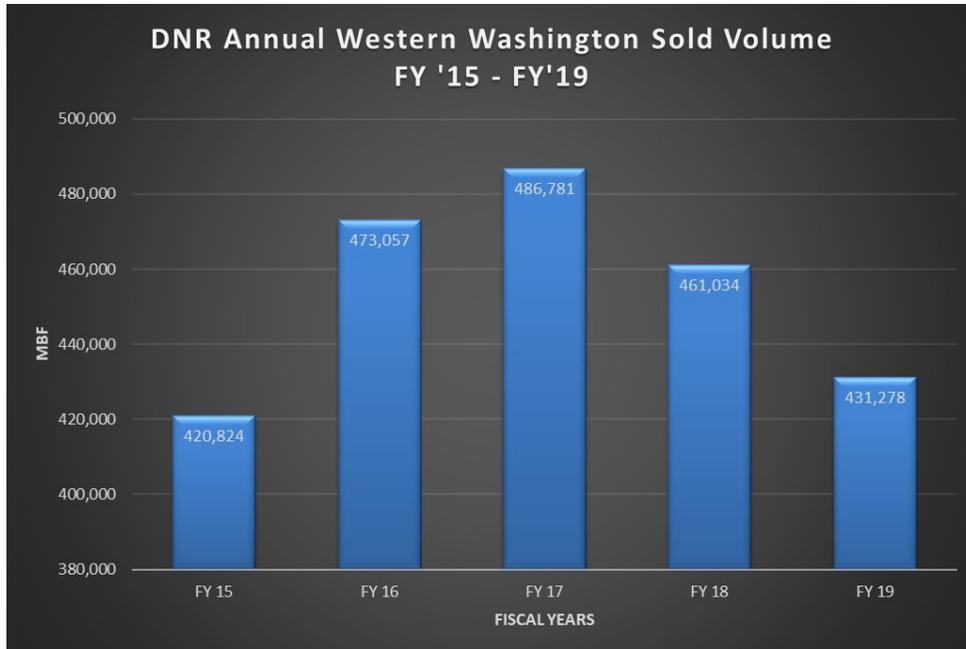
The Willamette National Forest took a proactive approach when analyzing the impacts of the treatments proposed in the Lowell Country Project. The Decision Notice states that “by relying on decades of past experience and through proposing a conventional project, with low complexity at a larger scale, the intent is to gain efficiencies in the planning process.” In other words, the Forest has repeatedly analyzed the impacts of density management thinning treatments on thousands of acres of previously managed forest stands over the past decade and have monitored the results of those treatments as they are implemented. Through this repetitive exercise, the Forest gained experience and applied their expertise at a large scale.

The EA was initiated in December 2017 and published in December 2018, a remarkably fast turnaround. A project of this size will warrant implementation over several years as well as ongoing site-specific analysis by the Forest Service to ensure that factors analyzed in 2018 are not subjected to a changed condition over time. Therefore, the Forest plans to implement the project over several “phases,” each of which will be subject to surveys and other updates to the original analysis. This first phase authorizes the treatment of approximately 1,300 acres that will generate 27 mmbf of timber. AFRC commends the Willamette National Forest and staff for taking proactive steps to improve its analysis and decision-making processes that will better serve the public and, ultimately, lead to better projects. */Andy Geissler*

Washington DNR FY19 Timber Sale Results

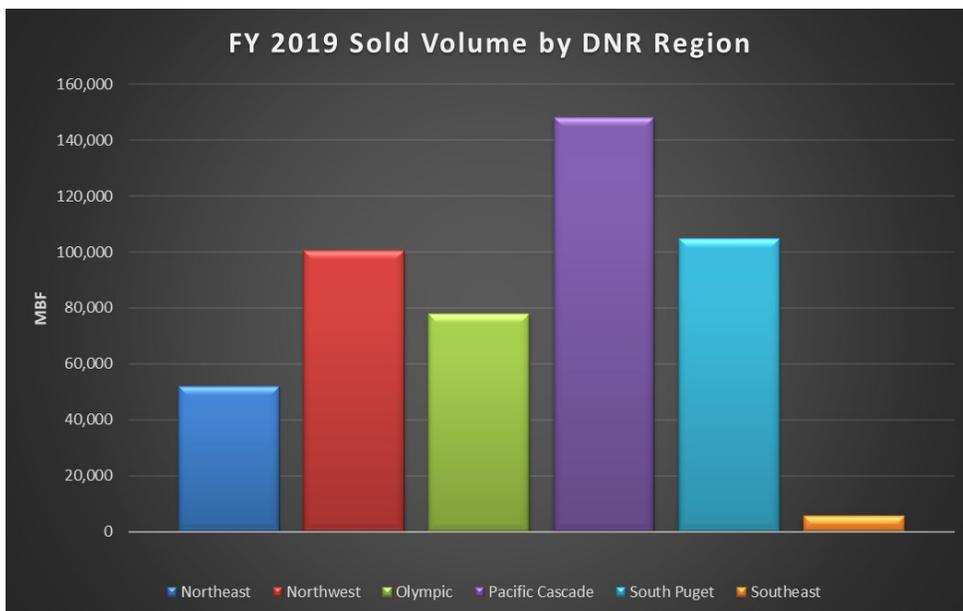
The Washington State Department of Natural Resources (DNR) fiscal year concluded on June 30 – allowing AFRC and other interested stakeholders to evaluate yearly accomplishments. It was also the end of the fifth year of the current planning decade, which began on July 1, 2014, and runs through June 2024. DNR and the Board of Natural Resources have yet to officially set a new Western Washington Decadal Sustainable Harvest target for the planning decade FY15-FY24. The previous westside decadal target was 5.5 billion board feet (bbf) or, on average, 550 mmbf per year. DNR ended that decade with an average volume of 462 mmbf/year.

In FY19, DNR sold a total statewide volume of 489 mmbf. This was down from the statewide total of 521 mmbf in FY17 and 500 mmbf in FY18. The westside volume sold was 431 mmbf, and the eastern volume sold was 57 mmbf. Most of the eastern volume was sold in the Northeast Region.



Data Source: [DNR Timber Sale Auction Results Reports](#)

The Northeast Region sold 52 mmbf while the Southeast Region sold 6 mmbf. Of the four westside Regions, the Pacific Cascade Region in southwest Washington was the high producer at 148 mmbf. The South Puget Region sold 105 mmbf, the Northwest Region sold 100 mmbf, and the Olympic Region sold 78 mmbf.



Data Source: [DNR Timber Sale Auction Results Reports](#)

In FY20 DNR plans to offer 538 mmbf statewide. DNR anticipates offering 63 mmbf in eastern Washington and 476 mmbf in western Washington. The Olympic Region is expected to see an increase in offered volume to over 133 mmbf. The Pacific Cascade Region will see its target drop to slightly under 135 mmbf. The northwest and south Puget Regions will maintain approximately the same volume targets as FY19. It is still unclear when or if several “controversial” timber sales from previous fiscal years, such as Singletary and Michigan Trotter, will be brought to auction.

Budget issues continue to impact DNR’s ability to conduct some silvicultural activities, which could have volume impacts in future decades. DNR management fees are currently set at 25% for the State Forest Transfer Lands (“County Trust Lands”) and 31% for the Federally Granted Trust Lands such as the Common School Trust. The Marbled Murrelet Long Term Conservation Strategy (MM LTCS) is another process that will impact current and future timber sale volume. The MM LTCS is anticipated to be finalized in late 2019, at which time DNR and the Board of Natural Resources should set a decadal harvest target for the current planning decade of FY15-FY24. While DNR continues to make refinements to the MM LTCS impact to acres available for management, [data released in October 2018](#) shows the current decade volume for Western Washington will fall from the previous decade annual target of 550 mmbf to 479 mmbf or lower.

This decrease in volume, along with an underperformance in FY19, has many beneficiaries as well as the purchasing community concerned about current and future economic impacts. AFRC and many of the trust land beneficiaries, including the Junior Taxing Districts, continue to engage with DNR in seeking an analysis of these local short-term and long-term impacts. /*Matt Comisky*

Oregon Federal Forest Restoration Program Study

The Ecosystem Workforce Program, in collaboration with the University of Oregon, Oregon State University, and the University of Idaho, conducted a study evaluating the impacts of investments made through Oregon’s Federal Forest Restoration (FFR) Program. The study resulted in two reports: [Monitoring Investments in Oregon's Federal Forest Restoration Program, FY2014-2019](#) which focuses on the FFR Program as a whole, and [Collaborative Capacity and Outcomes from Oregon's Federal Forest Restoration Program, FY2014-2019](#) which focuses specifically on the Collaborative Capacity Grant Program, a component of the FFR Program. (A 2-page summary of key points from this report is also [available here](#).)

Some of the key findings are:

- The state of Oregon’s FFR Program investments totaled \$10.6 million between Fiscal Years 2014-2019. The impact of these investments further increased by at least \$4 million of additional cash and in-kind contributions from project partners. **These investments have generated an average of 39.6 jobs per year across sectors and \$3 million in GDP per year.**
- State-Federal Implementation Partnership (SFIP) awards have provided state funds for federal land management units to expedite restoration planning. SFIP is the program area that has received the most funding under the FFR Program. **The \$3.2 million in SFIP**

investments resulted in an average economic impact of \$0.9 million in GDP and 12 jobs per year. Funds have been used to complete more than 55 projects, including surveys, analyses, and contract NEPA. Interviews indicated that SFIP investments had increased the pace of restoration planning and supported the execution of innovative strategies to collect data more efficiently for NEPA analyses.

- Crew work funds were used to hire off-season Oregon Department of Forestry (ODF) firefighters to implement work on federal forestlands such as fuels thinning, timber sale preparation, and surveys. **The \$2.5 million in crew work investments contributed an average of \$0.6 million in GDP and 6.9 jobs per year.** Crews helped prepare and layout timber sales representing more than 300 mmbf of volume. Interviewees believed that crew work investments have helped fill critical capacity gaps at federal agencies, supported stable and trained workforces, and were critical for launching many projects authorized under the Good Neighbor Authority.
- Technical Assistance and Science Support (TASS) investments funded applied science and technical efforts intended to support forest collaborative groups, such as original research, science synthesis, monitoring plans, communication support, training, and facilitation needs. **The \$1.6 million in TASS investments and \$0.2 million in matching partner contributions contributed an average of \$0.4 million in GDP and 4.8 jobs per year.** Funds were used to complete at least 21 applied research projects, six workshops, and 11 outreach efforts. Interviewees explained that TASS investments helped collaborative groups access scientific information needed to reach an agreement, but they also expressed concerns about the transparency and fairness of the TASS award application and selection process.
- Collaborative Capacity Grants supported forest collaborative groups in efforts to build agreements about their preferred restoration activities. **The \$1.4 million invested and \$2.5 million in matching partner contributions from grants directly resulted in an average of \$0.8 million in GDP and 10.9 jobs per year.** The funded groups collaborated in the planning of nearly 1.9 million acres and 73 completed timber sales on federal forest lands. **These timber sales yielded 565 mmbf, \$25.5 million in sale value, an average of \$68 million in labor income, and 1,019 jobs per year between calendar years 2014-2018.** Interviewees also explained that the grants helped establish and maintain collaboratives, strengthened relationships between ODF and stakeholders, and allowed collaboratives to contribute to an improved quality of restoration work.

As reported in our [June Newsletter](#), the reports are the result of Oregon House Bill (HB) 2953, which requires ODF to report outcomes from all projects pursued in the state under the Good Neighbor Authority Agreement to an interim committee. AFRC hopes that the reports will provide a more detailed and accurate description of the accomplishments resulting from state investments. /Sara Ghafouri

Colville Objection Resolution Response

On July 3, Allen Rowley, Reviewing Officer for the Chief of the Forest Service, submitted his [response](#) to the objections filed on the Colville Revised Forest Plan. AFRC was one of 20 objectors and participated in the Objection Resolution meeting that was held in April. ([April Newsletter](#)).

The resolution letter addressed the following four issues that AFRC raised, and the direction could help strengthen and improve the final plan.

- 1) The Region should add measures for timber required by the 1982 Planning Rule (Allowable Sale Quantity and Long Term Sustained Yield) to the revised Land Use Management Plan.
- 2) Tell the story of the recent success of the Forest in accomplishing restoration work, the innovation, and the alternative funding sources that have come with the innovations. This should include language specifying that because of alternative funding sources, the budget **is not a constraining factor** in the management of the Colville National Forest. (emphasis added).
- 3) Consider increasing the objective for acres treated annually from 6,000-12,000 up to 18,000-25,000 acres.
- 4) The Forest will post their most current long-term Vegetative Management Plan on their website and update the website as plans are adjusted over time.

The final point is very important since the Colville has developed a 5-year and 20-year timber plan that should be embedded in the Forest Plan revision. Projections for the timber outputs in the coming years range between 100-150 mmbf/year.

AFRC would like to thank Allen Rowley and his team for their final resolution direction. We would also like to thank the Colville staff for preparing a Forest Plan Revision that addresses the needs of the Forest, the local communities and the forest products infrastructure into the future—well done! */Tom Partin*

Idaho Identifies Two Shared Stewardship Areas

Idaho Governor Brad Little announced on July 1 that the State of Idaho and the Forest Service had identified two large scale project areas in Idaho where federal, state, and private land management activities will align to reduce wildfire risk to communities and improve the health of Idaho's forests. The Shared Stewardship Agreement, signed on December 18, 2018, builds on the State of Idaho's four-year-old Good Neighbor Authority program. The Governor also announced the appointment of an advisory group to successfully implement Shared Stewardship in Idaho. The proposed group member layout can be found [here](#).

One of the goals of the agreement is to double the number of acres treated on federal forests in Idaho by 2025. Using mechanical treatments, commercial forest restoration treatments, and prescribed fire, treatments will focus on the 6.1 million acres that have been federally designated as "high risk" for wildfire and insect and disease infestation.

The agencies, working with private landowners and others, will align management projects on separate but adjacent ownership types to maximize fuel reduction and forest restoration on a larger scale.

The northern Idaho priority landscape encompasses approximately two million acres across Boundary, Bonner, Kootenai, and Shoshone counties. The area includes parts of the Idaho Panhandle and Nez Perce National Forests and covers an extensive complex of the wildland-urban interface where homes, infrastructure, and communities may be at higher risk from wildfire.

The southern Idaho priority landscape includes 2.3 million acres in Adams, Washington, Valley, and Idaho counties along with large portions of the Boise and Payette National Forests and includes small communities and areas where rangelands transition into forest.

AFRC looks forward to working with the National Forests in Idaho and Idaho Department of Lands to implement these landscape-sized projects that will help treat the millions of acres of timberland that are at high risk for wildfire, and insect and disease. */Tom Partin*