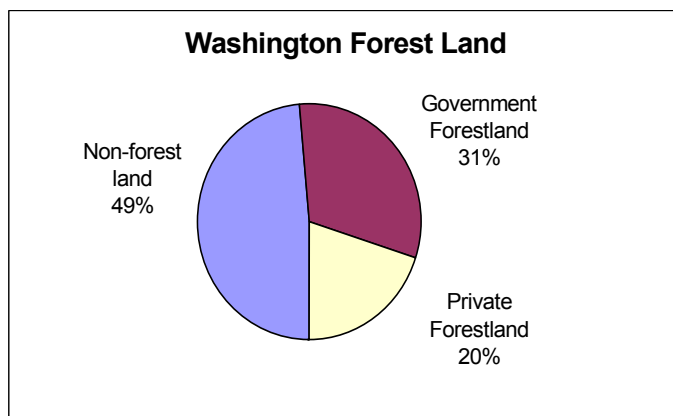


Washington State Forest Products Industry Environmental Regulations – Update June 2002

WA State Total Land Area 42 million Acres

One-half of the state is forestland:

Private forestland	8,542,000
Industrial	4,305,000
Nonindustrial	4,237,000
Government forestland	13,350,000
Federal	9,541,000
State	2,270,000
Tribal	1,269,000
County	270,000



State and private forestland is governed by state and federal environmental regulations, and subject to Native American treaty rights

State and Federal Law	Administered by
State trust lands granted (1889)	Board of Natural Resources
WA Hydraulics Code (1949)	Department of Fish & Wildlife
National Environmental Policy Act (1969)	Council on Environmental Quality
Federal Clean Air Act (1970)	Environmental Protection Agency
WA Clean Air Act (1971)	Department of Ecology
State Environmental Policy Act (1971)	Department of Ecology
WA Shorelines Management Act (1971)	Department of Ecology
WA Pesticides Control Act (1971)	Department of Agriculture
Federal Clean Water Act (1972)	Environmental Protection Agency and Department of Ecology
State Water Pollution Control Act (1973)	Department of Ecology
Federal Endangered Species Act (1973)	US Fish and Wildlife Service and National Marine Fisheries Service
WA Forest Practices Act (1974)	Department of Natural Resources' Forest Practices Board

With the adoption of Forests and Fish rules effective July 1, 2001, all forestland in Washington State is subject to long-term federal environmental protection plans or agreements that are recognized by state law

Federal ESA based long-term agreements:	Applies to:
Northwest Forest Plan	Federal forests
Interior Columbia Basin Ecosystem Management Project	Federal forests
Habitat Conservation Plan (single & multi-species)	State, Municipal & Private land
Forests & Fish Report (FFR) - 4(d) Rule	State & Private land

Washington’s forests have the *highest level* of environmental protection in the United States

- All long-term federal ESA-based agreements are based *on science* to protect species and habitat
- All long-term federal ESA-based agreements are *negotiated*
- FFR is the *most comprehensive* of all ESA based agreements
- FFR has the *broadest participation* of all ESA based agreements
- FFR is *one of two agreements* in the country that meets both ESA & CWA requirements. Simpson Timber Company has an HCP that meets the requirements of the ESA and also serves as a TMDL under the Clean Water Act.

In Washington State, forestry is the first and only sector with a solution backed by law, for endangered fish and water quality.

- Federal NMFS issued a 4(d) Rule for forest practices in Washington state -- not subject to “take” provisions of ESA if operating under FFR rules (subject to final agency & public review)
- New forest practices will substantially reduce forestry impacts on water quality, according to the EPA.

Extinction is Not an Option: The Governor’s Statewide Strategy to Recover Salmon was finalized in September 1999. The goal of the Strategy: “Restore salmon, steelhead and trout populations to healthy and harvestable levels and improve the habitats on which fish rely.” The Strategy is a guide for what needs to be done to recover salmon in four key areas:

Habitat

Hatcheries

Hydro-electric

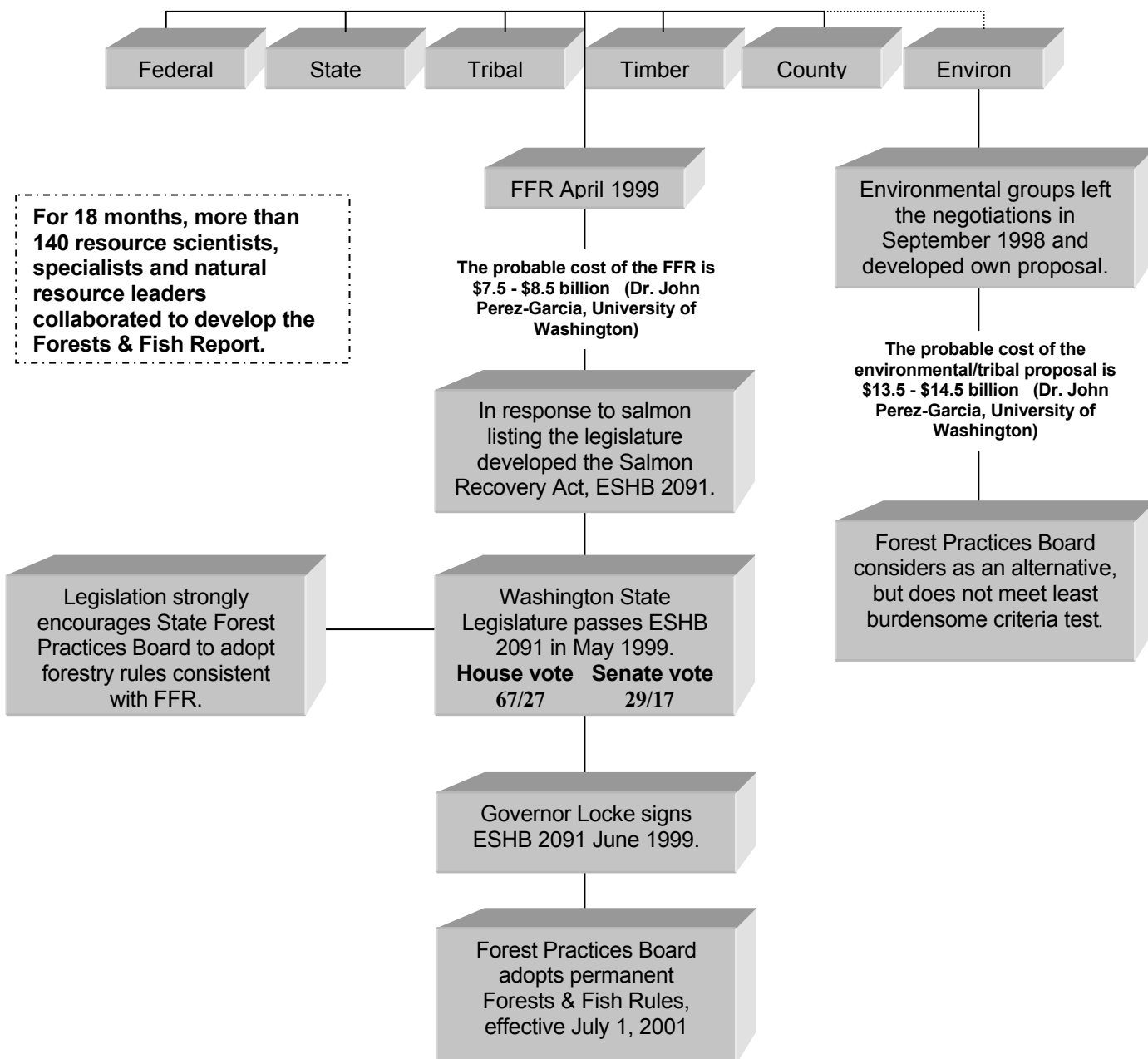
Harvest

The Forests & Fish Report defines what needs to be done to recover salmon habitat on 10 million acres of non-federal forestland.

Forests & Fish meets the four goals established by the Forest Practices Board:

1. Provide compliance with the Endangered Species Act for aquatic and riparian dependent species;
2. Restore and maintains riparian habitat to support a harvestable supply of fish;
3. Meet the requirements of the Clean Water Act for water quality; and
4. Keep the timber industry economically viable in the State of Washington.

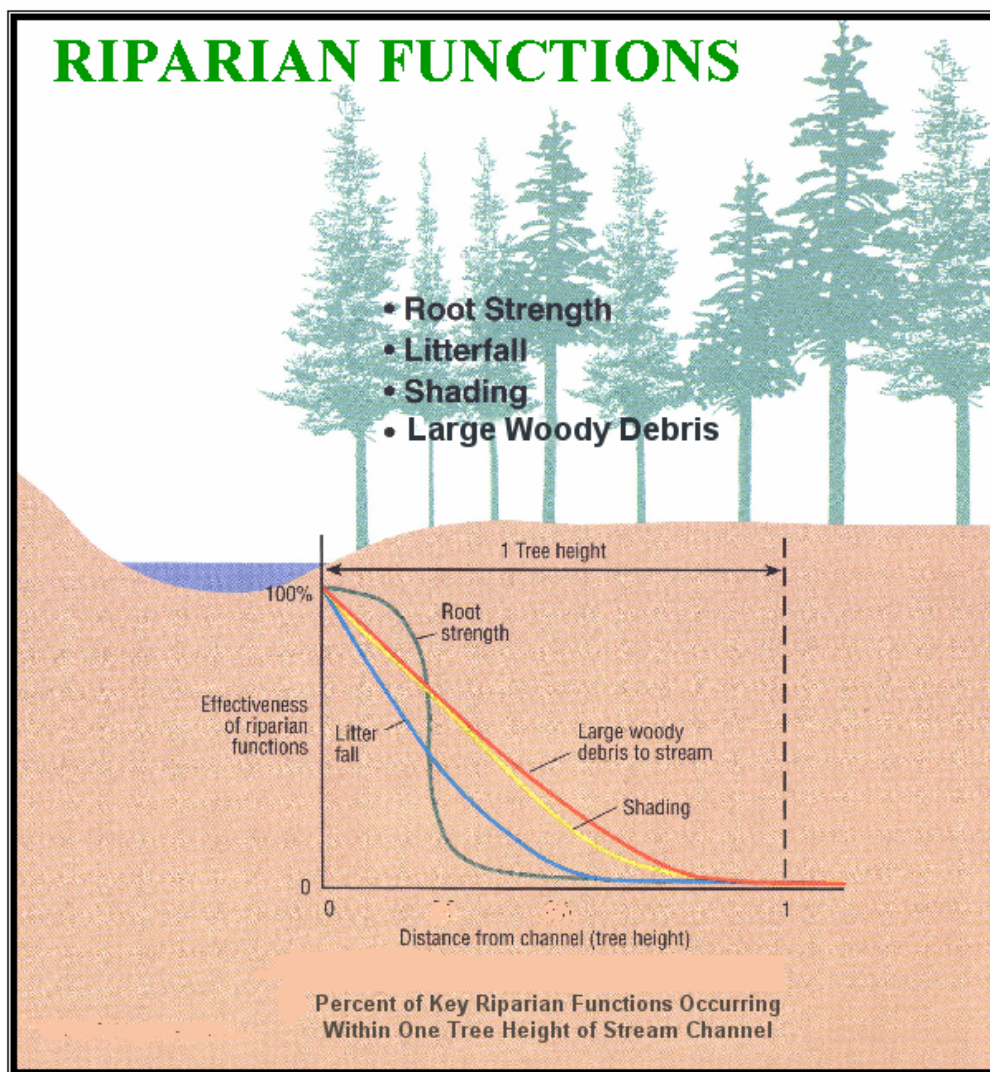
Forests & Fish negotiations began November 1997 with six caucuses.



Federal caucus:	National Marine Fisheries Service, US Fish & Wildlife, Environmental Protection Agency
State caucus:	Departments of Natural Resources, Fish & Wildlife, Ecology and the Governor's Office
Tribal caucus:	A majority of treaty tribes
Timber caucus:	Small and large owners representing 8 million acres of forestland
County caucus:	The Association of Washington Counties
Environmental caucus:	Washington Environmental Council, National Audubon Society, American Rivers

- The 2001 University of Washington Cost-Benefit Analysis of FFR and the Environmental/tribal proposals found:**
- The Forests & Fish Report is the only legal alternative presented to the Forest Practices Board in which probable benefits exceeded probable costs.
 - The cost of the FFR proposal ranges from \$7.5 - \$8.5 billion.
 - The cost of the environmental/ tribal proposal ranges from \$13.5 - \$14.5 billion.
 - The benefits of either proposal range from \$9.1 - \$13.3 billion.

Biological functions are met with Forests & Fish buffers.



Buffer widths are determined by site class, stream width and habitat type. Buffer widths are adjusted to match site potential tree height (SPTH) for each site, to meet biological functions.

- * Westside buffer widths are 90 – 200 feet: core “no-touch” zone = 50 feet
- * Eastside buffer widths are 75 – 130 feet: core “no-touch” zone = 30 feet

Site Class Potential Tree Height and percent of land in each site class:

Site Class	Tree Height	Westside %	Tree Height	Eastside %
I	200'	4.2%	130'	.4%
II	170'	38.3%	110'	7.8%
III	140'	35.3%	90'	52.2%
IV	110'	9.6%	70'	26.2%
V	90'	4.6%	60'	13.4%

FFR Uses Science to Validate, Monitor and Change Regulation

The Adaptive Management Program. Current scientific knowledge does not provide definitive scientific answers to all water quality and fish habitat resource questions. Gaining answers to some of these questions in a timely manner and having confidence that new rules will respond to new findings was a critical element for the federal and state agency agreement on the provisions of *Forests and Fish Report*. Accordingly, the *Forests and Fish* rules integrate an adaptive management program to address:

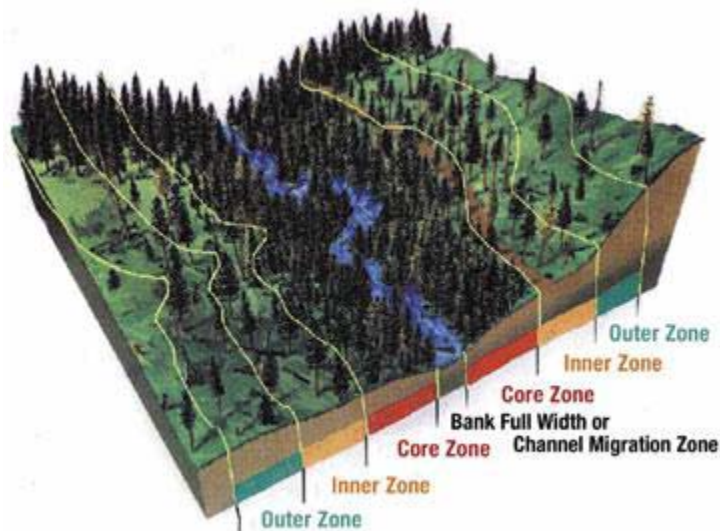
- The effectiveness of the forest practices prescriptions in meeting resource objectives.
- The validity of the resource objectives for achieving the overall goals.
- Basic scientific uncertainties about the ecological interactions among and between managed forests, in-stream functions, and fish habitat.

Forests & Fish lowers the risk of harm to fish and water quality and maintains a viable forest products industry.

Newly adopted rules address the following activities that can effect fish habitat and water quality:

- Road maintenance and planning
- Protection for potentially steep and unstable slopes
- Riparian management zones (buffers, see graphic below)
- Pesticide application
- Wetlands

Riparian Management Zones A Graphic Representation



Forests & Fish recognizes disproportionate impacts of regulations on small landowners by establishing financial incentives to help small landowners adapt to the provisions of the new rules.

- Riparian easement program established for landowners harvesting under 2 million board feet/year.
- Landowners owning 80 acres or less with parcels 20 acres or less are exempted from the rules.
- Most harvesters receive a 16% tax credit for complying with the new forest practices rules.
- Small forest landowner office established at the Department of Natural Resources to offer assistance.
- Alternate plans allowed where a different solution would provide equal protection.

The public recognizes that the forest products industry is changing...

- June 2001 – 66% of the public believes that state laws over the past 20 years have resulted in logging practices that better protect the environment on private forestland.
- June 2002 -- 53% of the public believes that private forest landowners are doing a good job of protecting fish habitat in streams on private forestland.
- June 2002 – 61% of the public agrees it is okay to use wood and paper products because they come from a renewable, natural resource.

Maintaining a viable timber industry in Washington State, where the toughest environmental laws in the country exist makes good sense.

