



# ANNUAL REPORT 2010

WASHINGTON FOREST PROTECTION ASSOCIATION

NOVEMBER 17, 2010



Planting a tree is an act of faith and investment in the future of forestry. Private landowners plant three trees for every one harvested.



"...the state's forest practices are sustainably managed according to some of the most stringent riparian growing & harvest rules of any state in the nation or in the world..."  
SHB 2420



"A forest without young growth is like a family without children."

Gifford Pinchot  
1st Chief of the  
Forest Service, 1905

## From the Executive Director, Mark L. Doumit

The challenging economic and political times have increased tensions in our country. We are more polarized today than perhaps any time in history. WFPA has built trust, credibility and collaborative relationships to leverage private forest landowner positions. We seek balanced policies that encourage investment in working forests with an adequate financial return. This year we helped to pass legislation that recognized the industry as part of the green economy, and directs the Forest Practices Board and Department of Natural Resources (DNR) to seek economic incentives to retain working forests. WFPA has worked consistently to improve the forest industry's image by delivering messages that forest practices protect the environment while providing rural community jobs. This helped bolster our

political strength among elected officials and defend against pressure to increase taxes and fees. With large state Democratic majorities and unprecedented budget deficits, the pressure for more revenue was intense. The national level saw the largest ideological divide in modern history. Congress focused on policies which did not satisfy voter concerns about the economy and jobs. Federal agencies pushed policies that threaten to destabilize large industrial sectors. For example, the Environmental Protection Agency (EPA) made a surprising move to count emissions from woody biomass like fossil fuels. And the U.S. Fish & Wildlife Service released a spotted owl recovery plan, making it unclear whether the Clinton-era Northwest Forest Plan remains the cornerstone of owl recovery. In federal court, the 9th Circuit

Court of Appeals overturned EPA's 34 year-old silviculture rule which exempted logging roads as point sources of pollution. While Washington State has a plan for road improvements, we joined in a challenge to the court decision. We're focusing our efforts on reversing the impacts of these federal agency actions. The political landscape has shifted, however, as the mid-term election saw the largest Congressional sweep in the House since 1948. We believe the voters are calling for balance and stability in the job and housing markets. WFPA's commitment to advance sustainable forestry as a preferred land use will lead to success on state and federal issues, to create a brighter future.

Mark L. Doumit,  
Executive Director, WFPA

## Message from the President, Robert Meier, Rayonier

Washington State has some of the most globally significant forest resources in the world. A naturally diverse concentration of species; commercially valuable timber; access to markets; a well-developed infrastructure; and a mature regulatory system with a process for diverse stakeholder input, sets us apart. We boast some of the most productive tree-growing ground in the Northern Hemisphere. However, the primary challenge today is staying competitive in a global economy. As our country and state face one of the deepest economic recessions of the last century, the forest products industry is poised to use its economic power to stimulate the economy, creating jobs and tax revenues. With demand for wood use projected

to rise with population growth, our state has the choice of supplying wood from Washington's forests, or from other states and countries often providing lesser environmental protection. As business and government reset to meet the new financial realities of today, government policies should encourage the private sector to do what it does best – respond quickly and grow the economy. Government can help stimulate demand for wood, which will put our under-utilized capital investments in mills and manufacturing plants to work. This growth will result in job creation in rural communities and tax revenues for the state. The forest products industry is Washington's second largest manufacturing sector, behind

aerospace, and is the number two supplier of softwood lumber in the nation. Our ability to compete in traditional and emerging markets is key to our ability to continue practicing sustainable forestry. Without the manufacturing infrastructure and ability to bring our product to market, working forests are at risk of conversion to other uses. We stand ready to work with our government officials to find solutions to move us through severe state budget deficits and with ideas to jump start the forest industry - a part of Washington's culture, heritage and future.

Robert Meier,  
President, WFPA

**Working Forests are Part of the Solution**



# WOOD

THE MOST  
NATURAL RESOURCE

Building with wood is more environmentally friendly than using concrete or steel which produces 8x and 21x the carbon emissions of framing lumber.



Using the sun's energy, trees remove carbon from the atmosphere. Using wood for energy recycles the carbon, permanently offsetting carbon emissions from fossil fuel.

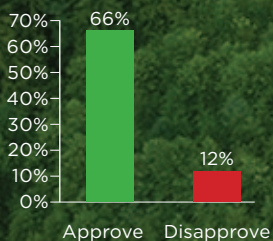
Washington is the #2 producer of softwood lumber in the nation.



Working Forests provide sustainable solutions: jobs to support communities, renewable products, and environmental qualities.



More than two-thirds of renewable biomass in Washington is from forests. A \$3.00/ton credit for Forest Derived Biomass went into effect July 1, 2010.



Voters increase approval of forest products industry actions after hearing about the Forests & Fish Law.

## Working Forest Agenda

Forest practices in the 21st Century are vastly different than they were just two decades ago. We can see this on the landscape, with the amount of trees that are left in streamside buffers and wildlife reserves, and with smaller harvest units. Maintaining public support for working forests is not the greatest challenge that timber landowners face today. Our relationship with the public has been restored, as long as our practices continue to reflect protection of the values the public

cares about. Today, the greatest threat to sustainable forestry is a lack of economic value in timber and conservation values which attract private investment. WFPA's Working Forest Agenda is a comprehensive strategy to reverse that trend, ensuring that landowners receive full value from their private forestland asset. One of the quickest ways to devalue private landowners' investment is through excessive government regulation. In recognition of this, two bills were passed by the Legislature

this year: 1) recognizing the importance of the forest sector to the emerging green economy, and 2) that conservation values should be compensated through economic incentives. WFPA will continue to pursue this dialogue and direction with stakeholders and government officials to develop and implement policies that encourage the development of these new markets, and to achieve full recognition of the value that private forest landowners deserve for their private investments.

## Striving for Balance

WFPA is guided by its mission: to create balanced forest policies to encourage investment in forestland and promote responsible forest management as a preferred land use. It has been challenging to find the "center" on policy issues when the overlap between the two parties at the state and national levels has virtually disappeared. Though, through cooperation and common sense, there have been some bright spots in 2010. Working together in advance of Forest Practices Board meetings has resulted in unanimous Board decisions, such as the most recent approval of the Road Maintenance and Abandonment Plan (RMAP) completion deadline. Through the Adaptive Management process, stakeholders recognized the economic downturn and recommended to the Board a five year extension of the RMAP requirement. Governor Gregoire demonstrated support for state policies on use of wood for energy and in building certification systems. And, as previously noted, the Legislature recognized forestry as part of the green economy, directing the DNR to seek conservation incentives to support the forest products industry.



The current Congress—the 111th—is the most ideologically polarized in modern history.

William Galston, Sr.  
Fellow, Brookings Institute

## Public Acceptance of Sustainable Forestry

Public acceptance of the forest products industry has increased markedly since the Forests & Fish Law passed. This level of approval (see graph at left) is evidence that private forest landowners produce tangible benefits that the public cares about — protecting fish, water and wildlife, backed up by a strong law. The battle line of environment vs. jobs is not the

playing field today. Now the public wants both. In addition, there is public recognition that the only way to move from economic recession to prosperity is by creating jobs, wealth and products for the public. Washington's sustainable forest products industry is prepared to respond to the new call to action. Through innovation, incentives

and a stable regulatory environment, the forest products industry is poised to deliver environmental and economic solutions for the future. In collaboration with other forestry partners, a new website was launched to highlight these solutions and demonstrate the value of wood—[www.themostnaturalresource.com](http://www.themostnaturalresource.com).





Private forest landowners have improved more than 15,000 miles of roads. Nearly 90% of the sediment from runoff on forest roads is filtered through the forest floor before the water reaches the streams.



The Legislature finds the forest products industry is a green growth industry. Washington's forest industry plays a critical economic & environmental role. SHB 2420

## Legislative Success

During 2010, WFPA was able to both defend and move an industry agenda forward in a very challenging political and budgetary environment. Our efforts were very successful, as WFPA:

- avoided \$70 million in taxes and fees targeted at our industry;
- collaborated on legislation recognizing forest products industry jobs in the green economy;
- sponsored legislation directing the Forest Practices Board and DNR to consider market based incentives, instead of solely regulation, to meet environmental goals.

In 2009, WFPA avoided application of the excise tax to forest derived biomass (FDB), obtained a Sales and Use Tax exemption for hog fuel and FDB – a \$7.3 million savings to the industry over four years, and obtained B&O tax credits for using FDB worth nearly \$2.3 million through 2013. These credits went into effect July 1, 2010. Despite our success these past sessions, going forward the state will continue to face enormous budget pressures, and a renewed push to increase fees and taxes on the industry is inevitable. The Legislature will have little choice but to continue to look for ways to implement structural and agency streamlining changes to reduce the cost of government. However, in what we see as a positive change, the mid-term elections provided a new, more balanced playing field for WFPA to support the industry and apply our strategies to these issues.



## Regulatory Accomplishments

To remain competitive, we must continue to reduce regulatory complexity and refocus efforts on incentives, while maintaining our high environmental standards. In recognition of the unprecedented economic times, the state joined WFPA in promoting an extension of the RMAP deadline from 2016 to 2021. The proposal is before the Forest Practices Board now, with final rules anticipated in 2011. In addition, the Forests and Fish Policy Committee is seeking federal funding for small land-

owner implementation of the Family Forest Fish Passage Program (FFFPP). These efforts are a result of multi-stakeholder participation, demonstrating that the collaborative processes are working. It also shows that the Adaptive Management process can produce results that benefit landowners. Also noteworthy, at least one WFPA member has completed their RMAP work ahead of schedule. To date, more than \$130 million has been invested in improving road systems, removing fish barriers

and opening more than 3,040 miles of historic fish habitat.

Forest Policy continues to work with natural resource agencies to resolve issues proactively, before they become regulations enacted by the Forest Practices Board. This year, Forest Policy negotiated a process to continue the use of Watershed Analysis prescriptions, as well as maintaining the exclusion of Class I, II, III & IV forest practices from SEPA review relative to climate change.

Private forest landowners plant more than 35 million seedlings in Washington State each year, beginning the cycle of growth for the next forest.

## Our Greatest Challenge

The greatest threat to sustainable forestry is a lack of economic value in timber assets. The best way to maintain working forest lands is to ensure there is economic value to justify the investment. Population growth will continue to occur and people will need houses to live in - it is the American dream. Smart growth along with maintaining our rural landscapes should be a goal for all of us. WFPA works in partner-

ship with other organizations and groups, such as the Cascade Land Conservancy and The Nature Conservancy, and through the University of Washington's Environmental Forum, to amplify the dialogue around the market value of public benefits provided by private, working forests. Our collective message is having an impact. As noted previously, the 2010 Legislature made positive movement in this direction. The

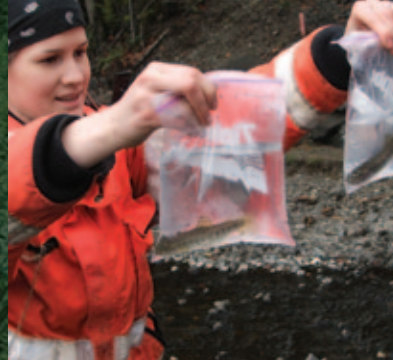
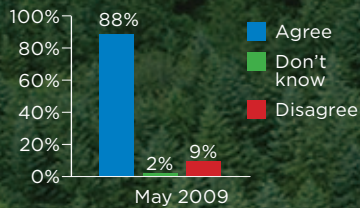
enactment of SHB 2541 recognizes that promoting the economic success of the forest products industry is key to maximizing the ecosystem services provided by forestry. While timber continues to be the primary value on forestlands, society is recognizing the many other values provided by working forests than just trees. WFPA will continue to advocate for the economic recognition of these societal benefits.



If you live in a typical North American wood-frame home you are currently storing about 30 metric tons of carbon in your house—the equivalent of driving an average passenger car for five years, or using about 12,200 liters or 3,220 gallons of gasoline.



WA voters believe forest products companies are important.



More than 3,040 barriers to fish passages have been removed resulting in nearly 2,200 miles of historic habitat now accessible to fish.



## Sustain Traditional Markets, Advance Emerging Markets

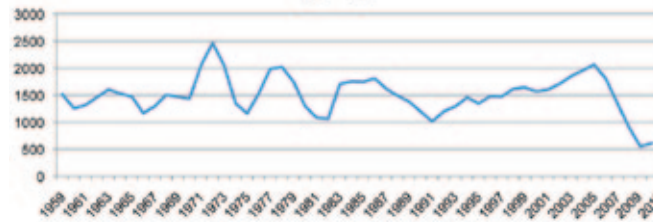
Eighty-eight percent of voters believe forest products companies are very important to Washington's economy. And we are – we are the #2 producer of softwood lumber in the nation. Unfortunately, the housing and financial market collapse disproportionately affected the forest sector. On the bright side, the benefit of sustainable forestry is that economic value and volume continues to grow in the forest, while the landscape pro-

The only source of growth is to make sure you create conditions that allow business in America to innovate, to create jobs, to expand their investment.

Timothy Geithner,  
U.S. Treasury Secretary

vides public and environmental values unique among all industries. The key to future prosperity is government policies that recognize and promote investment in forestry. Private investment in milling infrastructure has been made. The training and education system is in place. Access to domestic and international markets is unparalleled. With more than 150 years of innovation in forest management and technology, Washington is poised to scale up and jump-start economic recovery benefitting rural communities, which are now facing double digit unemployment. Government policies should stimulate demand for the use of the most environmentally-friendly building product in

New Privately Owned Housing Units Started (000)



WA Timber Harvest 1900-2010 (est.)



2009 statewide timber harvest was at its lowest level since the Great Depression.

the world – wood. Markets for solid wood products will continue to be the most important economic driver attracting private investment into long-term forestry. New markets for non-timber values are emerging. Demand to produce renewable energy with by-products from solid wood manufacturing, and residue from harvesting is showing promise. Government policies that encourage investment in new technologies are essential. Recogni-

tion and just compensation for conservation values that landowners provide is essential to securing a sustainable forestry land base. WFPA seeks policies that allow landowners to practice forestry and receive value for the core timber asset. We're setting the stage for emerging conservation markets by streamlining excessive and inefficient regulation to increase competitiveness and value in future conservation markets.

In 2009 the Legislature established a program that recognizes the full conservation value of working forests. The Riparian Open Space Program allows the State to acquire riparian and critical habitat for threatened or endangered species.  
SSB 5401



Wetland: "Doubleyolk"

"It is the intent of the Legislature to develop tools to facilitate small and industrial forest landowners' access to market capital from existing and emerging ecosystem services markets."  
ESHB 2541



24.5 million acres of federal forests are managed for owl recovery across the range. State, private and tribal managers protect spotted owls on another 3.7 million acres of forests in Washington.





Privately owned working forests can provide sustainable solutions—for the economy, renewable energy and the environment.



This is the future.

## Using Science and Adaptive Management to Guide our Actions

The Adaptive Management scientific process continues to be a cornerstone to the implementation of Washington's Forests & Fish Law regulations. Working through the Adaptive Management process, the Forest Practices Board installed a fixed-width fish stream buffer template into the small landowner alternate plan process. The Cooperative Monitoring, Evaluation and Research Com-

mittee (CMER) held its annual science conference, with topics ranging from amphibian research in experimental buffers to the multi-year Prescription Scale Effectiveness Monitoring study, to test whether the Forests & Fish rules have been effective at limiting landslides. WFPA's Animal Damage Control Program (ADCP) is reviving the Cooperative Research Team (CRT), a joint effort with the

USDA Forest Service, trade associations and state agencies in Washington and Oregon to study animal damage to conifers. The CRT group was established in 1995 out of a recognized need for collaborative research and the benefit of shared resources. The CRT has contributed about a dozen peer-reviewed publications in black bear and mountain beaver biology and ecology.

The timber industry and tribal leaders sought a more cooperative way to resolve forest and fish issues. In 1987, the Timber-Fish-Wildlife Agreement set the stage for cooperative natural resource management based on science. This led to the State's 2006 Habitat Conservation Plan, based on the Forests & Fish Law. Forest practices now meet federal Clean Water and Endangered Species Acts.

## Forestry Education in the Classroom - Pacific Education Institute

WFPA's Environmental Education (EE) program works to maintain a place in schools for teaching the value of working forests on the landscape. The Project Learning Tree curriculum, conveying this message, is delivered alongside other natural resource education programs. Working through the larger stakeholder platform of the Pacific Education Institute (PEI), we

ensure that our forest education programs meet state standards. The goal of WFPA's EE program is to ensure that students have direct experiences with forests each year. WFPA's latest efforts have strengthened forestry in high school skills centers and vocational education. Recent public opinion shows that 43% of those who personally experienced the forest in grade school remember

their forestry education. Half of those with personal experience in the forest believe that sustainable forestry management is the most important type of forestry education. The importance of these direct forest experiences is clear and is a key component in WFPA's strategy to shape the public's recognition and understanding of the value of working forests.



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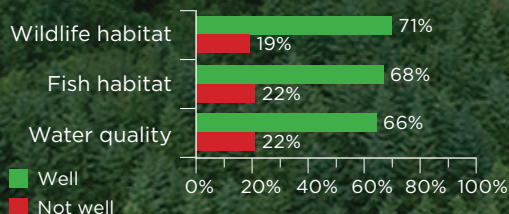
\*Executive Committee Mbr.

The cornerstone of Washington's forest practices is collaboration. This year, landowners worked with the federal, state and tribal governments and environmental groups to initiate rule making through Adaptive Management, extending the deadline for RMAP completion by 5 years.

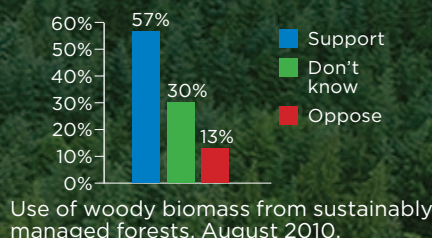


On Sept. 20, 2010, the U.S. Fish & Wildlife Service designated Bull Trout critical habitat and excluded conservation partners with Habitat Conservation Plans, which includes all non-federal forests in Washington State.





Private forest  
landowners  
protect wildlife, fish  
and water quality.  
August 2010.



# WASHINGTON FOREST PROTECTION ASSOCIATION

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We're managing private forests  
so they work for all of us.®

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*Executive Director*

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