



Our Vision for Forestry

November 12, 2009

"Unlocking the opportunities that working forests and forest products provide is our call to action." Mark Doumit

WASHINGTON FOREST PROTECTION ASSOCIATION ANNUAL REPORT

From the Executive Director: Mark L. Doumit

Unlocking Opportunities in the Forest

With a goal of promoting responsible forest management as a preferred land use, we recognize that modern forest practices need to encourage investment in working forestry. It is the gentlest productive land use that we know of. While some may belittle the harvesting of trees, the truth is that cutting trees sustainably is one of the best things we can do for our environment.

Today's forestry provides raw material for wood products, paper and energy, while also considering cultural resources, wildlife habitat, water quality, recreation, ero-

sion control and carbon dioxide storage. With these multiple values in mind, forest management considers the views of diverse stakeholders and maintains public support for its practices.

The environmental value of wood products far exceeds the alternative. For example, one ton of framing lumber that is replaced with a plastic alternative would require 75.8 times the carbon emissions to produce. A steel stud compared to a wooden stud requires 21 times the emissions to produce. The use of renewable wood products takes the least amount of overall energy to produce and should be considered the

greenest construction material on the planet. Today there is a heightened awareness of the importance of using sustainable and renewable products. This gives foresters and forest products producers a chance to claim their rightful place in today's market. Recognizing working forests and renewable forest products as "green" in the marketplace will ensure that private working forests continue to have a dominant role on the landscape. We simply can't think of a better natural resource than forests to meet the growing needs of today's society.

Mark L. Doumit
Executive Director, WFPA

From the President: Robert Meier, Rayonier

Pro-Wood Policies

With more than 5,000 products produced from trees, a real public demand for renewable carbon neutral energy solutions and a globally growing demand for the use of wood, Washington is capable of being one of the nation's best sources of sustainable, renewable wood products, fiber and energy. With more than 150 years of expertise, billions of dollars of private investment in infrastructure, technology and public acceptance, coupled with the best growing climate

and soils in the northern hemisphere, Washington is ideally suited to supply society's wood needs forever.

There is little room for the controversy of yesterday over growing and harvesting trees on privately or state owned trust lands. Society can no longer afford the luxury of contentious debates that polarize the dialogue and confuse the public with old forest management issues that have long been resolved. A mature and well informed public understands that there are too many real issues today that

affect humanity that we must focus our energy on. The most pro-environmental action that society can take is to use more wood, from responsibly managed, sustainable forests. With over a century of experience, strong environmental regulations, and endorsement by the federal government, Washington State is poised to be a leader providing forestry solutions and jobs to address today's environmental and economic issues.

Robert Meier
President, WFPA

Working Forests are Part of the Solution

Working Forest Agenda: Adding Value to Working Forests

WFPA engages in the policy, regulatory, legislative, education and public arenas which affect forestry operations in traditional and newly emerging markets. Our efforts focus on creating certainty through balanced forest policy, and adding value to privately owned forestlands.

WFPA continues to provide the reasoned and balanced voice for sound forest management policy. We seek partnerships with diverse stakeholders that share our values for wise management and use of private forest resources. We believe that a greater, more sustainable outcome is only possible when developed in collabora-

tion with a broad set of interests. Private forest management does not operate in a vacuum without public endorsement. With today's public desire for renewable energy and carbon reduction, working forests are the obvious solution given that two-thirds of Washington's renewable biomass occurs in forests, and using wood provides the greatest climate benefit. Our challenge is to focus energy and climate policy on solving multiple issues such as: fire-proofing federal forests which puts neighboring private forests at risk; supporting economic development in our rural forest-based economies; and providing raw materials to

produce renewable energy in a way that attracts private investors.

Prior to going to the Legislature, we worked collaboratively with partners to accomplish our goals. We sought endorsement in advance on several legislative issues, including the University of Washington's Environmental Forum — strengthening Washington's Right to Forestry law, eliminating a tax on forest biomass and also gaining a credit for it. Riparian Open Space legislation drew advance support from the Forest Practices Board's Northern Spotted Owl Policy Working Group. This

law provides a tool to acquire perpetual conservation easements on forest lands occupied by threatened & endangered species.

The Washington State Labor Council passed a resolution in August 2009, "Supporting Forest Products Jobs as Green Jobs," stating there is no greater example of carbon sequestering than a well-managed forest and its products.

WFPA continues to add value to working forests by pursuing opportunities to reduce the cost and risk, and increase the value of private forestland investment.

Legislative Issues

The Legislature was faced with the largest budget revenue shortfall in our lifetime. Facing a \$9 billion budget deficit at the beginning of the year, and another \$1.5 billion shortfall for the upcoming 2010 session, the Legislature's work was cut out for them. During the 2009 105-day session, 2,837 bills were introduced and a record 583 bills were passed. Without raising taxes, or issuing IOUs, the Legislature adjourned on time and has maintained good standing on its credit rating.

We were successful in preventing additional cost increases to the industry by stopping legislation that would have increased hy-

draulic permit fees, eliminated the timber industry's preferential B&O tax rate, and required licensing for company land surveyors and soil and wetland scientists.

All of WFPA's legislative priorities passed.

SB 6170 contains several environmental tax incentives, including: a tax exemption and credit for using woody debris as a renewable energy source; a sales tax exemption for forest derived biomass and machinery used to create energy; a sales tax exemption for hog fuel used to produce electricity, steam, heat or biofuel; and a reduction in the public utility tax on log hauling.

SB 5562 strengthened the



SB 5401 Habitat Open Space Purchase Program

Right to Forestry law, which clarifies that forest practices include *growing* of timber.

SB 5401 expands the Riparian Open Space program to allow for purchase of conservation easements for threatened and endangered species, and requires that the value of timber be included in the compensation. We also helped restore some funding for the pro-

gram. While the Governor's climate change bill did not pass, we were successful in ensuring that all of our policy language about forestry offsets and financial incentives for forestry were included in the most recent version. This was opportune as the Governor issued an executive order effectively implementing the bill, after the Legislative session adjourned.

Forest Tax & Economics

This last year, the Department of Revenue proposed to apply the Forest Harvest Excise Tax to forest biomass removed from landings. The WFPA Tax Committee worked with DOR to define biomass and to place a zero dollar value on its stumpage value. The Tax Committee drafted legislative

bills to provide credits for the use of forest biomass used to produce green energy and further legislation to exempt hog fuel, forest biomass, and other wood waste used to produce green energy from the sales and use tax. We then worked with WFPA's Governmental

Relations Committee to pass the legislation. Working with legislative budget committees, we restored funding for the Center for International Trade in Forest Products which had been cut from both the Governor's budget as well as the initial draft budgets of both houses. The collapsed timber

market has presented new challenges for the twice annual stumpage valuation process. Despite the greatly reduced number of timber sales available as data, the model we built fifteen years ago continues to produce reliable stumpage value tables.

Public Information: Support for Forestry

What Does the Forest Mean to You?



It's Our Future

The newly created television ad was integrated with a website update and web banners, to deliver the message that private forest landowners are committed to the science-based Forests & Fish Law. With more than 47 million impressions delivered, private landowners found the largest increase in support since the campaign started in 1990. Recognizing that a multitude

of factors affect the public's opinion about forest practices, we know that when the public approves of forest products companies' actions, there is less

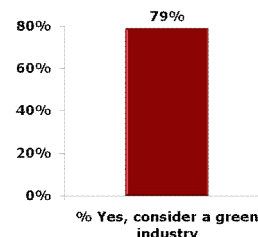
pressure for more regulation, and a higher approval of using wood products. In this tough economic year, voter support for maintaining or increasing the forest products industry statewide met with 84% support. In 2009, we retained a new advertising agency, Copacino + Fujikado, who delivered exceptional creative and an impressive media buy, within very tight budget constraints.

Harnessing the Power of Green

Forest landowners have a moment in time to step forward and claim their rightful place as a green, progressive industry. In 2009, we set the stage with state agency leaders, allied organizations and within the forest industry itself to recognize the opportunity that the intersection of forest and energy policy is providing to us. There is a growing shift in public opinion, recognizing the value of working forests, and there are public policies requiring the production of renewable energy and climate mitigation. With active forest

management, forestry and forest products offer an endless cycle of carbon absorption and storage. We have an opportunity to communicate a unified message focused on working forests and forest products. Gaining recognition as a green, renewable industry will aid in adoption of pro-wood policies.

Harvesting, Replanting and Use of Wood Products is a Green Industry

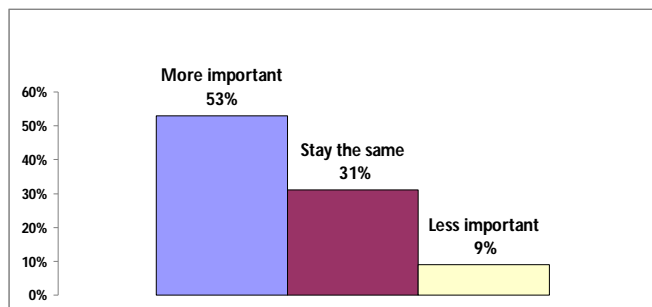


Clean Water Act Assurances

The Department of Ecology has extended the assurances that forest practices conducted under the state's Forests & Fish Law are in compliance with Clean Water Act standards. This is a milestone for landowners, ten years after the Forests & Fish Law was enacted. Further-

more, changes to forest practices rules to bring them into alignment with state standards will occur through the science-based adaptive management program. This provides a mechanism and defined process for rule change and more certainty to landowners.

Forest Products Industry Importance in Future



August 2009, statewide survey of good voters +/- 4% at 95% confidence level

Polling conducted by Moore Information, Portland, OR

Forest Policy Matters

The Forest Practices arena saw tremendous change in 2009. With a newly elected Lands Commissioner, and near complete turnover in management staff, it was not business as usual this year. On top of that, there is new leadership in all three natural resource agencies and in the State Department of Commerce (formerly Community Trade and Economic Development).

State budget pressures reduced resources and compounded the challenges. DNR's Landslide Hazard Zonation program was terminated, the regional staff for the Small Forest Landowners Office were eliminated, and funding for the Forest Riparian Easement Program was left out of the Capital Budget. The Forest Policy Committee maintained a steady hand on the helm throughout it all. The Governor initiated a mandate to streamline the natural resource agencies, and we submitted our proposal for **Streamlining Forest Practices Permitting** in response to a request from the state's budget writers for cost saving suggestions.

WFWA proposes to move some forest practices away from an application system to a notification system, shifting the agency role from application approval to an emphasis on compliance monitoring.



Adaptive Management Works

The science-based adaptive management program ensures the effectiveness of forest practices rules in achieving resource objectives. This year presented some unique challenges, with state budget constraints, and a variety of perspectives about application of adaptive management science. The Forest Practices Board brought resolution to an adaptive management recommendation to increase the Desired Future Condition (DFC) basal area target within the buffers to 325 sq. ft. per acre. In recognition of the extremely challenging economic times, landowners that wish to renew their forest practices application after the DFC rules go into effect will be processed as a Class II renewal instead of having to reapply. This is provided that no other changes are made to the application, and it meets the new rule target.

Watershed Analysis Mass Wasting Rx

The Forest Practices Board asked staff for an analysis of the rule exempting certain watershed analysis mass wasting prescriptions from the unstable slope Class IV Special trigger. DNR staff recommended a complete elimination, but the Board pushed back, and formed a sub-committee for further review. As a result, it was clarified that any proposal for eliminating the exemption must go through adaptive management.

WFWA Tightens Budgets

To reflect the unprecedented economic decline, WFWA cut expenses, reduced staff, and delivered a one-time 15% rebate on dues this year. 2010 will mark the 6th year without a dues increase. We have resized to adjust to the new budget reality and continue to seek cooperative funding opportunities.

RMAP RESULTS

Since inception of the Forests & Fish Road Maintenance and Abandonment Program, more than 2,000 miles of fish habitat have been opened by removing more than 2,800 barriers to fish habitat. Nearly 60,000 miles of forest roads have been enrolled in the maintenance program and more than 15,000 miles of roads have been improved.

Animal Damage Control Program Reduces Black Bear Damage Through Its Supplemental Feed Program

The ADCP operates under the umbrella of WFWA with an independent budget. The program delivers services to its members, protecting private forests from animal damage. One black bear may girdle 60-70 conifers in one day. Providing them with feed during springtime until the local plant supply is available reduces the damage.

WFWA Recognized for Supplemental Feeding Program and Black Bear Damage Management

Recognized world wide for this unique program, Dr. Georg Ziegler has co-authored and published multiple papers on utilization of this non-lethal management tool. Developing tools that meet economic, social, ethical and ecological objectives is the goal of the program.



Multiple year spring black bear damage on 20 year old Douglas-fir.

Project Learning Tree



Student measures tree age

Project Learning Tree (PLT), a nationwide award winning program developed by the American Forest Foundation (AFF) has been sponsored by WFPA for over 30 years in Washington. It remains WFPA's premier teacher education program. Teachers incorporate PLT into their curriculum and receive strategies for successful field studies in forests. This year, the PLT program expanded its reach by 25% resulting in:

- 701 teachers and professors trained;
- 45 workshops provided statewide; and
- 21,000 students reached.

Washington's new standards for teacher college programs now require course work on sustainability and the environment. PLT materials meet these rigorous requirements. Pre-service professors tell us that PLT teaching and learning techniques are invaluable. This

year, seven university teacher preparation programs involved 269 students preparing to become future teachers in PLT. Also this year, Issaquah teacher Jane Ulrich received a national award at the PLT annual conference. For over 15 years, Jane has been working with WFPA to help school district teachers get students out in the woods. As a result, hundreds of students annually gain an understanding of the importance of forests in their lives.

Reaching More Educators: Partnerships through Pacific Education Institute

The Puget Sound Education Program focuses on forests, wildlife and water and their contribution to a healthy Puget Sound. PEI is leading a K-12 effort on behalf of the Puget Sound Partnership. Curriculum leaders from seven Puget Sound school districts and two Vocational Skills Centers, representing 135,000 students, have been working together to bring watershed education to students.

Coastal Education Program with NOAA. Working with Governor Gregoire's Office and with the support of a National Oceanic and Atmospheric Administration grant, WFPA, PEI and the Department of Fish and Wildlife developed a Coastal Watershed Education Model. By partnering with five school districts along the coast and the Grays Harbor College, senior high school students



STEM readies students for 21st Century jobs.

completed culminating projects such as a Snag Study and a Grays Harbor Shorebird Study, an "Agritourism" plan, and an Ocean Shores Forest Trail at the local nature center.

"Greening" Science Technology, Engineering & Math

Nationally, Students are Choosing STEM Careers. Pacific Education Institute, WFPA and the Department of Fish & Wildlife are leading our state to make certain that the new curricular options emphasize "Green" careers, such as forestry and wildlife biology.

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Legal Affairs—Galen Schuler, Green Diamond Resource Co.

Public Information—Dave Nunes, Olympic Resource Management

SENATE RESOLUTION

Dr. Margaret Tudor was recognized by Senators Jacobsen, McAuliffe, and Eide for being a driving force in Washington and nationally by encouraging schools to utilize the outdoors as a laboratory for the study of science.

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