



## Agenda Taking Shape for 2021 AFRC Annual Meeting

Preparations are well underway for the 2021 AFRC Annual Meeting that will be held August 2-4 at beautiful Skamania Lodge in Stevenson, Washington. Our meeting will kick off with the popular AFRC Golf Open at the Elk Ridge Golf Course. U.S. Rep. Cliff Bentz will join us at the Welcome reception later in the evening. Stay tuned for further announcements on keystone speakers and other special guests!

Our annual meeting is known for dynamic speakers and presentations on timely forest management issues. This year will be no different. Our 2021 agenda includes a climate change panel, featuring experts who will discuss our industry's role in this national debate. Attendees will also receive a briefing on the impacts of Oregon's 2020 wildfires. Federal Forest Resource Coalition's Bill Imbergamo and our own Heath Heikkila will provide a political outlook for the timber industry. We look forward to sharing our full agenda in the weeks ahead.

As always, the AFRC Annual Meeting will provide plenty of networking opportunities with industry leaders, agency personnel and elected officials. We will soon distribute more information on registration and accommodations. You can also check our [Annual Meeting](#) page for updates. We look forward to seeing you in Stevenson in August! /*Nick Smith*

## Washington DC Update

On March 31, the White House released President Joe Biden's proposed "American Jobs Plan," a \$2.2 trillion package that combines traditional infrastructure projects with investments in high-speed broadband, retrofitting schools and other buildings to make them more energy efficient, and subsidizing a transition to clean energy and electric vehicles. The legislation represents Biden's vision for an infrastructure package that responds to climate change.

The [Fact Sheet](#) released by the White House includes a plan to "maximize the resiliency of land and water resources to protect communities and the environment," calls on Congress to invest in protection from "extreme wildfires" among other climate related threats, and will "empower local leaders to shape these restoration and resilience project funds in line with the Outdoor Restoration Force Act." The Outdoor Restoration Force Act was introduced last year by Senator Michael Bennet (D-CO) and, among other things, would make \$40 billion available to the Forest Service, Department of the Interior, and Environmental Protection Agency "for popular and proven restoration and resilient efforts" according to Senator Bennet's [one-pager](#).

Republicans have signaled an interest in working with Democrats on a traditional infrastructure package, but do not support many of the various climate and environmental programs outlined in the Biden plan.

In a \$568 billion [counteroffer](#), Senate Republicans would focus spending on roads and bridges, public transit, ports, drinking water and wastewater, and other infrastructure. Senator Pat Toomey (R-PA) summed up the view of many Republicans, “when Americans think of rebuilding our nation’s infrastructure, they think of fixing roads, bridges, airports, ports and waterways — not expanding the welfare state as the Democrats have proposed.”

President Biden’s American Jobs Plan would be funded in part by increasing the corporate tax rate to 28%. Former President Trump and a Republican Congress reduced the corporate tax rate from 35% to 21% in a 2017 tax overhaul. Republicans oppose increasing the corporate tax rate and have offered other potential offsets, including the use of unspent COVID relief funds and maintaining a cap on state and local tax deductions, which Democrats oppose.

Following a recent ruling by the Senate Parliamentarian that opens the door to once again use the Budget Reconciliation process to pass certain legislation with a simple majority vote, Democrats may attempt to move a partisan infrastructure package. However, with the Senate evenly divided, moderate Democrats like Senator Joe Manchin (D-WV) hold enormous leverage over what can pass in the Senate.

*Forest health and wildfire recovery efforts.* Following yet another disastrous wildfire season there is a clear need to increase the funding available to the Forest Service and Bureau of Land Management to treat overstocked forests and restore and replant some of the millions of acres of federal land that has burned in recent years. Representative Kurt Schrader (D-OR) was recently joined by 25 of his colleagues on a bipartisan letter to Agriculture Secretary Tom Vilsack and Interior Secretary Deb Haaland requesting estimates of the funding needed to accomplish some of this work. AFRC supports additional funding for both the Forest Service and Bureau of Land Management to accomplish this critical work, whether it is part of an infrastructure package or through the appropriations process.

*Forestry legislation.* Republicans in the U.S. House recently introduced a series of pro-forestry bills. The effort was headlined by the reintroduction of the Trillion Trees Act by Representative Bruce Westerman (R-AR), the Ranking Member of the House Natural Resources Committee and the only professional forester in Congress. An overview document provided by Westerman’s office notes that it “will solidify the United States as a global leader of the One Trillion Trees Initiative to conserve, restore and grow 1 trillion trees worldwide.” A [section-by-section](#) of the bipartisan legislation is also available.

The Trillion Trees Act promotes reforestation activities across private and public lands, including increasing the funding directed to the Reforestation Trust Fund. The legislation also encourages the use of programmatic Environmental Impact Statements for large scale forest management projects on federal lands and sets goals for carbon sequestration and storage in forests and wood products.

AFRC President & CEO Travis Joseph provided the following quote in support of the Trillion Trees Act:

*"Forestry is an essential part of the climate change solution. The Trillion Trees Act provides innovative new policies and targeted investments in forest management, reforestation, and technology to help reverse the trend of carbon-emitting catastrophic wildfires, high tree mortality and forest conversion. It also strengthens collaborative partnerships to accelerate active management on federal forests, which will improve the ability of public lands to sequester carbon. The Trillion Trees Act also recognizes the*

*potential of climate-friendly wood products that will be used to build the communities and cities of tomorrow and will be key to our low-carbon future. This bipartisan bill should be the first priority on the Congress' conservation agenda."*

Below is a brief summary of other pro-forestry bills:

Representative Doug LaMalfa (R-CA) introduced the [RESTORE Act](#), which would give the Forest Service additional authority to conduct landscape-scale forest management projects in states by the request of Governors under streamlined environmental and judicial review.

As his first piece of legislation since being elected to Congress, Representative Cliff Bentz (R-OR) introduced the Solving our Shortages (SOS) for Seedlings Act, [HR 2562](#). The [SOS for Seedlings Act](#) would direct the Forest Service to develop a national seedling strategy that considers the need to restore millions of acres of burned forests, provides funding for federal tree nurseries to help meet the needs on federal lands, and creates a loan program to maintain and build state, local, tribal, and private tree nurseries.

Representative Russ Fulcher (R-ID), who chairs the key Natural Resources forestry subcommittee, has introduced [legislation](#) to authorize \$20 million in annual funding for USDA grants in support of forestry education programs at certain higher education institutions. Fulcher explained the need for his Forestry Education and Workforce Act in a [two-minute video](#).

*Department of the Interior Nominations.* The Biden Administration has announced additional nominations for leadership positions at the Department of the Interior. Tommy Beaudreau has been nominated to serve as Interior Deputy Secretary. The President previously nominated Elizabeth Klein to serve in this position but withdrew her nomination due to opposition in the Senate over her position on oil and gas development and other issues. Beaudreau served at the Department of the Interior during the Obama Administration, including a stint as chief of staff to former Secretary Sally Jewell. Financial disclosures filed for his nomination show that since leaving government, Beaudreau has represented clients in the oil, gas and coal sectors during his time at the Latham & Watkins law firm- leading to objections from left-leaning environmental groups. He is expected to be confirmed.

Meanwhile, President Biden nominated Tracy Stone-Manning to serve as the Director of the Bureau of Land Management (BLM). Stone-Manning lives in Missoula and served as the director of Montana Department of Environmental Quality and as former Montana Democratic Governor Steve Bullock's chief of staff. She is currently the National Wildlife Federation's associate vice president for public lands, a position she has held since 2017.

Bullock praised the nomination and offered his comments in a recent E&E News article: "One of the things I was so impressed about with her as my chief of staff, and at DEQ, is the way that she does things." "I mean she listens, she's kind, she gets the facts, she's fair, and then she's decisive."

In light of the Biden Administration's actions to reduce oil and gas production on federal lands and the controversy surrounding the past statements of Interior Secretary Deb Haaland, Republicans are expected to press Stone-Manning on her views related to multiple use management on BLM lands. If confirmed,

Stone-Manning would become the first permanent BLM director since the Obama Administration. The agency was guided by a series of acting directors during the Trump Administration. /*Heath Heikkila*

### ***AFRC in the News***

- Nick Smith published an oped in [The Hill](#) explaining how the 2021 NSO critical habitat rule can address the real threats to the species.
- AFRC published a sponsored article in the [Seattle Times](#) explaining the climate benefits of DNR state trust land management.
- Nick Smith published a column in [TimberWest Magazine](#) explaining how record lumber prices present opportunities, and risks, to the domestic lumber industry.
- Matt Comisky spoke to Pew's [Stateline](#) publication regarding state trust land management.

### **Fish & Wildlife Doubles Down on Illegal Delay to NSO Critical Habitat Rule**

In a Friday [news dump](#), the U.S. Fish & Wildlife Service extended its illegal 45-day delay of the 2021 Critical Habitat Rule for the northern spotted owl by an additional *seven-and-a-half months*, to December 15, 2021. The Service continues to repeat the false claim that a delay is warranted “[b]ecause the habitat is defined by forested stands, particularly of older trees, it cannot be replaced for many decades once removed.” But the problem with the prior rule was its inclusion of millions of acres of younger forests that are not habitat.

AFRC and allies brought suit against the delay in March and have now fully briefed a motion for summary judgment for the Court’s decision. The briefing shows that the Service’s delay has no legal basis in the Administrative Procedure Act—the Service does not have the legal authority—and that its factual underpinnings are insufficient. A decision on the suit could come at any moment.

The Service repeats many of its prior assertions and continues to deny the controlling impact of the Supreme Court’s *Weyerhaeuser* decision. It also claims that any threat to the owl, from wildfire to barred owls, justifies restricting timber harvest, regardless of the relation to the threat. Because the new delay is only an extension of the old, it remains subject to the same lawsuit. AFRC and our partners will continue to hold the Service accountable to science and the law. /*Lawson Fite*

### **AFRC Begins Field Review of River Democracy Act**

The Wild and Scenic Rivers Act of 1968 was enacted to preserve certain rivers with “outstanding natural, cultural, and recreational values in a free-flowing condition.” Since its enactment, rivers in Oregon such as the Rogue and North Umpqua have deservedly been protected under this Act. Because not every segment of river in the state can be characterized as “remarkable” or “outstanding”, the Act included a mechanism for robust study and review of proposed waterways: *Through Section 5(a), Congress authorizes the study of select rivers and directs one of the four federal river-administering agencies to conduct the study, as outlined in Sections 4(a) and 5(c) of the Wild & Scenic Rivers Act.* The National Wild and Scenic Rivers System [website](#) states that “*The number of rivers included in the National System differs from the number of rivers authorized for study by Congress for the following reason:*

*Not all rivers studied are found eligible or suitable for designation—many study rivers will not be included in the National System.*

Rather than exercise this mechanism of the Act and conduct a study, Oregon’s elected officials have instead opted to propose 4,700 miles of “river” without any review of their characteristics to determine if they are “eligible or suitable” for designation. This lack of substantive field review has compelled AFRC to initiate its own review in hopes to inform Oregonians of the “river” segments that our elected officials have deemed to be outstanding and remarkable. That review began in earnest this month with field visits to those segments identified as “streams” rather than “rivers.” Of the 886 segments proposed for inclusion, 752 are identified as streams, rather than rivers. Additionally, there are 33 segments identified as “gulches” and one “draw.” And finally, there are 17 segments that have not been named and are listed as “unnamed tributary.” That leaves only 15% of the segments proposed as Wild and Scenic that are actually classified as rivers.

Our initial field visit took us to the Nestucca River watershed where we visited tributaries to the main river. Photographed below are sections of Mina Creek and Pheasant Creek on the Siuslaw National Forest. Both are small creeks that likely only flow water intermittently, yet both are proposed to be designated as Wild and Scenic Rivers due to their “remarkable” and “outstanding” values.



We plan to continue field visits over the next several months to determine for ourselves whether any of the 752 creeks, 33 gulches, and one draw are “suitable for designation” under the Wild and Scenic Rivers Act according to the Act’s definitions. Since those who drafted this bill seem unwilling to conduct a study of the segments they are proposing, individual efforts to review these creeks, gulches, and unnamed tributaries are likely the only way Oregonians will be properly informed of whether those segments are indeed suitable for designation. /Andy Geissler

### **AFRC Intervenes in Challenge to Bear Grub and Round Oak Projects**

On April 27, Magistrate Judge Clarke from the U.S. District Court for the District of Oregon (Medford Division) granted AFRC members Timber Products Company and Boise Cascade’s motion to intervene in a case challenging the Bear Grub and Round Oak Projects on the Medford BLM District. *See Klamath-Siskiyou Wildlands Center et al. v. United States Fish and Wildlife Service*, Case No. 1:21-cv-58 (D. Or.).

Klamath-Siskiyou Wildlands Center, Oregon Wild, and Cascadia Wildlands filed an action against the U.S. Fish and Wildlife Service (FWS) regarding its 2020 Biological Opinion (2020 BiOp) that analyzed the impacts of the Bear Grub and Round Oak Projects on the northern spotted owl. Timber Products Company is the high bidder for the Bear Grub Timber Sale and Boise Cascade was awarded the Lodgepole and Rancho Timber Sales associated with the Round Oak Project. The total volume implicated by this litigation is 57.3 million board feet (MMBF). With lumber prices at an all-time high, this volume is critical to forest products manufacturers and American consumers.

The 2020 BiOp determined that these projects would collectively cover 6,050 acres of northern spotted owl habitat, of which about 3,100 acres would be impacted due to the removal and downgrade of nesting/roosting/foraging habitat. There are 43 “known” northern spotted owl sites with home ranges in the project areas, but only two of those sites are actually occupied. However, some of the project activities will benefit the owl. For example, the Bear Grub timber sale seeks to treat 181 acres within the Late-Successional Reserve-Dry in order to promote the development of nesting-roosting habitat and/or more complex forest habitat in the future for the owl.

In addition, the sales will implement project design criteria that will minimize the impacts to owls, including the prohibition that no known nests will be removed, and the requirement that units will be dropped or modified to eliminate the potential adverse effects that could lead to an incidental take of the owl in the event owls are located during protocol surveys. The 2020 BiOp ultimately determined that although owls are likely to be adversely affected, the projects are not likely to jeopardize the continued existence of the spotted owl, nor result in the destruction or adverse modification of critical habitat. FWS did not anticipate the projects would incidentally take any spotted owls, given the 2016 RMP’s management direction that calls for the avoidance of incidental take of spotted owls until an effective barred owl program is in place.

Six months after the 2020 BiOp was issued, plaintiffs brought the action against only the FWS. Their challenge is focused on the 2020 BiOp, raising claims under the Endangered Species Act. AFRC anticipates that plaintiffs will file a motion for a preliminary injunction soon given that Boise Cascade has begun implementation of their sales. /Sara Ghafouri

## **Western Oregon Fire Salvage Update**

In 2020, wildfire impacted nearly 500,000 acres of land managed by the Bureau of Land Management (BLM) and Forest Service (USFS). This month, the BLM completed analyses that considered timber salvage on a small fraction of that land. The Roseburg District published an Environmental Assessment (EA) that considered salvage on approximately 5,000 acres of the Archie Creek fire, which amounts to 12% of the BLM lands impacted by the fire.

The Northwest District published a Categorical Exclusion (CE) that considered timber salvage on 910 acres of the Holiday Farm Fire, which amounts to less than 5% of the BLM lands impacted by the fire. These documents, along with a couple smaller projects on the Beachie Fire, have the BLM poised to offer timber salvage sales on approximately 6% of their lands impacted by wildfire in 2020.

Meanwhile, the USFS has largely deferred any significant timber salvage efforts and instead focused on removing fire-killed trees that pose a hazard to roads. Although this removal could generate useful timber

products to local purchasers, the Regional office in Portland significantly reduced the timber harvest targets for National Forests impacted by wildfire in western Oregon. These reductions amount to a potential target attainment of 77% of what the Washington DC Office assigned them. Final assignments are outlined below with those Forests seeing a reduction shown in bold.

<b>FY-21 Target (MMBF)</b>	<b>760</b>
<b>Forest</b>	<b>Regionally Assigned Target (MMBF)</b>
Colville	67.0
Deschutes	40.0
Fremont-Winema	72.0
Gifford Pinchot	52.0
Malheur	50.0
Mt Baker-Snoqualmie	20.0
<b>Mt Hood</b>	<b>5.0</b>
Ochoco	20.0
Okanogan-Wenatchee	30.0
Olympic	20.0
<b>Rogue River-Siskiyou</b>	<b>30.0</b>
Siuslaw	40.0
Umatilla	35.0
<b>Umpqua</b>	<b>30.0</b>
Wallowa Whitman	33.0
<b>Willamette</b>	<b>40.0</b>
<b>Total</b>	<b>584.0</b>

AFRC is confident that the Region can make up this shortfall with effective removal of fire-killed trees posing a safety hazard to open roads despite an aggressive campaign to halt those efforts by special interest groups who have advocated for the retention of those hazard trees and the closure of those roads that provide access to public lands. /*Andy Geissler*

### **AFRC and FFRC Submit Joint Comments on Climate-Smart Practices**

On April 27, AFRC and FFRC submitted [comments](#) in response to President Biden’s [Executive Order on Tackling the Climate Crisis at Home and Abroad](#). The Executive Order directs the Department of Agriculture to seek input on “how to best use Department of Agriculture programs, funding and financing capacities, and other authorities, and how to encourage the voluntary adoption of climate-smart agricultural and forestry practices that decrease wildfire risk fueled by climate change and result in additional, measurable, and verifiable carbon reductions and sequestration and that source sustainable bioproducts and fuels.”

Our comments specifically respond to the Department of Agriculture’s questions on “climate smart agriculture and forestry” and will help inform the Department’s climate strategies with management implications for the National Forest System. In addition to AFRC and FFRC, the comment letter was signed by *70 companies and organizations nationwide*. Thank you to all of our members and partners for signing on to this important effort.

From the standpoint of forest managers and wood product manufacturers, our comments explain that “climate smart” policies are “those which most efficiently and effectively minimize or reduce climatic carbon dioxide concentrations. Such policies will have other, beneficial climate effects, such as reducing hazardous fuels and the incidence of catastrophic fire that have been documented to release massive amounts of carbon into the atmosphere and endanger the health of many of our most vulnerable citizens.”

Our comments further explain that sustainable production of wood products is a “climate smart” policy because (1) Wood products store carbon that has been sequestered (removed) from the atmosphere, and they do so for a long time; (2) Wood products also avoid further carbon emissions from substitute products made from non-renewable materials that are more carbon-intensive; (3) Although older forests passively store more carbon, younger forests growing after reforestation sequester carbon at a higher rate; and (4) Advanced wood products such as CLT and glulam have one of the greatest carbon returns on investment because they substitute for materials whose carbon emissions are among the most difficult to reduce.

Currently, the Department of the Interior has not provided a formal public comment process to seek input on climate-smart practices or the 30x30 initiative, which establishes a goal of protecting 30% of our lands and waters by 2030. The Executive Order directed certain federal agencies, including the Department of the Interior and the Department of Agriculture, to issue a report to the Climate Taskforce by April 27 to address how to meet climate-smart practices and the 30x30 initiative, but as of this writing those reports are not yet publicly available.

Republicans on the House Committee on Natural Resources will host a virtual forum on the 30x30 initiative on Tuesday, May 4 at 12:00 p.m. ET, which can be livestreamed [here](#). AFRC will continue to stay engaged in these climate policies as they are developed. /Sara Ghafouri

## **Washington Legislative Recap**

The Washington Legislature wrapped up its 105-day regular session on Sunday, April 25. After slightly increasing their majorities in the 2020 election, Democrats secured victories on several long-sought legislative priorities, including a cap-and-trade bill, a low carbon fuel standard (LCFS) and a capital gains income tax on high income earners. The majority also passed a massive \$59 billion two-year operating budget fueled by increased state revenues and federal COVID funding under President Biden’s American Rescue Plan.

While most of the high-profile issues were advanced along partisan lines, legislation (HB 1168) and a significant increase in funding to address Washington’s forest health and wildfire crisis was one of the few areas of bipartisan agreement. HB 1168 was championed by Commissioner of Public Lands Hilary Franz and Reps. Larry Springer (D-Kirkland) and Joel Kretz (R-Wauconda) to establish a dedicated account to support wildfire preparedness, forest health treatments, and community resilience. The



legislation also includes policy provisions to align spending with the state's existing forest health plans, encourage transparency, and directing the Commissioner of Public Lands to take a more active approach with Forest Service leadership to promote greater progress restoring the health of federal forests.

Franz came to AFRC and other stakeholders early in the process to provide input on the legislation. Many of AFRC's recommendations were incorporated, including language ensuring that any state investments in forest health treatments and the resulting acres treated and timber outputs be additive to those already planned and funded by the federal government. The legislation also includes language promoting the utilization of streamlined federal authorities like Categorical Exclusions, third-party NEPA compliance, and the continued use of the Good Neighbor Authority. AFRC also worked with legislators to add language promoting projects that generate merchantable materials to help offset the costs of forest health treatments.

AFRC was also engaged in the successful effort by Senator Kevin Van De Wege (D-Sequim) to amend the legislation to address questions and concerns about DNR's Sustainable Harvest Calculation (SHC) for state trust lands. The amendment, negotiated with DNR, builds upon DNR's existing SHC technical advisory committee and directs the Joint Legislative Audit and Review Committee to conduct its own review and provide recommendations to DNR and the legislature regarding the data and assumptions underpinning the next SHC decision - for both western Washington and eastern Washington. This was an important priority for Senator Van De Wege who is concerned about the continued decline in the SHC target for western Washington and we greatly appreciate his leadership.

The legislation commits \$125 million every two years over the next eight years (\$500 million total) to address Washington's forest health and wildfire crisis. No less than 25% of the funding must be spent on forest health treatments. Ways and Means Committee Chair Senator Christine Rolfes (D-Bainbridge Island) and other budget writers came through with the first \$125 million installment for this biennium – a massive increase in the funding available to DNR. Once signed by Governor Inslee, AFRC's focus will turn to tracking how the funds are spent and promoting cost-effective mechanical treatments to make forests more resilient and generate economic activity in rural communities through the forest products sector.

We applaud Commissioner Franz for her leadership to highlight the need for more active forest management and aggressive fire suppression.

*Climate Commitment Act, LCFS.* After years of failed attempts, Governor Inslee and Democrats were successful in passing legislation (Senate Bill 5126) to establish a cap-and-trade program for utilities, industrial facilities, and other operations with emissions greater than 25,000 metric tons.

AFRC's engagement focused on ensuring that any forestry carbon offset program be consistent with [House Bill 2528](#), which was passed into law last year recognizing the carbon sequestration benefits of an integrated, interdependent forest products sector – landowners, mills, loggers and truckers – and that carbon sequestration occurs in forests and wood products. The legislation requires that any forestry offset program developed by the Department of Ecology be consistent with HB 2528 and related carbon sequestration legislation from last session. Our industry will need to be heavily engaged in Ecology's rulemaking process and tracking proposals for how proceeds from a cap-and-trade are spent.

The legislature also passed a low carbon fuel standard (House Bill 1091) intended to reduce emissions from transportation fuels by 20% no later than 2035. The Department of Ecology will also be required to adopt rules to establish the program, which will likely have a greater impact on rural communities. Perkins Coie has prepared helpful overviews of the [cap-and-trade](#) and [LCFS](#).

*Environmental Justice Legislation.* Legislators also delivered on another progressive agenda item, the passage of environmental justice legislation. The HEAL Act (Senate Bill 5141) will define environmental justice in state law and require agencies to consider community needs and environmental justice in agency decisions.

As introduced, the legislation would have subjected DNR to costly and time-consuming analysis and consultation requirements for routine agency activities, including timber sales from state trust lands. A fiscal note from DNR estimated the potential costs at over \$5 million per year – a costly proposition for an agency largely funded from management fees. This did not consider potential reductions in timber revenues due to delay or fully outline the likely conflict with the trust mandate. AFRC worked with DNR, beneficiaries and several legislators, including Rep. Joe Fitzgibbon (D-Burien), to secure amendments to recognize the state’s fiduciary obligations to trust beneficiaries and protect the DNR timber sale program.

*Other Issues.* AFRC was also active in the budget process to help secure funding for other pro-forestry projects. The operating budget includes \$896,000 for the University of Washington’s Olympic Natural Resources Center to continue their T3 watershed, ecosystem threats, and long-term productivity studies. \$350,000 was also provided for a cedar salvage and alder pilot project on the Olympic Peninsula. Both of these projects were championed by 24th District legislators, including Senator Van De Wege.

The legislature did not fund a \$21 million request by a coalition of environmental groups to remove thousands of acres of DNR trust lands from management through Trust Land Transfer proposals. AFRC previously wrote legislators urging them to pause funding additional Trust Land Transfers and focus instead on replacing encumbered state trust lands in southwest Washington. The legislature did provide \$75,000 for DNR to convene a stakeholder group to provide recommendations to the legislature for how to improve the Trust Land Transfer process, which AFRC also recommended in its letter to legislators. AFRC looks forward to engaging in that process in support of maintaining working state trust lands, the communities that depend on them, and replacing encumbered state trust lands. /*Heath Heikkila*

## **WA DNR Continues Work on Trust Land Performance Assessment**

The Washington State Department of Natural Resources is continuing its work on the Trust Land Performance Assessment. DNR undertook this project in 2018 after the Legislature provided funding and direction for the Department to evaluate the asset value and performance of the trust lands. The goal of the project was to determine the value of the various asset groups, the performance or rate of return of those asset groups, and ultimately provide recommendations to improve the return to the beneficiaries of the trust lands. The legislation also directed DNR to evaluate the value of the ecosystem services that trust lands provide.

DNR contracted with Deloitte Analytics to conduct the assessment work for this project. Deloitte had conducted a similar effort in 1996 to determine the valuation of the trust assets. The ecosystem services or “non-market environmental benefits” report was conducted by Earth Economics. DNR submitted the

report to the legislature in January which was comprised of a DNR developed summary report and the Deloitte and Earth Economics reports. The reports and associated presentations can be found on the DNR Trust Land Performance website [here](#).

On April 28, DNR held a public webinar for those interested in learning more about the Trust Land Performance Assessment. The presentation began with an overview of what trust lands are and who they are managed for. DNR then provided an overview of the Deloitte and Earth Economics reports. With timber being the largest trust asset that DNR manages, much of the time was focused on outputs from the DNR program. The analysis by Deloitte used fiscal year 2018 revenues and expenses in their calculations. To explore performance of the timber portion of the trust assets, DNR presented the change in stumpage and log prices between 1995 and 2018. DNR concluded through this comparison that stumpage prices have dropped by about 35% and log prices by about 17%.

DNR reported they are considering using a different base year, as 1995 was near the peak of log prices after the listing of the northern spotted owl and the release of the 1994 Northwest Forest Plan. However, it does not appear that DNR has evaluated the impacts of increased regulations and DNR requirements on stumpage prices. The evaluated period also saw the implementation of the Forest Practices Road Maintenance and Abandonment Planning process, which included significant investments in fish passage work at stream crossings.

The program concluded with an overview of the recommendations provided by Deloitte and those developed by DNR. These recommendations cover a range of items from improvements to basic accounting practices to major structural and potentially constitutional changes to the trust land program. DNR is seeking comments and feedback by May 12 on the TLPA and ideas for means to improve the trust performance. You can submit comments via this [link](#).

DNR will consider this feedback as it prepares a recommendation report to the Board of Natural Resources. Some of the potential recommendations will require legislative approval and we expect DNR to take some of these to the legislature next January. Our review of Deloitte and DNR's recommendations show some positive opportunities while we have concerns with other recommendations. This process will need the active participation of trust beneficiaries, their customers, and the communities supported by the revenue and jobs these lands provide. *Matt Comisky*

## **Regional Forester Issues Responses to Forest Plan Objections**

Region 1 Regional Forester Leanne Marten issued her responses to the objections that were filed on the Helena-Lewis and Clark (HLC) and the Custer-Gallatin (C-G) Forest Plan Revisions.

These two National Forests are very important to the survival of the forest products industry in central and eastern Montana as well as Wyoming and South Dakota. The already struggling sawmilling infrastructure, which saw the RY sawmill in Townsend, Montana close its doors last year, is counting on the management of these forests to remain operational. AFRC was particularly concerned about the Projected Timber Sale Quantities outlined in each forest plan.

AFRC and other industry partners objected to both revised forest plans based on four key arguments:

- They do not consider a reasonable range of alternatives to address the needs of the forest for needed restoration.
- They inappropriately tie timber harvest to current budget levels.
- They do not consider the needs of the existing sawmilling infrastructure.
- Neither forest prepared an alternative that would have produced the sustained yield limit of timber.

Marten's response to AFRC's objections on both forest plans were very similar and stated that each forest presented a fair range of alternatives, timber harvests are not tied to the current budget, the plans considered the needs of the existing infrastructure, and the forests were not required to prepare alternatives that produced the sustained yield for the forests. She ultimately upheld the Record of Decision for each revised forest plan.

However, there are some very important takeaways' that give hope that timber harvests maybe flexible to meet industry needs. In her responses, Marten indicated that:

- *Although the final EIS doesn't include a single alternative with a projected timber sale quantity as high as the sustained yield limit, the projected sale quantities are not a harvest limitation. Additional volume could be harvested to make progress toward desired conditions if funding and organizational capacity allows. (Response to the C-G Objection)*
- *The projected sale quantities do not function as limit for management opportunities to achieve forested vegetation or economic sustainability desired conditions. In response to public comment expressing concerns about applying budget constraints to the harvest model, the Forest also estimated the potential volume without budget constraints to provide an indication of timber volume outputs that could be achieved should additional funding (e.g., staff funding from the State of Montana), partnerships, or other authorities allow achievement of timber harvest volume above the fiscally constrained projections. (Response to the C-G Objection).*
- *Other than designated wilderness, wilderness study areas, and recommended wilderness areas, timber harvest is allowed to achieve desired conditions, which address objectors request that "remaining acres should be maintained for potential harvest". This includes harvest within inventoried roadless areas where harvest conducted consistent with the 2001 Roadless Area Conservation Rule would contribute to timber volume. (Response to the HLC Objection).*

While AFRC was disappointed in her overall decisions, we are pleased with the response to the above key issues, and we feel that with additional funding and partnerships, the harvest levels for these two forests can be increased. /Tom Partin

### **AFRC Adds to Growing Membership**

This month AFRC welcomed [F.H. Stoltze Land & Lumber Co.](#), [RY Timber](#) and Rude Logging as new members.



Stoltze is a fully integrated forest products company that operates a sawmill near Columbia Falls, MT and sustainably manages a 39,000+/- acre tree farm. According to Stoltze, the company also sources up to 60 percent of its timber from Forest Service lands.

Stoltze was first established in Montana in 1912 and its current sawmill has been in operation since 1923. Over this time the company has acquired and expanded its timberlands, invested in improvements to their manufacturing facilities, and expanded into renewable energy generation. The mill produces dry planed lumber and residuals to serve a global market as well as Montana's forest products supply chain.

RY currently operates a stud mill in Livingston, Montana, and is one of the top structural lumber manufacturers in the state. In the spring of 2020, RY idled its Townsend, Montana sawmill citing a lack of timber to run at full production. One hundred jobs were lost. The corporate office in Townsend remains open and the company anticipates restarting the Townsend mill once more federal timber becomes available.



The late Ron Yanke of Boise, Idaho formed RY Timber following his purchase of Wickes Forest Industries in the early 1980s. The Livingston mill was purchased from Brand-S Corporation in 1996. The Yanke family retains ownership of both RY Timber, Inc., and YT Timber, its land holding company.

Over the last forty years the Yanke family has operated sawmills in Montana, Idaho, Oregon and California. In addition to sourcing timber from Forest Service lands, RY employs a team of experienced foresters and loggers to assist forestland owners in land management and environmentally sensitive forestry.

Rude Logging provides a full range of logging and excavation services from its home base in Prairie City, Oregon, including cutting, processing, skidding, loading and trucking. We thank our new members for joining our growing association and look forward to working with them toward our shared goals- healthy, productive public timberlands that contribute to the social and economic well-being of our communities.

*/Nick Smith*