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www.forestsandfish.com







Washington Forest Protection Association

2001 Annual Report



We're managing private forests so they work for all of us.[™]

WFPA MEMBERS

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"I happen to work with the ag sector and with the cities and municipalities and water purveyors on salmon recovery issues; and in comparison to what else is going on across the state, I think we can be very proud of what we are doing bere and landowners should be as well."

> – John Mankowski, Washington State Department of Fish & Wildlife member of the state Forest Practices Board, commenting on the adoption of permanent rules implementing Forests and Fish

ROM THE EXECUTIVE DIRECTOR

he Washington Forest Protection Association made impressive strides this past year. Because our members were willing to engage in a collaborative process, we achieved a landmark agreement that brings regulatory stability to private forest lands for the next 50 years. WFPA's members are associated with far-reaching efforts to restore salmon runs, protect

fish habitat, maintain water quality, upgrade logging roads and limit activity on potentially unstable slopes. Private forest landowners are the first business sector to develop salmon protection rules that are backed up by state law. This year, by an overwhelming margin, the Forest Practices Board adopted permanent rules consistent with the Forests and Fish Report. Complying with the new forestry rules will be the fastest way to improve water quality on 60,000 miles of forested streams, and those operating under the new rules will be in compliance with the Endangered Species Act for aquatic species.

In 2001, the public rightly views our industry as part of the solution, not the problem. With our outstanding team of talented staff, WFPA has also made progress for its members on

a variety of other fronts. Bringing solutions to the legislature helped support continued funding of Forests and Fish implementation, an increase in fire protection funding and authorization of a forest products commodity commission. The forest tax code was restructured and streamlined through the forest tax harmonization legislation. Hundreds of teachers participated in environmental education workshops across Washington and a new assessment program has been designed to meet the state standards for K-12 schools. Our advertising efforts helped the public to understand that there is a new law protecting fish and water quality. And also, this year the Tree Farm Program administered by WFPA and American Forest & Paper Association's Sustainable Forestry InitiativeSM completed mutual recognitions as credible standards for sustainable forestry.

WFPA's success would not be possible without the strong support of its membership. The vision, talent, commitment and resources our members bring to the table helps to ensure that working forests remain an integral part of Washington State's landscape. WFPA members are committed to protecting natural resources while producing the wood products we all use everyday. A healthy timber industry adds great value to the quality of all our lives. We at WFPA are proud to be a part of this industry.

ANNU!

Sincerely,

Bill Wilkerson Executive Director, WFPA





Message from the President

About half of the land area in Washington State is forested. Of that, private forest landowners own and manage nearly 8 million acres, or about 39% of the forested landscape. The role that private forest landowners play in Washington enhances the quality of life we enjoy in our state. From producing wood products we use every day, creating thousands of rural economy jobs, protecting the homes for a wide variety of fish and wildlife, to maintaining open space for the public to enjoy, private forest landowners are an important part of our economy and the environment.

We take our stewardship role of the land, natural resources and people very seriously. While decisions can be driven by market conditions, stock price and bottom lines, they are balanced with the protection of natural resources that belong to the public, such as clean air, water, fish, wildlife and the ecosystems that support us all.

WFPA members work for a balanced and stable regulatory environment that ensures that every acre of private forest land will be protected with the same high standards. We also communicate with one clear and consistent voice about the importance of private forest land ownership.

Sincerely,

Randall & Johnson

Randy Johnson President, WFPA

Forests and Fish Rules

The State Forest Practices Board voted this year to adopt permanent rules to implement the Forests and Fish Report. This was a milestone for salmon protection, the forest products industry and WFPA. Forests and Fish is a product of nearly two years of scientific research, public hearings, caucus meetings and negotiation. The new set of forestry rules is among the most innovative resource management plans in the country, protecting 60,000 miles of streams on 8 million acres of private forest land, while ensuring a viable forest products industry. Over 1,760 individual comments from the public were received and 71% were in support of the new rules. The Forest Practices Board adopted the new rules, with high praise for everyone's efforts, on a 10-1 vote.

Adaptive Management

We recognize that we are continually learning about the relationship between forest practices and the environment. Adaptive management allows science to verify the effectiveness of the new Forests and Fish rules for protecting fish and water quality. Using the best available data, resource goals have been set for a variety of biological functions. We are working to meet those goals, and if the desired conditions for fish and water are not being met on the ground, forest practices rules will change through peer-reviewed scientific determination. Congress and the Washington State Legislature have provided funding for the adaptive management program research that is an integral part of the effectiveness of the new rules. Using an unbiased scientific approach for all studies will ensure that future changes to forest practices rules will be based on scientific facts and data, not emotion.



"I am just proud to be associated with this effort. It has been outstanding and I want to thank all of you and associated staffs and parties for their participation. This is a phenomenal accomplishment."

- Toby Murray, citizen member of the state Forest Practices Board, commenting on the adoption of permanent rules implementing Forests and Fish

Legislative Success

In a non-partisan fashion, WFPA worked with the State Legislature, Governor's office, and administrative agencies on issues that are important to private forest landowners. We brought solutions, not problems, which resulted in successful adoption of our legislative requests.

Forests and Fish Budget Implementation:

The 2001-03 state operating budget includes over \$6 million to continue implementation of Forests and Fish. Specific work will include forest practices rules enforcement, adaptive management, completion of a small forest landowner data system, a road maintenance plan and cultural resources protection. Congress has also appropriated on-going funds totaling over \$5 million annually, to assist in implementation of the Forests and Fish rules. These funds can be used to enhance the various components of adaptive management as well as Bull Trout research and funding for tribal participation in the effort.

Fire Protection Funding:

For the first time in 10 years, the state increased its proportional share of fire protection funding. Over \$6 million in funding will support on-going fire prevention activities and development of a data base for streamlining fire protection assessments.

"This rule package has been the subject of thousands of hours of meetings and discussions and debate and thoughtful consideration. It is almost in its entirety a consensus product. It does utilize the best available science and considers economic impacts of the proposal. It provides for change over time through adaptive management using the best available science as it emerges from ongoing study."

> - Pat McElroy, designee for Commissioner of Public Lands Doug Sutherland on the state Forest Practices Board, commenting on the adoption of permanent rules implementing Forests and Fish

Commodity Commission Authorization:

A forest products commodity commission is authorized to exist in Washington State. When implemented, such a commission could conduct research, marketing and educational activities in support of the industry through a self assessment funding mechanism.

Forest Tax Harmonization:

Culminating a multi-year effort, WFPA worked alongside the Department of Revenue, Washington Association of County Officials and the Washington Farm Forestry Association to consolidate and streamline the statutes governing the forest harvest excise tax and bare land values.

Taxation

Timberland contributed over \$125 million in taxes to state and local budgets in 2000. Working to ensure that we pay our fair share, but not a disproportionate share of taxes, is our focal point. The ongoing issue of application of sales tax to forest road construction and maintenance was finally resolved favorably as a result of the goodwill from Forests and Fish. WFPA members also began receiving a tax credit for harvesting under the new Forests and Fish rules.





Rulemaking

Forest landowners in Washington are a highly regulated community, subject to state and federal law and influenced by tribal treaty rights. WFPA focuses on equitable, consensus-based rulemaking processes. From brokering solutions, working on Clean Water Act and Endangered Species Act issues, to local government involvement with forest practices regulation, WFPA has a presence and a voice on issues of concern to private forest landowners.

- Substantial written and oral public comment and formidable scientific documentation presented to the Forest Practices Board during the permanent rulemaking process helped to support a strong 10-1 vote in favor of rules consistent with the Forests and Fish Report.
- Supplying written comment and testimony during the federal 4(d) rule process helped NMFS in making the decision to include forest practices carried out in a manner consistent with Forests and Fish in a list of exceptions to illegal "taking" of threatened fish.
- The Washington Department of Ecology has recognized that implementing Forests and Fish is the fastest way to improve water quality on 8 million acres of private forest land. As a result, streams on forest lands are placed at a lower priority for water clean-up plans known as "TMDLs" (total maximum daily load).
- Documentation of existing protections and the voluntary efforts of private forest landowners have supported the Forest Practices Board in avoiding or successfully responding to public petitions claiming that additional regulations are necessary to protect public resources.
- Furnishing substantial public comment and technical input to the Washington Department of Ecology and the Environmental Protection Agency in relation to the development of water quality standards, 303(d) listings, and TMDLs and related implementation plans helps to ensure that the state's water quality program incorporates the benefits of Forests and Fish.

Implementation

An important component to the success of new rules is ensuring that the vision and intent of Forests and Fish and other regulations are actually working on the ground. WFPA works with the agencies to ensure that implementation manuals specified in the agreement, training materials and regulatory policy are consistent with the intent of the rules. The Legislature expects, and federal assurances are dependent upon, timely follow through on commitments made in the Forests and Fish Report. The most important of these is the adaptive management program. Scientists working for WFPA and WFPA members are engaged in leadership positions in the Cooperative Monitoring Evaluation and Research (CMER) committee that is responding to the adaptive management questions developed in the Forests and Fish Report. A structure is in place to ensure that effective monitoring is carried out and results are subjected to scientific peer review of the highest integrity. Additionally, approaches are being developed to address tribal cultural resource issues raised in the Forests and Fish Report.

Beyond Forests and Fish, WFPA has organized regional industry support for directed wildlife research through the NCASI Western Wildlife program. Learning more about potential threatened and endangered species positions the industry to avoid future listings. Developing credible science for a landscape perspective of wildlife habitat supports managed forests as an important component of sustainable wildlife in Washington State.

Legal Defense

Defending rules in court and ensuring quality legal assistance is an important role for WFPA. WFPA is currently managing the defense of Forests and Fish in federal court and is working with the federal and state agencies in developing and implementing legal strategy. WFPA is also involved in supporting members in forest practices appeals and other court action that may have industry-wide implications.

Public Information

By reaching out to the public with one clear and consistent voice, private forest landowners are getting credit for their stewardship efforts to protect salmon habitat and water quality. WFPA launched a five-part public information



program to reach out to voters, government officials, opinion leaders, and industry employees. Using television as the main advertising medium, 50% of the state viewed the "Nice Job" culvert ad. Demonstrating that a new law is being implemented to protect salmon habitat and clean water on private forest land brought the law to "life". Partnering with BELO Marketing Solutions, four additional public service announcements were produced covering issues such as buffer zones, roads and unstable slopes. WFPA obtained third-party credibility and a celebrity endorsement from Grant Goodeve. Also, magazine and newspaper advertising ran over a dozen times statewide, announcing that private forest landowners are protecting and restoring stream habitat by following the Forests and Fish law. We updated our website and made it more user friendly and informative. Traffic to the site increased six fold, and the average length of stay quadrupled.

Implementation of the Forests and Fish law, sciencedriven decision making regarding forest practices regulations, and broad-based communications are increasing public approval of the forest products industry and generating positive political and regulatory support.

Environmental Education

WFPA delivers credible programs about forests and the environment to K-12 teachers and students, and supports statewide policies for rational, balanced instruction in Washington's schools. With the direction and help of teachers in school districts around the state, WFPA helps students get their "hands-on" and "minds-into" real life experiences in the forest. Thousands of elementary level students go outside into forests to experience the environment first-hand. At the secondary level, students research and learn about issues facing resource managers.

This summer, 15 teachers worked within forest products companies through the TOSA program (Teachers on Summer Assignment). In their work on specific projects,

"This is a major accomplishment in protecting water" quality of the state of Washington."

– Dick Wallace, Washington State Department of Ecology member of the state Forest Practices Board, commenting on the adoption of permanent rules implementing Forests and Fish

teachers learn just how well forest products companies protect public resources. At the state level, WFPA represents its members at the State Board of Education, ensuring that environmental education remains a required area of study. WFPA has also led the effort along with the Department of Fish and Wildlife and Office of the Superintendent of Public Instruction to develop ways for teachers to evaluate and document the effectiveness of these hands-on learning experiences for students.

In Washington's Forests...

WFPA's Tree Farm Program

The American Tree Farm System[®] promotes the growing of renewable forest resources on private lands while protecting environmental benefits and increasing public understanding of all the benefits of production forestry. WFPA is reinvigorating and managing the program in Washington State. The Sustainable Forestry InitiativeSM and the Tree Farm Program recently completed mutual recognitions as credible standards for sustainable forestry. Walt and Dardean Wheaton, state Tree Farmers of the Year award recipients for 2000, were named regional representatives to the national competition for 2001. The Crystal Lake Tree Farm in Snohomish County was honored as the Outstanding Washington State Tree Farm in 2001.

Animal Damage Control Program

WFPA manages this joint effort of private, government and tribal forest land managers in Washington, Oregon and California. Its goal is to protect 3.2 million acres of forest land from animal damage, and conduct cooperative research with public and private entities.

In 2000, the Washington forest products industry:

- was the second largest manufacturing sector in the state, producing \$12.83 billion dollars of income, representing 15.3% of all manufacturing income.
- directly and indirectly accounted for 182,265 jobs or 7% of total state employment.
- paid average wages of \$41,974, exceeding the average state wage by 13.3%.

Washington is the second largest lumber producer in the United States.