



# ANNUAL REPORT 2008

December 31, 2008

## Washington Forest Protection Association

### From the Executive Director, Mark L. Doumit

WFPA was established on September 4, 1908 as the Washington Forest Fire Association to help fight forest fires. As WFPA completes its 100th year, we have a chance look back at our evolution but more importantly, to look forward to the next Century and how we can continue to promote one of the most resilient industries and best renewable products in the world – wood.

Forestry is part of our culture and heritage. It is the most gentle, productive land use we know. Unlike intensive agriculture which tills the land each year, timber harvest occurs only every 40-50 years in forestry. While the trees are growing, the forest provides wildlife habitat, clean air and water. It also gives us a place to hunt, fish and recreate in the green landscape we all enjoy in our Evergreen State. But we cannot take our forest resources for granted and presume that investors will choose to plant trees over making other investments. The only way to truly save these private forests in working forestry is to ensure the trees have an economic value for the investor—because planting a new forest is an investment choice for private forest landowners—not a requirement.

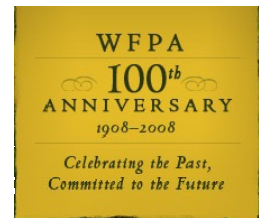
So how do we do this? When we look at the business of forestry, or any business for that matter, there are things we have control over and things we don't. When it comes to

forestry, we don't have control over the weather—large floods, strong wind or ice storms. While we can fireproof the forest to a certain degree by good forest management, we don't control the health of our neighbor's forests. We don't have control over global markets and unsustainable lumber coming from cheap wood supplies in foreign countries, which may operate with bad or no environmental protection.

What we can work on is our state policies and practices. We need to continue working together to support policies that encourage re-investment in working forests. When tree farmers invest their money in trees and they wish to make a withdrawal, there needs to be

an adequate financial return. One of the best ways to ensure this is to promote usage of local wood products and encourage society to recognize the value of forestry. My pledge to you is we at WFPA will continue working to promote policies that support and encourage sustainable forestry, and thus reinvestment in working forests.

Mark L. Doumit  
Executive Director, WFPA



### Message From the President, Toby Murray, Murray Pacific Corporation

The theme for our Centennial year is "Celebrating the Past, Committed to the Future". I am amazed and inspired by those who came before us, while hoping to help set successful direction for our future. Our history is replete with examples of triumph over adversity. Even though we currently face one of the most difficult years in our history, forestry is without a doubt one of the most forward looking vocations ever. We continue planting trees in the belief that we will cut enough of them at maturity to earn an acceptable rate of return on our investment. Throughout all of the ups and downs, one thing has remained constant – our willingness to do what it takes to keep moving forward. We learned to be more flexible, to adapt, and to be proactive. We have engaged

the public, worked closely with our elected leaders and regulators, and developed close working relationships with former adversaries in the Tribal and environmental communities. We have incorporated environmental protection into our business model and we are going to continue emphasizing the remarkable and natural environmental benefits that the public receives from our investments

in forestry. I hope you'll take pride, as part of our forestry family, in the remarkable advances we've made and our willingness to move forward.

Toby Murray  
President, WFPA



*Working Forests are Part of the Solution*



...and I urge all citizens to commit to making decisions that value our precious forest resources, and work together to maintain our rural working forests for the countless benefits they provide.

Governor Christine O. Gregoire,  
March 10, 2008

## Fact

Voter approval of forest products industry actions increases after they hear that private forest landowners are protecting water quality through the Forests & Fish Law.

## Working Forest Agenda

The greatest threat to sustainable forestry is a lack of economic value in timber to attract and maintain investments in forestland. The Working Forest Agenda reinforces WFPA's strategic plan goal of advancing sustainable forestry in Washington State as a preferred land use choice for its ability to provide forest products and environmental benefits for the public. WFPA seeks to ensure that landowners are able to receive the full value from their private forestland asset and that government regulation supports continuing economic investment.

## Sustainable Forestry

During the summer of 2008, leaders from the conservation, timber and tribal communities sat down to talk about the importance of maintaining working forests on our landscape. They affirmed a belief in cooperation as the key to having both great communities and working forests which provide clean water and air, fish and wildlife habitat, jobs in rural communities and naturally grown wood. We want to tell the generations after us to have the courage to work together and try new solutions. We can get a lot more done working cooperatively than we can working separately.

## Public Information

Since the Forests & Fish Law passed, there has been a marked increase in public acceptance of forestry resulting from maintaining awareness of the law and industry practices to protect water quality. WFPA celebrated its 100th anniversary by launching a new section on its web-

## WFPA Celebrates its 100th Anniversary

WFPA's 100 years spans the period of inception, growth and social maturity of the forest industry. It is now a modern, sustainable enterprise supplying the raw material for technically efficient green products.



Secretary of State Sam Reed Presents Century Certificate to Mark Doumit and Toby Murray.



Mark Doumit, Billy Frank, Jr., & Gene Duvernoy

site to highlight a century of progress. This year WFPA partnered with Comcast Cable Corporation to produce and televise the Sustainable Forestry Dialogue — also available at the website: [www.workingforestalliance.org](http://www.workingforestalliance.org)

WFPA was recognized by the Association of WA Business

with a special Community Service Award for its flood relief efforts, assisting nine families and 30 people with support for replacement homes. WFPA continues to encourage the public to recognize the value of forestry to promote policies that support sustainable forestry.

## Legislative Success

### Reduction in B&O tax for the Forest Products Industry

The Legislature **unanimously approved a tax credit** (House Bill 1513) that clarified how the Real Estate Excise Tax applies to sales of standing timber. This is the second year in a row that the Legislature passed a tax reduction measure for the timber industry.

### Forest Biomass

WFPA is seeking to encourage the use of forest biomass in the production of green energy including steam, heat, electricity and biofuel.

The Tax Committee has worked to prevent the application of the Forest Excise Tax to forest biomass, a potential disincentive. In addition, we are seeking a tax credit for use of forest biomass in the production of green energy.

### Forest Health Bill Passes Unanimously in State Legislature

The Legislature **unanimously passed the Forest Health bill** (Senate Bill 6141) which will develop a comprehensive forest health program for the state, giving the Department of Natural Resources the lead

role in developing a comprehensive forest health program for the state.

### Wood Recognized in Climate Change legislation

Sec. 3(3) states: "Except for purposes of reporting, emissions of carbon dioxide from industrial combustion of biomass in the form of fuel wood, wood waste, wood byproducts, and wood residuals shall not be considered a greenhouse gas as long as the region's silvicultural sequestration capacity is maintained or increased."



*Private forest landowners plant more than 35 million seedlings in Washington State each year.*

## Collaborative Relationships Lead to Favorable Outcomes

### Stumpage Valuation Procedure Negotiations

Over the last year, the WFPA Tax Committee and the Dept of Revenue have negotiated several changes to the stumpage valuation procedures used to determine the semi-annual Stumpage Value Tables. The tables are used by large harvesters to determine Forest Harvest Excise Tax liability. The stumpage valuation proce-

dures will continue to be a primary focus of the Tax Committee as we try to capture the changing nature of our markets and cope with the increasing scarcity of timber-sale data used in the valuation model.

### Forest Practices Board

The state Forest Practices Board is the rulemaking body which implements the forest practices act. This year, we were successful in working

with agency personnel to secure favorable outcomes on issues, such as: clarification of the language in the historic sites rules; clarification that no additional rules or processes are in place for hydraulic permitting; language for removal of trees next to houses for public safety; compliance monitoring and fire protection assessments.

## Annual Timber Tribal Salmon BBQ

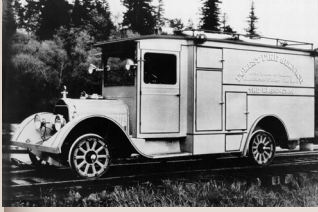
Tribal leaders and WFPA trustees and staff joined in a second annual barbecue event last summer, welcoming Jim Peters and other tribal leaders that work with us on forestry and fish issues. The industry has many common interests with the tribes, most poignant is the long-term nature of land

ownership that forestry and Native American's share. This year WFPA also partnered with Billy Frank Jr. and Gene Duvernoy from the Conservation Community in a special video presentation discussing the need to work together to maintaining sustainable forestry on the landscape.



Forestry leaders meet with tribal representatives at annual BBQ.





WFPA's 100 years spans the period of inception, growth and social maturity of the forest industry. It is now a modern, sustainable enterprise supplying the raw material for technically efficient green products.

#### In Memoriam

Robert Gustavson, former WFPA Forest Management Director, passed away in May 2008. Many of us have had the opportunity to work with Bob over the years and came to appreciate his contributions and insights. Gustavson had just been promoted by the Oregon Department of Forestry to District Forester. It is a great loss for our forestry family.

## Legal Matters

### Settlement Agreement on Northern Spotted Owl Litigation

After a Federal District Court decision that refused to grant a statewide injunction against timber harvest, the WFPA, state, and environmental plaintiffs agreed to settle the lawsuit. The litigation was brought under the Endangered Species Act, and alleged that the state forest practices system was causing the "take" of owls. The settlement agreement called for the creation of a Spotted Owl Working Group, which the Forest Practices Board created in August.

The group will be working in 2009 to recommend measures resulting in strategic contributions from non-federal lands in Washington, focusing on incentives to provide habitat, while maintaining long-term sustainable, competitive and economically viable forest management on non-federal lands.

### State Supreme Court Affirms Favorable Decision in SEPA Cases

A five year legal battle ended in a victory for WFPA and the state when the state Supreme

Court affirmed the Court of Appeals decision, and denied review of two challenges relating to the way cumulative effects are addressed by the state forest practices system. The environmental plaintiffs had claimed that the Forest Practices Board had a duty to adopt a cumulative effects rule.

This legal victory affirms the way that the forest practices system addresses cumulative effects through programmatic rather than project-specific State Environmental Policy Act (SEPA) review.

## Private Landowners Viewed as Partners

### Washington's 30 Year Biodiversity Conservation Strategy Released

Private landowners engaged in commercial forestry and farming are viewed as partners in conservation, part of the long-term solution for maintaining biodiversity on the landscape. Forest practices conducted under the Forests & Fish law

are recognized as contributing to biodiversity conservation.

### Puget Sound Partnership Action Agenda Released

The State's strategy for cleaning up Puget Sound places an emphasis on the retention of commercial forest lands. The

Agenda calls out the need for economic incentives to encourage forest landowners to continue their operations.

The actions of forest landowners to implement Forests & Fish are recognized as a major benefit to the Puget Sound ecosystem.

### Cooperative Relationship with WDFW leads to Wolf Plan

Developing positive relationships is one of WFPA's key goals. This year the Animal Damage Control Program was invited to participate in the Wolf Recovery Management Plan and Human/Wildlife Conflict Resolution meetings to represent forest landowner interests, an expression of the trust that has been built over the years with the Department of Wildlife.

### WFPA's Animal Damage Control Program Reduces Black Bear Damage through its Supplemental Feed Program



## Teachers Work with Tree Farmers

WFPA helped to sponsor the popular “TOSA” (Teacher on Summer Assignment) program again, for the ninth year.

Seven teachers were paired up with tree farmers during the summer on job assignments that ranged from in the field, laying out forest harvest units, to in the lab, researching sustainable fibers for the hygiene

markets. Teachers acquire in depth knowledge of timber industry activities, and in turn develop curriculum for the classroom based on their experience.

Over the past nine years, eleven WFPA member companies have participated in hiring school teachers for the six-week TOSA experience.



Teachers work with wildlife biologists and foresters to create tree snags on the Hancock lands, at the Kapowsin Tree Farm.

## Natural Resources Curriculum Integrated into Schools

Over the past 25 years, thousands of educators have learned about the uniqueness of Washington’s forests. WFPA became one of the first states in the nation to implement the Project Learning Tree program in 1978. This year, PLT workshops and reached approximately 25,000 students. PLT materials are now integrated into over 75% of universities and college courses across the state in teacher education and methods classes.

Eighteen students participated in a natural resource course that PEI developed for the

New Market Skills Center, which is serving as a model to be duplicated in eight other skills centers across the state.

### Pacific Education Institute Website

This year PEI launched its first website which emphasizes *learning by doing* and offers an opportunity to feature the comprehensive approach that is provided for school districts and also highlights the research and how to become involved.

[www.PacificEducationInstitute.org](http://www.PacificEducationInstitute.org)

## WFPA Partners with Universities and Community Colleges

In an unprecedented event, WFPA participated in encouraging the University of Washington and Washington State University and nine community colleges to meet and discuss the importance of maintaining a strong forestry education system in our state, including how they could work together to offer students a more seamless transition from high school through advanced college education. WFPA is

encouraging the schools to develop a two-plus-two transition from high-school through community college and University degrees. This effort has also gained the attention of Legislative leaders, who are interested in providing kids good job opportunities and to fulfill the workforce need within the forest industry.

### Fact

Since the Forests & Fish Law was adopted, nearly 1,600 miles of fish habitat has been opened through the Roads Maintenance and Abandonment Program.

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



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*Executive Director*

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