



Washington Forest
Protection Association

October 28, 2004

Annual Report
to Members

President's Report — John Warjone, Port Blakely Tree Farms

As I look back over my two years as President, I see tremendous growth and change, but also opportunity to learn even more, do better and especially to teach those that will someday fill our shoes.

Having been raised in the family-owned forestry business, our extended learning spans generations — all the way back to our family's roots in England, where they first started in the wood business in the early-1600s. We understand the value of passing on to the next generation our experiences and

learnings, but also the importance of letting go and allowing others to step in and lead in their own way.

Passing on learning also means letting go and allowing others to lead in their own way. . .

The message I want to impart is that this industry has dedicated the time and resources to become a positive and respected player in the arena of natural resource policy. We have earned and deserve the trust and respect to creatively manage our tree farms for multiple values. We have proven to the

community that we are good neighbors and good stewards of the land, and have earned the respect and positive sup-

port of public opinion and our elected leaders. I hope we hold our heads high and keep our sights on becoming even better than we are today. I am proud to have led this organization for two years, and look forward to a bright future for our industry in Washington with the next generation of leaders.



*President John
Warjone, Port
Blakely Tree Farms*

Executive Director's Report — Bill Wilkerson

This industry has completely changed the way it approaches natural resource management—in short, we collaborate. As a result, Washington is now on the verge of accomplishing what no other state in the country has been able to—regulatory certainty to practice forestry. In an industry with a product life cycle of a half-century or more, predictability is key to whether Washington state will continue

receiving investments in forestry. In just a few short weeks, our state Department of Natural Resources will submit its application to the federal government for a programmatic statewide Habitat Conservation Plan (HCP), covering 9.1 million acres of forestland. This HCP is unlike any other. It's a 50-year contract stating that practicing forestry in Washington meets federal Endangered Species and

Clean Water Act requirements for aquatic species. Hundreds of people have dedicated thousands of hours of meeting time, research, negotiation, collaboration, and coordination involving multiple layers of local, state and federal requirements to achieve this HCP. Through our commitment to change forest practices, we have invested in public resource

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protection and earned the goodwill from the public and the certainty landowners required to practice forest management in Washington State.

Federal Assurances

By the end of this year, the state Department of Natural Resources (DNR), on behalf of the State of Washington, will be making application to obtain assurances from the National Marine Fisheries Service and U.S. Fish and Wildlife Service that all forest practices activities in compliance with the state forest practices rules and administrative program will satisfy federal requirements under the Endangered Species Act for aquatic species. DNR is also working with the U.S. Environmental Protection

Agency and the Washington state Department of Ecology to ensure that the forest practices program will meet the goals of the state Water Quality Standards and the federal Clean Water Act. The State is seeking these assurances for 50 years. This application is the culminating achievement of the Forests and Fish Law passed in 1999. The DNR has developed a “programmatically” Habitat Conservation Plan (HCP), which will cover 9.1 million acres of forest land in Washington state. The Forests &

Fish HCP is based on what science says the fish need to thrive. Recognizing that we



are always increasing our scientific knowledge, Washington's system of forest practices is designed to change through the adaptive

management process, incorporating science and research into the regulatory program.

Adaptive Management

Adaptive management can be viewed as maintaining the ability to make changes. One of the cornerstones of the Forests & Fish HCP is its ability to incorporate new scientific findings into the state regulatory system through adaptive management. The Cooperative Moni-

toring Evaluation and Research Committee (CMER – the scientific arm of the adaptive management program) has a full plate of research projects outlined in the 2004-05 work plan. There are numerous workgroups established to conduct research on various compo-

nents of the Forest Practices Adaptive Management Program. CMER has completed three peer reviewed studies with more nearing completion. The Adaptive Management Board Manual and CMER Protocols and Standards Manual are currently under development.

Legislative

WFPA fared well in the chaotic and fast paced 2004 legislative session. We were quick to respond to opportunities and equally skilled at meeting threats. The tremendous team of company employees and contract lobbyists anticipated events and helped to forge meaningful solutions usually on short notice with minimum fanfare.

One of the key pieces of legislation we supported this year was a bill sponsored by Senator Morton pro-

moting forest health. This bill helps to address catastrophic fire as a result of the dangerous conditions from dead, diseased or overstocked timber stands.

We were also successful in warding off mandated Forest Stewardship Council (FSC) certification for public lands; a measure designed to preempt the ongoing certification assessment occurring in DNR. In an eleventh hour success story, we secured funding for Forest Riparian

We were quick to respond to opportunities and equally skilled at meeting threats.

Easements, providing compensation to small landowners who are precluded from harvesting timber in riparian buffers.

Public Information & Communications

Supporting WFPA's public policy objectives, helping to halt or reduce the pace of new regulations and increasing acceptance of the forest products industry are the goals of WFPA's Public Information Program. The simple fact is if we don't tell the public about improved forest practices, nobody else is going to. In order to get *credit* with the public and gain positive public opinion, WFPA seeks to communicate the good stewardship of its mem-

bers through various publications and in relevant forums, such as:

- FYI Wildlife Research Summary
- Forest Facts & Figures
- Direct Mail
- TVW's Legislative Week in Review
- Catastrophic Fire Brochure
- Forests & Fish website
- Regulatory agencies

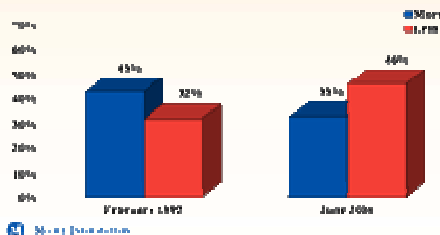
The *Muddy Water* television spot aired for its second year. The message that private forest landowners are protecting cool, clean water through the Forests & Fish Law, resulted in increased industry approval ratings from 50% to 63%. This year, WFPA partnered with KOMO and the Mariners' Radio Network, with Rick Rizz delivering the message that active forest management helps reduce the risk of catastrophic wildfire.

Strategic communications commitments and supports the overall efforts of WFPA by communicating our activities, issues and industry information to key audiences. Policy issues are analyzed and include an appropriate targeted communications component. Wildlife took center stage with this year's review of the Northern Spotted Owl and Marbled Murrelet at the federal level, and again at the state level through the Forest Practices Board Wildlife Assessment. WFPA effectively delivers the message providing a complete picture of conservation provided through various regulatory and voluntary mechanisms, so that our members will continue to receive credit for their stewardship efforts.



The Demand for More Regulation of Private Forest Land Has Declined

"The demand for more regulation of private forest land has declined significantly since 1992."



Collaborative Efforts Continue

Forest Practices Board Wildlife Assessment: The Board with help from the Department of Fish and Wildlife, WFPA and other stakeholders has embarked on a multi-year Wildlife Assessment to review existing rules and their interconnections across the landscape. The process begins with a look at thirteen state or federally listed species, the existing rules and any further responsibility the Board may have in protecting these public resources. The goal of a second level landscape habitat assessment is to look at forestlands managed under Washington Forest Practices Rules in combination with federal and state lands for long-term contribution to habitat for a broad range of wildlife species.

HPA/FPA Integration: As part of the Forests and Fish agreement, the Washington Department of Fish and Wildlife has proposed dropping the requirement for Hydraulics Project Approval for forest practices around non-fish bearing streams in Washington. This rule integration is possible now because current forest practices regulations meet HPA standards on forested lands. The Washington Fish and Wildlife Commission is scheduled to adopt these changes on November 5th, 2004.

Cultural Resources: Private forest landowners and the Tribes are continuing implementation of the Cultural Resources Protection and

Management Plan. Next year's legislature will be asked to exempt sensitive cultural information collected in conjunction with watershed analysis from public disclosure. Efforts are underway to secure private and tribal funding for the family forest owner cultural resources education and outreach program. A web-based directory of tribal cultural resource and forest industry contacts will be completed by the end of the year. Two workshops for forest industry managers are planned next year to improve understanding and appreciation of Native People's cultural use of the forests in Washington. WFPA has a lead role in all of these projects.

Animal Damage Control Program (ADCP)

ADCP has a history of collaborative work, starting twelve years ago with the bear research which was sponsored by WFPA, Oregon Forest Industries Council, Washington Farm Forestry Association, US Department of Agriculture, and Department of Natural Resources. Today we've added collaborative research work on the Mountain beaver, to further our goal of identifying a better way to prevent damage. In another example highlighting the benefits of collaboration, the Department of Fish & Wildlife, the Wildlife Commission, and ADCP teamed to implement the new Depredation Permit Process. The result—a streamlined and highly effective animal damage management process for our forest landowners.

Tree Farm Program



WFPA continues to sponsor the Tree Farm Program in the state of Washington which provides third-party certification for small landowners. Its recognition by the Sustainable Forestry Initiative certification system, makes it the largest stewardship program in the country. The Tree Farm Program provides invaluable benefits to the forest products industry through this increased supply of certified wood.



2004 Tree Farmers of the Year are Tom & Sherry Fox

Remembering Ralph



1928

2004

Ralph Flowers, B.d., was called the “bear man” in Washington (B.d. stands for “Bear dude,” a title he gave himself). People who knew him well describe him as intelligent, witty, humble and generous. Ralph was always seen as a true gentleman. A uniquely accomplished man, Ralph published three books, was well known for his wildlife drawings and sculptures, played the banjo, was a great outdoors man, and an excellent teacher who spoke Spanish fluently. First and foremost, he was proud of his family. WFPA has Ralph to thank for his innovative approach to managing bear damage through the supplemental feeding program, a program that brought him international recognition. His legacy continues today. Ralph will be greatly missed by all.

Environmental Education

The Environmental Education program continues to set the standard for incorporating environmental education into the learning process. The program has three parts:

Part One — Teachers on Summer Assignment brings teachers and forest products companies together for six weeks during the summer. This year, fourteen teachers had first-hand experiences working with forest products companies, and will take their experiences, knowledge and practical lesson plans back to their schools and classrooms, providing a deeper understanding of the forest industry.

Part Two — School District Programs. Imagine students



“I am so impressed with the depth of knowledge and commitment these people have to run a successful business while protecting the environment.” Julie Daniels, Rainier Timber Company TOSA

graduating from high school well-informed, able to collaborate and ready to contribute to or even lead decision making processes regarding the environment. That’s the work WFPA and our education partners continued with school districts this year. Through WFPA-sponsored seminars, teachers learned how quality environmental research is conducted for use in de-

cision-making, and how to incorporate collaboration into their lesson plans and classrooms. Through this work, teachers prepare tomorrow’s citizens for “tough choices” regarding environmental decision-making.

Part Three—Project Learning Tree is the cornerstone of WFPA’s work within the education community, offering teachers hands-on lessons in environmental education. “Widely recognized as one of the premier environmental education programs in the world”, PLT is the most widely used EE program in the state.



Legal

WFPA's legal team continues to deliver success in the courtroom, providing clarity and great results on an issue of significance to the industry for over twenty years. This summer, a Superior Court Judge upheld the validity of the Department of Ecology's 2003 SEPA rule amendments, which clarified that Class I, II and III forest practices are not subject to SEPA review under WAC 197-11-305. Although the decision is under appeal, this victory underscores the value of our

ongoing collaborative efforts, working with the state agencies to lay a coordinated and complimentary record on issues, which can be effec-

"IT IS HEREBY ORDERED that the petition for judicial review filed by Petitioners . . . challenging the validity of Ecology's 2003 SEPA rule amendments is denied . . .

IT IS FURTHER ORDERED that Ecology's 2003 amendments to the following SEPA rules are affirmed."

William Thomas McPhee, Judge
Thurston County Superior Court
July 23, 2004

tively defended in court. In another collaborative effort, WFPA teamed with WFFA to finance the publishing of a court decision which is both favorable and beneficial to forest landowners. The precedent-setting decision is based on the "Right to Farm" law, and protects forest landowners from nuisance actions that may be filed against them for conducting forestry activities in areas surrounding non-forestry activities, such as residential development or recreational areas.

Forest Taxation & Economics

When the Department of Natural Resources took over the responsibility for fire suppression in 1971, a Landowner Contingency Fund was created to pay for fires started through non-negligent landowner operations. Due to better operations and equipment, the dollars were not spent at a rate once antici-

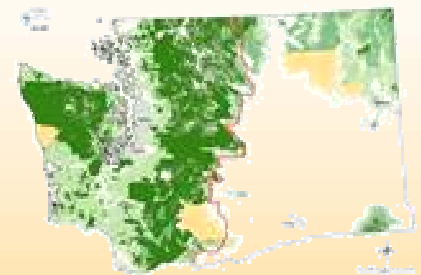
pated. The fund has now grown to twice the level agreed upon, which makes it a target for re-appropriations during tough state budget times. WFPA has been successful in keeping the fund in tact and has established a goal of reducing the rates landowners pay, so the balance can be brought into line

and dollars used for their intended purpose. On another front, the Public Timber Tax was successfully redirected from the general fund to the counties, therefore treating it exactly as the private timber tax. In a continuing effort to build bridges and goodwill, WFPA was called on to assist the counties and public timber purchasers with

Federal Endangered Species Act

Federal listing status affects Washington state forest practices rules. The US Fish and Wildlife Service reviewed the status of the Northern Spotted Owl and Marbled Murrelet this year, conducting one of the largest investigations of science for any species in the country. The FWS determined that the Marbled Murrelet population cannot be separated into distinct segments and left its current status unchanged. A decision on the

status of the owl will be made mid-November. A petition was filed in 2002 to list the Washington population of Western Grey Squirrel. The FWS determined there was not enough evidence to list this species. This year when the FWS designated Critical Habitat for Bull Trout, it excluded Washington forest landowners by recognizing Washington's forest practices as providing conservation benefits far superior to the benefits



Forestland with regulatory mechanisms contributing to owl conservation.

that could be provided by a critical habitat designation. We are hopeful that NOAA will also exclude Washington's forest practices from its designation of critical habitat for salmon.

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Welcome back to WFOA
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