



Washington Forest Protection Association

Annual Report to Members

Founded 1908

President, Randy Johnson – A Robust Industry

As we look back over the year, we can point to a major factor that has dominated the business of forestry – tough economic times. Only twice in the past 40 years have we seen an economic downturn similar to the last several years. Our industry has weathered many changes over the last four decades and has proven to be continuously resilient. These changes include the impact of regulatory uncertainty and new regulations, ever-changing markets, ownership transfers, and improved technology coupled with the science to make better deci-



sions. Despite these arduous times, **we are viewed as leaders among natural resource policy makers**, have earned the trust of elected officials and increased our credibility with the general public. Our industry has managed to adeptly make these many changes, with the result that Washington remains the second largest lumber producer in the nation. This is a position we have held since the 1930s. Despite the dwindling federal timber supply, Washington increased its softwood lumber production once again in 2001, and private forest landowners supplied 83% of the timber used in mills to produce softwood lumber. As our industry restructures in response to global markets and worldwide supply of timber,

Washington still remains one of the best places in the world to grow trees. This is even more remarkable when viewed by outsiders who consider the industry in our state as one of the most regulated in the nation. I know that the majority of the people of this state understand the diverse benefits private forestland provides. I'm proud to be a part of this robust industry, and thank the staff and members of WFPA for their hard work and tough decision-making throughout the year to ensure that Washington remains the best place in the nation to be a forest landowner.

Randy Johnson, President

Points of Interest:

- *Private forest landowners supply 83% of timber to Washington's lumber mills.*
- *State of Washington seeks federal assurances for Washington's forest practices rules.*
- *Legislature extends deadline for federal assurances to June 2005.*
- *DOE Water Quality Standards align with WFPA proposal.*
- *62% of good voters recall WFPA's "culvert" TV ad.*
- *Voters who saw the ads are 18% more likely to approve of forest products company actions.*
- *DOE proposes to clarify that SEPA Section 305 does not apply to SEPA exempt Classes I, II, & III forest practices.*
- *US District Court upholds legitimacy of 4(d) rule and Forests & Fish exemption.*
- *CMER funding secured for 2003 – \$3.415 million.*
- *Forests & Fish Policy recommends fix to Family Forest Landowner RMAP burden.*
- *Salmon Tax Credit substantiated by DOR study.*
- *501(c)(3), Pacific Education Foundation established.*
- *WFPA budgets will hold dues constant in 2003.*
- *Five year efficacy study confirms effectiveness of bear feeding program.*
- *National Wildlife Research Center conducts three-year study to develop alternatives to trapping mountain beaver.*

Executive Director, Bill Wilkerson – Securing our Future

As the state moves into securing federal assurances for Washington's forest practices rules, **WFPA's programs are aligned to help the process succeed.** Whether we are holding workshops to educate stakeholders, conducting a tour for Environmental Protection Agency Administrator, Christine Todd Whitman,

gaining political and administrative support, generating public approval, securing funding, or mounting a defense in the courtroom, we will work at all levels to ensure that we gain federal assurances as described in the Forests & Fish Report. What does this mean to private forest landowners? **Local con-**

trol of our natural resources — a set of state-based forest practices rules that meet the requirements of the Endangered Species and Clean Water Acts. **Predictable regulatory change** through the use of science and the Adaptive Management process. **Regulatory certainty** consistent with the Forests & Fish Report.

...continued, from the Executive Director

Bringing legislative solutions to policymakers and elected officials has helped WFPA achieve some notable victories during the 2002 legislative session, despite a general preoccupation with budget and transportation issues.

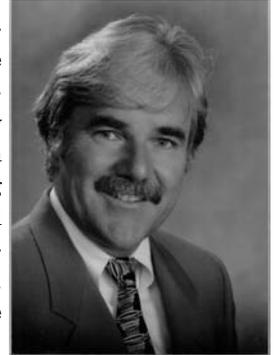
- Extended the Forests & Fish deadline for federal assurances to June 2005.
- Preserved funding for all major elements of Forests & Fish.
- Refined Commodity Commission legislation to remove the perceived mandatory start date.
- Modified the definition of “direct supervision” for purpose of applying pesticides in the forest setting.

Our work with elected officials in a non-partisan fashion allows us to create unique alliances and unparalleled support for the forest products industry.

Private forest landowners are recognized as the industry sector leaders on natural resource policy issues because we are willing to find solutions for our part in protecting salmon habitat, water quality and wildlife habitat. We continue to demonstrate our willingness to “make it work” on-the-ground and in the regulatory arena which has earned the industry a high level of trust and credibility with policymakers and the public.

With the relationships that we’ve built over the years, our team of talented and

seasoned staff and their topnotch performance, strong membership support and technical know-how, we will be able to increase our base of support for the forest products industry and maintain our standing as leaders and problem-solvers now, and into the future.



Bill Wilkerson

Bill Wilkerson, Executive Director

Public Policy that Works – State Water Quality Standards

What WFPA does best is secure a stable regulatory and political environment so private forest landowners can continue doing what they do best — practice forestry. **Using a top-down, bottom-up approach** we work with policy leaders to develop solutions that can be supported at all levels — through administrative procedures, establishing a defensible administrative record, gaining public support and working with attorneys to ensure that the solutions will stand up to court challenges. For example, the **Forests & Fish Report was designed to meet state water qual-**

ity standards, even though those standards were still undergoing revisions at the time of the Report. During 2002, WFPA worked very closely with the state Department of Ecology as it hosted four day-long workshops. This set the stage by framing the infor-



mation, technical data and policy issues in an effective manner. As a result, Ecology proposed revised standards that align with WFPA’s proposal for numeric temperature criteria, salmon life cycle stage use and metrics for measuring. **This outcome was achieved through a collaboration of efforts** involving WFPA member companies with expertise and relevant data, support from others in the regulated community, supportive comments from the general public and through a close working relationship with the state agencies.

Public Opinion – Gaining Support for Private Forest Landowners

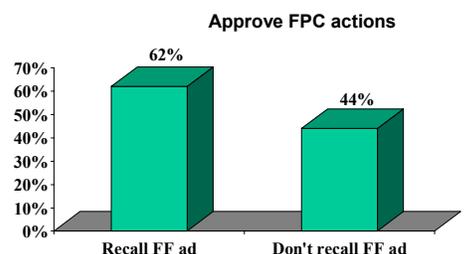
In 1997, when the Trustees redirected WFPA’s public information efforts to:

- increase acceptance of the industry;
- support industry’s policy objectives;
- slow the pace of new regulations;

our messages became focused on increasing positive awareness of the precedent-setting Forests & Fish Law. This has paid off in a variety of forums,

demonstrated by Republican and Democratic leadership support of our efforts, regulatory agencies viewing industry as a winner, and increased public approval of our practices. **The Forests & Fish Law is an effective vehicle for communicating about a complex topic in simple terms,** one of the keys to successful advertising. For example, voters who saw the For-

ests & Fish ads are 18% more likely to approve of forest products company



...continued, Public Opinion

actions than those who didn't see the ads. Voters who are aware of the Forests & Fish Law are 10% more likely to agree that private forest landowners protect fish habitat in streams on their land, than those who aren't aware. **Now, 88% of the voters believe private forest landowners are protecting the environment better than they used to.** Building on the successful program of 2001, WFPA fine-tuned the "culvert" TV ad, which earned a 62% recall among good voters. We also placed a magazine ad in regional editions of news weeklies, distributed jumbo postcards to 15,000 opinion leaders and sponsored TVW's *Legislative Week in Review* recap during the ses-

sion. **WFPA continues to provide credible information about forest management, some examples are:**

- Forest Facts & Figures;
- FYI — Wildlife Research Summary;
- Forests & Fish Implementation brochure and 7 minute video;
- Opinion pieces & news releases;
- Briefing papers;
- Tours for key officials.

We also partner with allied organizations to coordinate and share messages.

Taking advantage of an opportunity to bring the message of *Working Forests* to the city of Seattle, WFPA partnered with public and pri-



private sector forestry groups to participate in the Northwest Folklife Festival — Forests & Woodlands Cultures event held at the Seattle Center. This event was attended by more than 220,000 people, and companies donated 17,000 trees which were given away to the public by private forest landowners, along with information about working forests.

Working For Solutions, Inside and Outside the Courtroom

To ensure stability in administrative changes affecting forest management, administrative solutions must be defensible in court. WFPA strategically monitors legal cases against private forestland owners, and with federal and state regulatory agencies to assess whether court action may have industry-wide implications. Spending our resources wisely, WFPA is involved in cases in which natural resource policy, administrative procedures and the results of rulemaking are at risk. We also work outside the courtroom to find solutions that will reduce our vulnerability to future legal challenges. For example, **the lack of clarity about the De-**

partment of Ecology's "Section 305" and its relationship to the Forest Practices Act has plagued the state since 1990. Litigation concerning this relationship has threatened the SEPA exemption for Class I, II & III forest practices. DOE is now willing to "fix" the situation through a rule change which will clarify that Section 305 of SEPA does not apply to exempt classes of forest practices. A legal challenge has been brought against the State on this matter, but DOE asked for a "stay" pending completion of rulemaking with the goal of rendering the issue moot. On another legal matter, **the US District Court in Seattle upheld Na-**

"Clarifying the statutory exemption for forest practices is essential."

Richard Settle, attorney & author of *The Washington State Environmental Policy Act, A Legal & Policy Analysis.*

tional Marine Fisheries Service's right under the Endangered Species Act to issue 4(d) rules with "exemptions" — such as Forests & Fish — thereby securing the legitimacy of local rulemaking activities and regulatory flexibility under the Endangered Species Act.

Integrating Industry's Vision of Policy into the Regulatory System

Along with providing the vision and voice for balanced and predictable forest policy and fair taxation comes the need to integrate those solutions into the regulatory system consistent with the intentions of policy. WFPA works with regulatory agencies, tribes, small landowners, allied organizations and member companies to fine tune the details. Our work in shaping the **Adap-**

tive Management component of the Forests & Fish Rules has resulted in securing \$3.415 million in funding for the Cooperative Monitoring, Evaluation and Research program, development of a 117-page work plan, protocols and standards manual, in addition to initiating multiple research projects to monitor and validate that resource goals are being met on the ground



through forest practices. In 2002, WFPA initiated a program to improve understanding of the importance of **Cultural Resource issues** on private forest land and to help improve rela-

...continued, Regulatory System

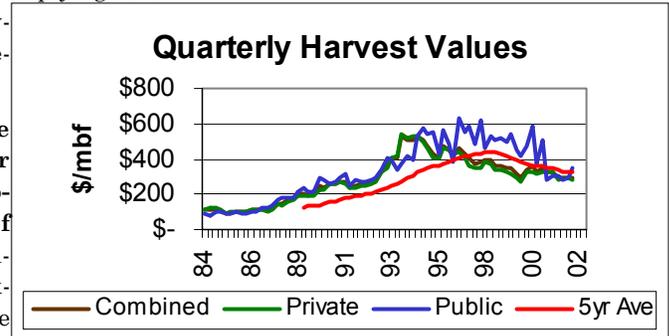
tionships between landowners and their tribal neighbors. **Based on a commitment made in the Forests & Fish Report**, the effort was designed to build consensus-based solutions to Cultural Resource issues. A contact directory was compiled to assist in developing one-on-one relationships between tribes and private forest landowners.

Our ability to iron out wrinkles, or the unintended hardship of the new Forests & Fish law, was exemplified by a **resolution to Family Forest Landowner requirements for developing Road Maintenance and Abandonment Plans**. At issue was prioritization of worst first cases, definitions of roads vs. driveways and the cost of compliance. WFPA worked with state and federal

agencies, tribes and private landowners on the Joint Policy Technical Task Group. This resulted in a consensus recommendation from the Forests & Fish Policy group to the Governor and Commissioner of Public Lands to alleviate the undue hardship on Family Forest Landowners, while still protecting public resources and complying with forest practices and hydraulic permitting requirements.

Ensuring that private landowners pay their fair, but not disproportionate, share of forest taxes is accomplished by a close working relationship with the

Department of Revenue in developing semi-annual stumpage values and monitoring tax structure studies. Groundwork for substantiating the “salmon tax credit” achieved under the Forests & Fish rules will help defend our position in the 2003 legislative session’s tough budget climate.



K-12 Education & Policy Making – Setting the Standards

Setting statewide standards for environmental education and delivering balanced curriculum and training to teachers about forests and the environment is the heart of WFPA’s Environmental Education program. By partnering with school districts, thousands of teachers and future decision makers receive credible information about our forests. **Our work occurs in a larger context of statewide standards for education.** Without high standards for balanced curriculum in the classroom, the door is open to unbalanced information with little educational value. Furthering our relationship with the education community, **WFPA and our partners — state Departments of Fish & Wildlife and Ecology — developed a way to measure student learning and the effectiveness of environmental education programs.** This groundbreaking effort, known as the *assessment project*, has caught the attention of national leaders.

Partnering with the Departments of Fish & Wildlife and Ecology, we have connected Project WILD, Project WET and **Project Learning Tree** for teachers, demonstrating the important rela-

tionships between wildlife, water and forest habitats through these curriculums.

In addition to the twenty five Project Learning Tree and Forests of Washington workshops conducted this year, **WFPA reaches out to other education communities** having participated in ten statewide or national conferences, hosting teacher tours — Field Days and teacher training sessions.

This year WFPA and Department of Fish & Wildlife’s environmental education programs **partnered with eighteen colleges of education to develop a program for aspiring educators** in teacher preparation programs. Education professors in the State’s universities and colleges are bringing our materials into their



courses, preparing to incorporate environmental education activities into their teaching of math, social studies, science, language and fine arts.

Environmental Education Programs:

- **Project Learning Tree K-12:** curriculum lessons meet Washington’s education standards.
- **Forests of Washington K-12:** lessons about our state’s forest environment.
- **Environmental Study Sites:** Brings forest education right outside the classroom door.
- **Environmental Education Assessment Project:** tools demonstrating how teacher’s instruction relates to Washington’s education standards and the environment.
- **Website:** www.wfpa.org/ee

The newly established 501(c)(3), Pacific Education Foundation will help broaden our funding base and reach for delivering effective and high quality environmental education programs throughout the state.

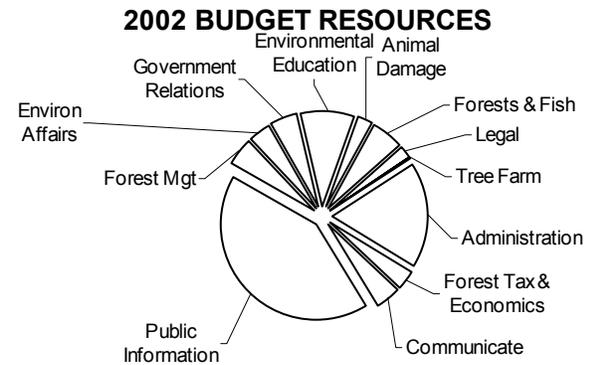
Finance

Without stable financing, the staff and members of WFPA could not continue their work. **In 2002 the Trustees made a tough decision to increase dues by 5% to maintain WFPA's programs.** This was the first increase since 1997 and while needed, it was made in a very difficult economic environment.

WFPA staff continues to exercise fiscal discipline and seek opportunities to increase funding through other sources,

such as grants and self-supporting workshops. We will continue to look for synergies between programs and identify cost savings in order to deliver top quality programs to our members.

Once again WFPA received the highest achievable outcome on its financial statements — an unqualified opinion from the audit firm of McGladrey & Pullen.



Silvicultural Tools, Research, Certification and Sustainable Forestry

This year marked the culmination of two important cooperative research projects initiated by the Animal Damage Control Program:

1. Bear feeding efficacy study, and
2. Bear feed palatability study.

After five years of field research and analysis by the Cooperative Research Team, **results support the efficacy of the bear feeding program** in reducing damage to trees without increasing the density of populations around the feeding sites. Secondly, with concern over the potential transmission of Chronic Wasting Disease through beef, a two-year study resulted in a change to the bear feed formula from beef to

chicken protein. Future studies will include working with the National Wildlife Research Center to develop **alternatives to trapping mountain beavers.** Many traps were banned as a result of Initiative 713. WFPA was also part of a broad coalition to repeal or amend the initiative, which will be pursued again in the upcoming legislative session.

Reducing the backlog of recertifications and growing the program is the goal of



the **Washington Tree Farm Program.** Last year the Sustainable Forestry Initiative and Tree Farm Program completed mutual recognitions as credible standards for sustainable forestry, both promoting the goals of good forest stewardship. This year's outstanding tree farmers of the year are Bob & Lynette Falkner who own Custer Creek Tree Farm in Pacific County, Washington.

Participating in the regional NCASI Western Wildlife program helps ensure that the \$1.1 million dollar research program is addressing the strategically important issues of biodiversity and landscape assessment of wildlife habitat in the managed forest.

WFPA Board of Trustees

John W. Allen, Bloedel Timberlands
Wade Boyd*, Longview Fibre
Jerry Brodie, Cathlamet Timber Co.
Dave Crooker*, Plum Creek Timber
Dave Dealey, Fruit Growers
Max Ekenberg, Lincoln Timber
Nels Hanson, WA Farm Forestry Assoc.
Randy Johnson*, Green Crow
Jeff Jones, US Timberlands
Bob Meier, Rayonier
Myron Metcalf, Menasha Forest Prod.

Toby Murray*, Murray Pacific Corp.
Dave Nunes, Olympic Resource Mgt.
Dwight Opp, Stimson Lumber Co.
Cassie Phillips*, Weyerhaeuser Co.
Butch Sager, Vaagen Brothers Lumber
Norm Schaaf, Merrill & Ring
Jim Thiemans, Simpson Resource Co.
Steve Tveit*, Boise
John Warjone*, Port Blakely Tree Farms
Duane Weston, Pacific Denkmann
Maurice Williamson, WFFA

HONORARY TRUSTEES

Richard Best, Puyallup
Jim Harberd, Kettle Falls
Edwin F. Heacox, Gig Harbor
Willard L. Lawson, Federal Way
Ted Nelson, Federal Way
W. Lee Robinson, Longview
Max Schmidt, Jr., Shelton
Chester R. Thomas, Yakima
Jerry Wilson, Everett

* member of Executive Committee

Annual Report to Members

Washington Forest Protection Association
724 Columbia St. NW, Suite 250
Olympia, WA 98501

Phone: 360-352-1500
Fax: 360-352-4621
Email: info@wfpa.org

We're on the Web
www.forestsandfish.com

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



WFPA Staff

Bill Wilkerson—Executive Director

PROGRAM DIRECTORS

John Ehrenreich—Forest Taxation & Economics

Lynne Ferguson—Environmental Education

Bill Garvin—Governmental Relations

Ann Goos—Environmental Affairs

Pete Heide—Forest Management

Cindy Mitchell—Public Information & Communications

Susan Duncan—Assistant Director, Environmental Education

Karen Vaughn—Controller

Georg Ziegltrum—Animal Damage Control and Tree Farm Program Supervisor

Sue Clark—Executive Assistant

Dannette Fout—Receptionist

Sue Honstain—Information Systems Coordinator

Heather Rowton—Program Coordinator

Valerie Vogrin—Program Coordinator

Jennifer Arnold—Special Projects

Standing Committees & Chairs:

Benefits — John Warjone, Port Blakely Tree Farms

Environmental Education — Norm Schaaf, Merrill & Ring

Forest Policy — Court Stanley, Port Blakely Tree Farms

Forest Tax & Economics — John Penney, Simpson Resource Company

Governmental Relations — Bruce Beckett, Weyerhaeuser Company

Legal Affairs — Don Schwendiman, Rayonier

Public Information — Bob Jirsa, Plum Creek Timber Company

WFPA Membership 2002

Appleton Ridge Tree Farm

Barker Tree Farm

Bloedel Timberlands Development

Boise

Broughton Lumber Company

Joseph Buhaly

C & H Tree Farms

Al Cain

Cathlamet Timber Company

Estate of Ralph G. Demoisy

Erehwon Tree Farm

Bob & Lynette Falkner

Forest Systems

Fruit Growers Supply Company

Green Crow

Hancock Timber Resource Group

Phil Hess

Ray A. Kawamoto

Lincoln Timber

Longview Fibre Company

Menasha Forest Products Corporation

Merrill & Ring

Elisabeth Miller Botanical Garden
Endowment Trust

Pendleton and Elisabeth Miller
Charitable Foundation

Miller Land & Timber

Ken & Bonnie Miller

Gene Newman

Olympic Resource Management

O'Neill Pine Company

Pacific Denkmann--Pilchuck Tree Farm

Penguin Forests

Plas Newydd

Plum Creek Timber Company

Port Blakely Tree Farms

Francis J. Powers, Jr.

Rainier Timber

Rayonier

Seefeld Corporation

Sheldon Properties

Simpson Resource Company

Stewart Tree Farms

Stimson Lumber Company

George Thomson

US Timberlands, Yakima

USR Company

Vaagen Brothers Lumber

WA Timberland Management

West Fork Timber Company

Weyerhaeuser Company

Maurice Williamson

Editor & Design: Cindy Mitchell

Printing: Capitol City Press

Printed on recycled paper