



August 9, 2018

Via email to: [randy.kline@parks.wa.gov](mailto:randy.kline@parks.wa.gov)

Randy Kline,  
Project Manager  
Washington State Parks  
Post Office Box 42650  
Olympia, WA 98504

RE: Wallace Falls State Park "Classification and Management Planning" Stage 3 Preliminary Recommendations

Dear Mr. Kline:

On behalf of the American Forest Resource Council (AFRC) and its members, thank you for the opportunity to provide comments on the Wallace Falls State Park CAMP process and potential expansion of the park. AFRC has serious concerns with the proposal and its likely impact on our industry, local economies, and the beneficiaries of state trust lands.

AFRC represents the forest products industry throughout Oregon, Washington, Idaho, Montana, and California. AFRC's members include over 50 forest product businesses and forest landowners. AFRC's mission is to advocate for sustained yield timber harvests on public timberlands throughout the West to enhance forest health and resistance to fire, insects, and disease. We do this by promoting active management to attain productive public forests, protect adjoining private forests, and assure community stability. We work to improve federal and state laws, regulations, policies and decisions regarding access to and management of public forest lands and protection of all forest lands. Many of our members, rely on the timber sold from trust lands managed by the Washington State Department of Natural Resources (DNR). The success of this program ultimately dictates not only the viability of their businesses, but also the economic health of the communities themselves.

The forest products sector in Washington State continues to provide around 40,000 direct and about 100,000 indirect jobs. Many of these are found in rural communities throughout western Washington. In addition to the wages paid, the taxes and other economic activity generated by these businesses and family-wage jobs, contribute to the social fabric and well-being of the local communities. Unfortunately, many of these businesses lack enough raw materials to meet an increasing demand for wood products.

In the last few years, there have been eight mill closures in Western Washington in part due to lack of access to logs. The timber sale program, managed by DNR for the benefit of trust beneficiaries, is a significant contributor to a predictable wood supply in Washington that many mills depend on to continue operations and sustain their work force. Maintaining and enhancing the number of acres of working forests providing needed log volume is key to assuring the milling and logging infrastructure continues to provide jobs and forest products for the marketplace. The DNR timber sale program has fallen from the FY '05-14 Sustainable Harvest Level of 550 million board feet per year to under 450 million board feet per year. At 11 jobs per 1 million board feet that equates to a loss of 1,100 jobs.

The demand for wood products continues to grow. In 2013 the total consumption of lumber was 45.6 billion board feet, an increase of 8 billion board feet over 2009 levels. Consumption is expected to rise 2.3% per year between 2015 and 2030. Unfortunately, U.S. production is not meeting this demand. In 2013 the U.S. imported 11.7 billion board feet of lumber and exported 2.6 billion board feet for a net 9.1 billion board feet of lumber imported. Maintaining managed forestlands is key to meeting the U.S. populations wood products needs in a sustainable and locally grown and processed manner. Logs sourced from trust lands are processed domestically.

Expansion of the park and removing acres of sustainably managed forest land – both state and private - is of great concern to AFRC and its members. Not only does the loss of acres have a ripple effect throughout the industry from lost opportunity to provide sustainable long-term supply of wood, but also impacts many of the communities where our members and their employees live and work. Loss of managed trust lands results in the reduction of revenues to the beneficiaries of those trust lands. Revenue from timber sales helps to provide essential services such as roads, schools, libraries, fire and emergency medical services, and hospitals, to name a few. Continuing to provide these revenues results in the ongoing ability to maintain and enhance these essential services. This can only be accomplished through maintaining the corpus of the trust and sustainably managing that land base. In Fiscal Year 2018 DNR generated \$225,030,311.29 in gross revenues from timber sales statewide. In the case of Snohomish County last year, revenues from harvest of timber from State-managed trust lands exceeded \$5.7 million. Additionally, forest excise tax revenues from harvest of timber on private and State-managed trust lands in Snohomish County have averaged \$ 1.4 million annually the last five years. A significant portion of these revenues supported county and junior taxing district services.

The inclusion of approximately 1,500 acre of trust lands, managed by DNR for the benefit of the beneficiaries has real and significant negative economic impacts to those beneficiaries and the industry that relies on those lands. The Washington State Legislature is the trustee of these lands and DNR manages these lands. Both entities are obligated to adhere to their trust mandate for the management of these lands. That trust mandate was affirmed in *County of Skamania v. State* 685 P.2d 127 (1984). One aspect of the trust mandate includes maintaining an undivided loyalty to the beneficiaries. This undivided loyalty extends to the issue of recreation on trust lands. The Stage 3 document asserts that trust lands are “managed under the multiple use concept described in RCW 79.10.110” but fails to disclose the obligations of the State to the beneficiaries. State law is clear that the beneficiaries must be compensated due to impacts from recreation that decreases the value, corpus, or revenue of the trusts. Any use beyond revenue generation, including recreation, is not and cannot be placed on equal footing under the trust mandate. And any impacts from these other uses must be compensated.

The history of the Singletary timber sale (development, appeals, litigation) should be considered when proposing recreational facilities that would encumber additional trust lands. While it is unclear from the Stage 3 documents, it appears there is one option that would maintain DNR management of the acres in the Long-Term Boundary (LTB) with added trails. While active forest management and recreation can co-exist, the ongoing challenges of implementing the Singletary timber sale raise serious doubts about the approach being considered. As you may know, Snohomish County formally requested that DNR move forward with the Singletary sale with the adoption of Resolution 18-006 on March 21, 2018.

Unfortunately, the project remains in limbo, as does needed revenue to junior taxing districts such as the Sultan School District, Sno-Isle Library, Hospital District 1, and Fire District 26.

We are particularly concerned about any proposals to transfer working state trust lands as part of a proposal to expand the Wallace Falls State Park. Transferring these acres out of trust status would ultimately result in the loss of working forest lands and creates significant complexities, including impacts to junior taxing districts, the county, and any Federal trusts in the foot print of the LTB. Any proposal should include a detailed analysis and specifically identify viable replacement lands. The analysis should also identify necessary funding to compensate state land beneficiaries and junior taxing districts if lands shift outside of junior taxing district boundaries.

The DNR trust lands in question are covered under the State Lands Habitat Conservation Plan (HCP) approved in 1997. The HCP provides protections for a variety of species including the Northern Spotted Owl. Additionally, there are aquatic protections provided under the HCP. Prior to any further recommendations being developed, a clear understanding of the impacts of this proposal to the HCP must be understood. Addition of recreation facilities, removal from trust status, etc. may have impacts to other lands outside of the LTB under the HCP. Protections and mitigation under the HCP and Incidental Take Permit are interwoven across a broad landscape of trust lands. Modifications of the management and/or ownership of these lands may have adverse impacts to lands in other landscapes managed under the HCP.

One thing is clear from the available materials and the ongoing conversations in other forums related to the management of trust lands in Snohomish County. The underlying problem with Wallace Falls State Park appears to be the severe lack of parking to accommodate the large number of users. It is unclear how expanding the park boundaries will solve this problem. It would seem more prudent to first evaluate and implement solutions for solving the parking issue prior to permanently removing working forest land from active management.

Should State Parks continue to look for opportunities to expand recreation facilities on DNR managed lands, AFRC respectfully recommends evaluating feasible opportunities connect Wallace Falls State Park to the Morning Star NRCA with minimal to no impacts to managed trust lands. While the beneficiaries would still need to be compensated for any financial impacts, the cost is likely to be much lower – an important consideration given the limited funding available for the lands currently managed by Washington State Parks. It is also important to consider how any expansion of recreational facilities on state lands fits in with the extensive lands managed in the area by the U.S. Forest Service. As you may know, in the 2010 Reiter Foothills Recreation plan, it was stated that the Forest Service was not in favor of building trails to connect Reiter Foothills to the Wild Sky Wilderness (pg 10).

In closing, AFRC requests that prior to Final Recommendations being prepared, an explicit analysis of the economic impact of this proposal be developed. That analysis should consider at a minimum the following:

1. The impacts of withdrawing productive state and private forestland from production
  - a. Loss of jobs from reduction in managed acres
    - i. This includes both direct and indirect jobs

- b. Loss of revenue to the county and state from timber excise tax
    - c. Loss of revenue to trust beneficiaries, including the junior taxing districts.
      - i. This includes current and future revenues, consistent with DNR's obligation to maintain intergeneration equities
  2. The impacts to the State Trust Lands HCP for lands located in the LTB and other lands covered by the HCP.
  3. Cost of proposed land transfers (Inter-trust exchanges, replacement lands, etc.)
    - a. Identification of replacement lands for "County Trust" lands that leaves junior taxing districts unaffected.
  4. Completion of required SEPA and related documents prior to adoption of any proposal. Additionally, we would request information or clarification on the need or lack of a need to complete an EIS as part of this planning process. And any associated timeline with the SEPA process.

We look forward to ongoing engagement in the process and trust that DNR and State Parks will adhere to the trust mandate that so many rely on. Thank you for the opportunity to comment on this project. Should you have any questions regarding the above comments or would like additional information, please contact me at 360-352-3910 or [mcomisky@amforest.org](mailto:mcomisky@amforest.org).

Sincerely,



Matt Comisky

Washington State Manager