



# Forest Products Industry

## A Key to Our Economic Recovery

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**WFPA GOAL**  
*WFPA is committed to advancing sustainable forestry in Washington State to provide forest products and environmental benefits for the public. We establish balanced forest policies that encourage investment in forestland, protection of fish, water and wildlife and promote responsible forest management as a preferred land use.*

### Economic Impact—Not Out of Woods, Yet Ready to Grow

Washington's forest products industry is ready to help build our State's economic recovery by providing green-industry jobs in our hardest hit rural communities. Despite the economic downturn, the industry continues to provide family wage jobs, pay taxes and provide green, renewable wood products. Even during its lowest harvest level since 1904 and lowest log prices in 30 years, in 2009 the forest products industry:

- Provided more than 35,000 direct jobs averaging \$50,000/year and 106,000 indirect jobs;
- Paid \$1.8 billion in direct wages;
- Generated \$17 billion in gross business income and \$535 million in taxable retail sales, resulting in \$45 million in B&O tax and \$44 million in sales & use tax paid to the state; and
- Provided a combined timber excise and property tax of nearly \$30 million.

Employment, taxes and revenues provided to the state will rise with increased demand for renewable wood products. In 2009 the industry provided \$120 million in tax revenues and fees to the State. As the second largest manufacturing sector, the industry represents over 14% of direct manufacturing employment—many jobs are located in high unemployment rural areas.

### Private Investment in Working Forests Provides Public Benefit

More than any other land use, private working forests add public value for all Washingtonians during the forest harvest and replanting cycles. In 2010, the Legislature found that maintaining sustainable working forests is important for the quality of life of all Washingtonians. Private forest landowners have made a 50 year commitment to the recovery of salmon and the protection of water quality covering 60,000 miles of streams on 8 million acres of private forestland. This is the result of the State's Forest Practices Habitat Conservation Plan signed by Gov. Gregoire in 2006, and the Forests & Fish Law, signed by Gov. Locke in 1999.

### Forest Practices—A Shared Investment in Public Resources

Washington has the most comprehensive forest practices regulations in the world with establishment of the State's 9.3 million acre Habitat Conservation Plan. Even though the forest industry pays direct fees to support the State's administration of the \$11.5 million regulatory program, the primary contribution to protection of public resources is on the ground, where it matters to the fish, water and wildlife resources. Since 2001, private landowners have invested \$131 million in forest road improvements and anticipate another \$132 million over the next decade to improve fish habitat. The result is removal or repair of more than 3,000 barriers to fish migration and restoring over 2,200 miles of historic fish habitat. A B&O tax surcharge paid by the industry supports agency, tribal and NGO participation, along with industry scientists in an adaptive management program to keep practices in line with current science.

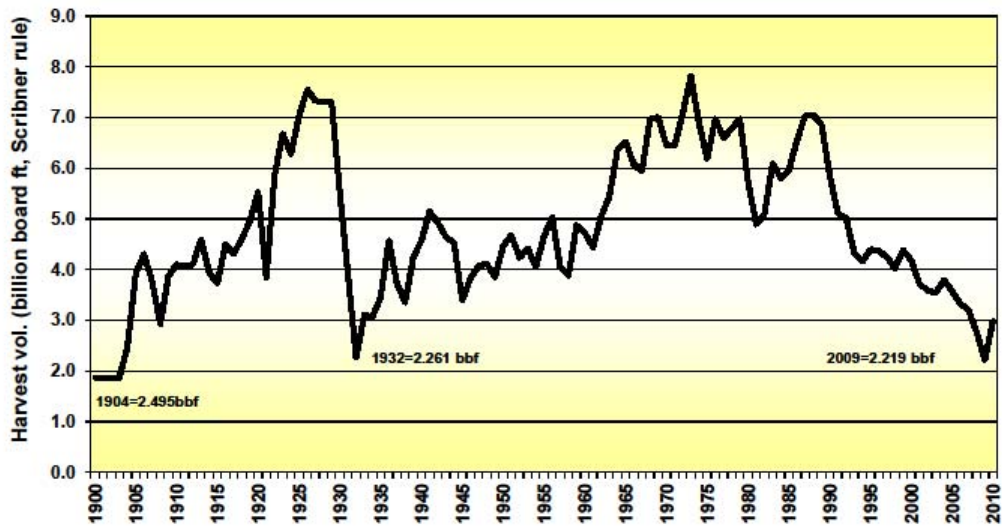
### Private Investment in Working Forests Makes an Extraordinary Commitment to the Environment

In addition to taxes and fees paid to the State, in Western Washington alone, more than 764,000 acres of private land is set aside in riparian buffers and steep slope protections, a \$127.5 million annual investment in salmon recovery. This commitment to protect water quality and fish habitat through forest practices regulations is in addition to federal Habitat Conservation Plans, Safe Harbor agreements and voluntary conservation efforts.



To learn more: [www.forestsandfish.com](http://www.forestsandfish.com)

### Wash. State Total Timber Harvest, 1900-2010 (estim.)



Note: Harvest volumes for 1900 through 1903 are estimates, and equal harvest volumes reported for 1899.  
Source: Dept. of Natural Resources Timber Harvest Statistics (collected from Dept. of Revenue)

2009 was the lowest timber harvest level since 1904, & lowest stumpage value since the Dept. of Revenue began tracking this 30 years ago.

Taxes & Fees	2006	2007	2008	2009	2010 (est)
Forest Harvest Excise Tax Liability	\$57,476,169	\$54,095,719	\$38,795,443	\$23,002,393	\$29,011,170
B&O	\$74,653,101	\$69,848,284	\$58,408,146	\$45,296,284	\$46,980,434
Property Tax	\$6,858,251	\$6,978,127	\$6,530,604	\$6,108,656	\$6,681,566
PUT	\$1,110,991	\$1,219,489	\$1,240,415	\$670,368	\$670,368
<b>User Fees &amp; Assessments:</b>					
Forest Practices Application Fee	\$531,449	\$300,287	\$300,287	\$165,118	\$165,118
Silviculture Burning Permits	\$220,297	\$166,688	\$166,688	\$82,797	\$82,797
Retail Sales & Use Tax Generated	\$77,039,738	\$82,707,474	\$64,365,201	\$44,109,366	\$46,324,964
O/tax (litter, motor veh., haz. subst, etc)	\$140,072	\$167,360	\$173,099	\$291,434	\$291,434
<b>Industry contribution to Government</b>	<b>\$218,030,068</b>	<b>\$215,483,427</b>	<b>\$169,979,882</b>	<b>\$119,726,416</b>	<b>\$130,207,852</b>
Fire Protection (direct to program)	\$5,028,281	\$5,028,281	\$5,322,168	\$5,322,168	\$5,500,000
RMAP Private Expenditure (\$131mm to '09)	\$15,220,000	\$16,290,000	\$14,980,000	\$8,440,000	\$8,440,000
<b>Private Total contribution</b>	<b>\$239,250,068</b>	<b>\$237,773,427</b>	<b>\$190,959,882</b>	<b>\$134,166,416</b>	<b>\$144,647,852</b>
<b>Foregone revenue/increased op. cost</b>	<b>\$127,500,000</b>	<b>\$127,500,000</b>	<b>\$127,500,000</b>	<b>\$127,500,000</b>	<b>\$127,500,000</b>
<b>PRIVATE CONTRIBUTION</b>	<b>\$366,750,068</b>	<b>\$365,273,427</b>	<b>\$318,459,882</b>	<b>\$261,666,416</b>	<b>\$272,147,852</b>

Source: Dept. of Revenue, Quarterly Business Review. Property Tax Statistics, Table 20 & 28, Taxable Retail Sales, Forest Harvest Excise Tax Table B036FE

Covered Wages	2007	2008	2009	2010 (est)
Direct Empl	46,432	42,061	35,536	34,010
multiplier	2.98	2.98	2.98	2.98
dir and indirect	138,367	125,342	105,897	101,350
wages	\$2,209,025,568	\$2,073,343,988	\$1,784,511,516	\$1,705,852,298
avg direct wage	\$47,575	\$49,294	\$50,217	\$50,157

Source: Dept. of L&I Covered Employment from Quarterly Census of Employment & Wages.