



ANNUAL REPORT 2015

WASHINGTON FOREST PROTECTION ASSOCIATION

NOVEMBER 19, 2015

*There is a timber
job in every county.*



From the Executive Director: Mark L. Doumit



2015 started out with the legislature in town for what was intended to be a 105 day budget session, but in the end, the legislature was in town for 176 days, setting a new record for the longest legislative session in Washington State's history. The Senate Majority Coalition Caucus held a one-vote Republican majority, which moderated tax pressures including carbon and capital gains tax proposals, yet still passed a budget that met the state's fiscal needs. In the midst of extreme budget pressures to fund K-12 education and address transportation needs, WFPA was part of a coalition that secured a \$5.9 million appropriation to fund science for the Forests & Fish Adaptive Management Program, and the Logger Safety Initiative received \$2.07 million for ongoing work to reduce work injuries to loggers and instill a culture of safety. In our policy shop, three issues rose to the top: 1) the first phase of the Board Manual Guidance on Mass Wasting, which was adopted by the Forest Practices Board; 2) Water Typing issues and the use of electrofishing, which was addressed through extensive scientific discussion and field tours; and 3) working with our Department of Ecology on implementation of the expanded definition of the Waters of the US. The summer of 2015 was also one of the worst fire seasons in eastern Washington in our state's history. That 2015 fire season is driving a \$137.2 million supplemental fire suppression budget for the 2016 legislative session. This year Governor Inslee proclaimed October 18-24, 2015 to be Washington Forest Products Industry Week, recognizing "the importance of products from our forests." We are continuing to encourage the "buzz" on tall wood buildings and use of wood, by promoting the Oregon-Washington Innovative Wood Products Collaborative. Our 2015 WFPA Board of Trustees retreat was a big success, resulting in the identification of four top priorities: 1) Position wood and working forests as a solution; 2) Continue to manage around the risk from state budget pressures and deficits; 3) Create and take advantage of opportunities for regulatory and forest policy reform, streamlining and consistency; and 4) Promote incentives vs. regulations to achieve outcomes. We appreciate the commitment and support of the membership working with us to meet challenges, and celebrating the successes of our efforts on behalf of the forest products industry.

Mark L. Doumit, Executive Director, WFPA

From the President: Kevin Godbout, Weyerhaeuser



I recall – and I hope a few of you also remember – it was back in 2001 when the Forest Practices Board adopted the Forests & Fish Agreement rules. It is now 15 years later and those forest and fish rules are producing the mutual objectives we all envisioned: a viable timber industry, cool clean water, and harvestable levels of fish. What about the next decade? I always try to keep in mind that while our issues are technical and complex in nature, one of the keys to our success is to focus on relationship building. This is especially important during a time of great transition within the industry, within the state and federal agencies, within the tribal community and with the changing face of all the stakeholders who grant us the right to operate. Maintaining a multi-stakeholder collaborative is a lot of work, and we have taken the steps to be successful in the next decade. A few years ago, we completed a strategic review of the WFPA programs. At that time, we decided to focus on better integrating our service delivery in two key program areas: the integrated regulatory and governmental affairs nature of policy and science, and the re-focusing of our communication program to the urban populations found in Central Puget Sound. As we all know, it will take relentless focus over a very long time to achieve the Forests & Fish objectives. And while we focus on the basics every day, we still need to be flexible as new issues arise or regulatory interpretations cause conflicts. Sometimes it does feel like we are in constant negotiation, but that comes along with the multi-stakeholder process we have adopted in Washington State. We have a lot to be proud of as we account for the real contribution this industry makes environmentally and economically. As we look back at the evolution of this Association that was founded in 1908, we realize that there have always been challenges and we can be proud that we continue to meet them, proactively and with our sights set on the future. This is the nature of our industry, working together with a long-term and positive view of the future. For that, our founders would be proud to know that we are meeting the challenges of our day, the same way they met theirs 107 years ago. We want to thank our members, the staff and our associates who join us in this effort, for it is our collective work that leads to our success.

Kevin Godbout, President, WFPA

"Modern, scientific forestry is sustainable and renewable."

Trees remove CO₂ from the atmosphere by storing carbon in leaves, branches, and primarily in the trunk as wood. Young, healthy, vigorously growing trees sequester carbon at a higher rate than older trees, which absorb less carbon as they mature.



Regulatory Stability is Key to Maintaining the Value of Sustainable Forestry

The core of WFPA's work focuses on forest policies, bringing sound science and technical data to the Forest Practices Board (Board), which facilitates better decision making. We seek balance in rulemaking as articulated in the state's Forest Practices Act, *...it is in the public interest for public and private commercial forest lands to be managed consistent with sound policies of natural resource protection; that are coincident with maintenance of a viable forest products industry.* This year, our policy team focused on three major issues. 1) Mass wasting and revision of the Interim Board Manual Section 16 – Unstable Slopes. The first phase of the manual was unanimously adopted by the Board in August; the completed version will be brought for approval in November. 2) Water typing and the use of electrofishing. Extensive scientific discussion and field tours demonstrated the importance of electrofishing as a forest management tool to identify and protect fish habitat. The Board has asked for recommendations from TFW Policy related to adoption of a permanent water typing rule at the November 2016 Board meeting. 3) Water quality issues and expansion of the federal definition of the Waters of the US (WOTUS). The new WOTUS rule has potential impact on the industry related to permitting pesticide applications. This case is in the early stages of the appeals process with the 6th Circuit Court, and a stay has been put into effect nationwide. We are also focusing on the need for technically sound science by increasing our participation in the Cooperative Monitoring Evaluation and Research (CMER) program. WFPA staff is now serving as co-chair of

the CMER committee, and stewarding the additional \$5.9 million appropriation for the Adaptive Management Program. WFPA staff also co-chairs the Cultural Resources Roundtable, which is addressing concerns related to the conditioning of forest practices applications. We continue to build upon our relationships with the tribes. WFPA participated in the development of a Candidate Conservation Agreement with Assurances with state and federal agencies to support the reintroduction of the Pacific Fisher and a non-regulatory listing decision by the Services. This is a unique time, as we witness a lot of transition within our industry, agencies and elected officials. Our focus on relationship building and developing strategic alliances to support our issues is more important than ever before to maintain the collaboration within our stakeholder forums. We are continually mindful of the risk of federalization of our state forest practices, from WOTUS to Obama's Clean Power Plan, which is in the process of defining how biomass may be used as a renewable energy. WFPA ardently defends our state law that recognizes biomass as carbon neutral and our state's definition of forest derived biomass.

We are more successful when we focus on our principles and work these issues together. We want to thank our partners and industry trade associations, and recognize the tireless efforts of WFPA members who are dedicated to working on our forest industry issues in a productive manner. We would not be successful without you.

Telling the Story of the “Intrinsic Goodness” of Managed Forests

The goal of gaining trust and credibility with the public for working forests is the focus of our Public Information Program. Today more than ever, we have the ability to strategically target our messages to our audiences. This is possible because of the changing way the public consumes media, as well as because the industry has earned a broad level of support, or *social license*, which manifests itself in “approval for forest industry actions.” Delivering our messages through TV and radio, social media, and our websites allows us to reach various audiences effectively and provide information for our members and key leaders in a timely and convenient way. Many factors contribute to social license, including changes on the ground from science-based forest practices, third-party certification, federally approved conservation plans, field tours with key leaders, healthy relationships with agencies and industry stakeholders, and endorsements from architects, engineers and conservation groups about the benefits of wood from sustainably managed forests. It is important that we have a robust voice in the dialogue about working forests and that our viewpoints and knowledge are readily available. On the whole, public perception of the timber industry remains on solid footing, providing a strong foundation for our future efforts.

WFPA aired our television and radio ad, which focuses on climate friendly wood — the most responsible building material on earth, for a second year. We drove campaign traffic to WorkingForestsAreWorking.com, an umbrella site for our overall messaging; more than 10,000 users came to the website this year. WFPA also re-launched its Working Forest Action Network (WFAN) and delivered bi-weekly email messages about topical forestry issues to an audience interested in our industry. WFPA.org was our most visited website, with more than 44,000 users this year. We continue to build our social media presence with the WA Working Forests Facebook page, now with more than 14,000 individuals having “liked” this site. The Innovative Wood Products Collaborative seeks to promote the conversation about using mass timber in construction, and draw attention to tall wood buildings. Our society is placing a high value on carbon friendly building materials that are sustainably sourced, and wood is the natural solution. We support this Pacific Northwest effort as another outlet to highlight the benefits of using wood products in construction. As one of our members said, we need to “promote managed forests and their intrinsic goodness.” We think he is right; we have many good stories to share of an industry that brings so much value to our society. Thank you for your part in helping us tell our good story.

“Our social license to practice forestry is very important.”

The use of wood from sustainable forestry in place of emission-intensive materials such as concrete, steel, or aluminum can reduce greenhouse gas emissions.

Intergovernmental Panel on Climate Change AR5

The Longest Legislative Session in Washington State's History

The 2015 legislative session was the longest in Washington's history. It lasted 176 days, included three special sessions, and did not adjourn until July 10. The Legislature passed a \$16.1 billion transportation package that included an 11.9 cent increase in the gas tax over the next two years, and the budget added \$1.3 billion to K-12 education spending, the largest increase in 30 years. However, another \$3.5 billion per biennium is needed to fully fund basic education. Tax reform will continue to be debated in an effort to find additional revenues for education, and with the recent passage of I-1366, the debate just got more interesting. The measure decreases the state sales tax by \$8 billion over the next six years unless the Legislature approves a constitutional amendment to reinstate a super-majority requirement for tax increases, which would go to voters on the November 2016 ballot. Many Democrats oppose a two-thirds rule, and in order for a constitutional

amendment to make it to the ballot, two-thirds of the Legislature must approve it. The courts will likely have the final word as to whether or not I-1366 is invalidated as unconstitutional. If the court doesn't rule early in 2016, it will add a deep level of complexity to the 2016 legislative session. Another big budget item will be the Department of Natural Resources' (DNR) supplemental request of \$137.2 million for fire suppression, and an additional \$24 million for fire prevention. A legislative wildfire caucus, made up of 16 legislators from both political parties, has formed to find ways the state can better respond to the increasing damage from wildfires. Key to the upcoming budget debates, Senate Republicans have a narrow hold on their majority, which moderated tax pressures coming from Democrats in recent sessions. And in the 2015 general election, Republicans picked up a key seat narrowing the Democrats' majority to 50-48 in the House.

Highlights of the 2015 session:

- Adaptive Management: Additional \$5.9 million for science funding for the Forests & Fish Adaptive Management Program.
- B&O Biomass Tax Credit: Expired June 30 and was not extended. Will discuss pursuing in the next legislative session.
- Wildland Fire Response: DNR appropriated \$1.2 million to add engines and crews to increase their fire response capability.
- Wildland Fire Suppression: A comprehensive fire suppression bill (HB 2093) passed that created a wildland fire advisory committee, allows a "good Samaritan" to help suppress a wildland fire, and requires DNR to collaborate and coordinate with local fire suppression contractors and agencies.
- Logger Safety Initiative: The LSI program received \$2.1 million for ongoing work.
- Pacific Education Institute: Received \$1 million to facilitate their goal to reach all school districts in the state at a quicker pace.
- Public Utility Tax Reduction for Log Haulers: The PUT rate was permanently reduced to 1.3696 percent.

- Support for Mason County timber workers: A \$500,000 appropriation was made to local government and non-profit organizations to assist workers and communities adversely impacted by recent closures of timber mills.
- Geological Hazards and LIDAR: DNR received \$4.65 million for the collection and analysis of LIDAR data and geological expertise.
- CINTRAFOR: Funded at \$104,000 for the biennium.
- Family Forest Fish Passage Program: \$5 million in new funding.
- Forest Riparian Easement Program: \$3.5 million in new funding.
- Rivers and Habitat Open Space: \$1 million in new funding.
- Forest Hazard Reduction: \$10 million in new funding.
- Washington Wildlife and Recreation Program: \$55.3 million in new funding.

Transportation Package SB 5966

- The Dept. of Transportation will receive \$300 million for their fish passage barrier work in the 2015-17 Biennium. There may be as many as 40,000 barriers to be fixed. While local governments did not receive a direct appropriation, the bill allows their projects to be used as mitigation.



"Building stronger markets for innovative new wood products supports sustainable forestry."

“The production of wood, paper and energy products from the forest supports more than 41,000 direct jobs and another 63,000 forestry-related jobs, paying wages of nearly \$4.9 billion. Products from the forest are renewable, recyclable, biodegradable and sustainable, an essential part of our green economy, when harvested from responsibly managed forests.”

*Governor Jay Inslee,
Washington Forest Products Industry Week Proclamation*



Keeping Washington loggers safe.

Building a Culture of Safety — the Logger Safety Initiative

The Washington State Logger Safety Initiative (LSI) intends to reduce work injuries to loggers engaged in manual logging through improvements in safety and a change in the industry's safety culture. LSI is a voluntary program for contract loggers who are eligible for reduced workers' compensation premiums if they meet enhanced standards for worker training, performance, and supervision through third-party safety audits. Though still in the early stages of the program, there is clear evidence of increased safety awareness among logging crews.

Since 2013, 121 logging companies have signed up for the program and received an initial 10% premium discount. The Department of Natural Resources joined LSI in November of this year. As of September 30th, 97 companies have completed their third-party safety audit. In 2015, the Department of Labor & Industries reduced the workers' compensation rates for manual logging by 8%. L&I is holding this rate steady for 2016 while all other rates are going up 2%. Recognizing the value of this program, in 2015, LSI received \$2.07 million in funding from the Legislature for ongoing work.

The next steps related to LSI involve:

- Developing key indicators so we can measure progress;
- Reaching out to small landowners and loggers; and
- Reaching out to stumpage purchasers.

For more information go to: www.LoggerSafety.org.

The Timber Industry Provides Economic and Environmental Benefits

Washington's forest products industry supplies green industry jobs that support rural communities. The forest products industry is the third largest manufacturing sector and provides:

- More than 41,000 direct jobs averaging about \$56,000/year;
- More than half of the direct jobs are in rural counties;
- Nearly 105,000 in direct, indirect and induced jobs;
- \$2.3 billion in direct wages;
- \$26.5 billion in gross business income and \$64 million in B&O tax;
- \$55 million to timber counties and the state through timber excise and property taxes, and \$82 million in state taxes & fees.

Private landowners have permanently set aside almost 1.2 million acres of private forestland in riparian buffers and for steep slope protection to protect water quality and salmon habitat. More than \$300 million has been invested in the RMAP program on state and private forestlands for fish passage and road improvements, removing more than 5,600 fish passage barriers and opening up 3,900 miles of fish habitat.

Sherry Fox, of Tagshinny Tree Farm, passed this year. Sherry was a Forest Practices Board member and leader representing Small Forest Landowner interests during the challenging Forests and Fish negotiations. She and her husband Tom attained the first long-term Habitat Conservation Plan for their tree farm in Lewis County. Sherry and Tom won the 2005 National Tree Farmer of the Year award for outstanding stewardship on their Tagshinny Tree Farm. Sherry worked very hard to represent the interests of tree farmers and held the mantle for those who dedicate their lives to tree farming. Her impact was great, her presence will be missed.



JOIN TO SUPPORT SUSTAINABLE FORESTRY JOBS
GO TO
workingforestsaction.org

“We have a moral responsibility to do the best we can to protect the workers.” Public Lands Commissioner, Peter Goldmark

**“The remedy for timber fires may be given in a few words:
Remove the cause. Remove the material which may cause a fire.”**

State Fire Warden Second Annual Report, 1906

**“Our first line of defense is
the condition of the forests.”**

*Aaron Everett,
Washington State Forester*



Catastrophic Wildfires are Creating High Environmental, Economic and Human Costs

Over the past two years, Washington State has endured the worst fire seasons in recorded history. The 2015 wildfire season alone consumed more than 1,000,000 acres, following a 2014 fire season which burned close to 400,000 acres. Year after year, record-breaking wildfires are destroying wildlife, property, and most sadly, human lives. Large fires can be part of a natural cycle of ecological renewal, but the accelerated frequency of catastrophic wildfires we're seeing now is anything but natural. The costs of doing nothing are already too high and only grow if we fail to address this issue.

“A total of 1,541 wildfires have occurred in Washington State in 2015 — including 1,084 human-caused blazes and 457 lightning-caused fires. Three firefighters lost their lives, and hundreds of people were evacuated, lost their homes, animals and livelihoods. The cost to fight these fires is estimated at \$319.6 million.”

Gov. Inslee, Seattle Times, 10/7/15

Actions key to reducing the severity of wildfires:

1. Fuel reduction to promote healthy, resilient forests – up to 1/3 of Eastern Washington forests need restoration.
2. Early fire suppression to reduce the damage from severe wildfire.
3. Forest fire prevention to save property, habitat and lives – the easiest fire to fight is the one that doesn't occur.
4. After the fire, swift ecological restoration to retain the economic value of the burned timber and start the new forest growing to prevent erosion.

“I believe this is a new normal. We need to keep looking forward instead of looking back on what to expect. The biggest thing we need is a new approach to fire-suppression funding that would allow us to do the risk-reduction work.”

Jim Pena, Head Regional Forester for Washington and Oregon, US Forest Service, 8/19/15

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WFPA acknowledges the passing of our friend Jim Kneeland. Born and raised in the logging town of Shelton, Jim Kneeland was Gov. Booth Gardner's first press secretary and later, founder of Pacific Public Affairs. Jim and his team were WFPA media consultants for many years, and helped to accomplish the passage of the Forests and Fish Law in 1999. We will miss his intellect and friendship.



“Properly managed forests are resilient, not fire proof. We need to get these forests in a condition so they can handle fires.”

“A successful forest protection program is composed of both fire suppression and fire prevention. The former utilizes the techniques and equipment available. The success of the prevention effort is of great significance for our forest future and demands of our expanding population.”

Report of the President Henry Dennis, First Annual Report of the WFPA, 1958

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WFPA Centenarians

Menasha Forest Products Corp., 1849
*Olympic Resource Management
(Pope & Talbot), 1849
Stimson Lumber Co., 1850
*Port Blakely Tree Farms, 1864
*Merrill & Ring, 1886
*Green Diamond Resource Co. (S.G.
Simpson Co.), 1890
*Weyerhaeuser, 1900
Fruit Growers Supply Company, 1907
Wilcox Farms, Inc., 1909
Murray Pacific Corp. /
West Fork Logging, 1911
*WFPA member for 100 years or more.

“We must dramatically accelerate the scale and pace of forest stewardship here on both public and private lands. On our national forests, we must restore more acres more rapidly if we are to prevent catastrophic fires, insect outbreaks, and other threats, particularly as climate change makes those threats more potent.”

Tom Vilsack, Secretary of Agriculture

