



ANNUAL REPORT 2014

WASHINGTON FOREST PROTECTION ASSOCIATION

NOVEMBER 6, 2014

Building our Future
with Wood: The Most
Natural Resource



From the Executive Director: Mark L. Doumit



WFPA remained focused during a challenging year. We delivered the fire liability legislation, in advance of one of the worst fires seasons in our state's history. This legislation reduces the risk of excessive damage claims from forest fires inadvertently sparked on state and private land that may spread to federal property. The Legislature passed an overwhelmingly bi-partisan budget that focused on schools and did not increase taxes, with a vote of 85:13 in the House and 48:1 in the Senate. The balance was made possible by the Majority Coalition Caucus, holding a one-vote Republican majority in the Senate. Two Democrats joined the caucus in 2012 to take control of the Senate. The pressure on the state budget will continue in 2015 as the Washington Supreme Court held the state Legislature in contempt last September for failing to adequately fund K-12 education per the 2012 McCleary decision. This year marks the 15th anniversary of the Forests & Fish Law, which underpins the state's 50-year Forest Practices Habitat Conservation Plan (HCP). The HCP is the state's framework for regulating forest practices and assuring compliance with federal water quality and endangered species laws. The law created a collaborative Adaptive Management Program which uses science to test the effectiveness of forest practices regulations in the field. We continued our partnership with the Washington Contract Loggers Association, the state Departments of Labor & Industries and Natural Resources, and the Governor's Office to implement the Logger Safety Initiative. This partnership aims to create a safer work environment and lower workers comp rates. Thus far, 107 companies have signed up and received a 10% rate reduction and many have completed their third party audit, receiving a full 20% discount off the base rate. WFPA is communicating a message which focuses on the benefits of working forests and renewable, natural wood products. WFPA's interview with Michael Green, an internationally known architect and spokesman for using wood, has captured the attention of many of our Congressional members, conservationists and landowners and has energized the dialogue about using more wood in commercial buildings. We appreciate the involvement of our members and commitment to supporting our work together.

Mark L. Doumit, Executive Director, WFPA

From the President: Norm P. Schaaf, Merrill & Ring



WFPA met this year's challenges with flexibility, focus and perseverance. We faced one of the most politically challenging legislative sessions ending March 13, and were disappointed that an agreement for long-term funding of the Adaptive Management Program was not reached. The tragic Oso landslide on March 22 killed 43 people, cut off the town of Darrington for more than two months, and devastated families, lives and their community. Recovery efforts continued for four months, when the last victim was found July 22. Washington then experienced the most destructive wildfire season on record. More than 360,000 acres burned, mostly in eastern Washington, destroying 300 homes, farms and orchards. WFPA, its members and our forestry community responded to and persevered through these challenges. At the same time, we continued the implementation of last year's Organizational Review, making progress on our goals to streamline and focus activities. WFPA is also helping the public envision a new future where sustainable forestry is recognized as a solution for today's environmental and economic challenges, and use of wood is promoted as a preferred building material. Wood is grown by the power of the sun, sequesters carbon and is more energy-efficient than all other building materials. Sustainable forest management supports more than 107,000 jobs in Washington State. In the 15th year since passage of the historic Forests & Fish Law, state and private landowners mark their progress on implementing the Road Maintenance and Abandonment Program, with a total investment of more than \$300 million of which private forest landowners have paid \$170 million. Since 2001, nearly 23,000 miles of roads have been improved restoring more than 3,800 miles of historic fish habitat. This is a great accomplishment for fish habitat restoration and salmon recovery. These benefits are made possible only when working forests have access to markets, both here and abroad, a strong workforce, and public support for forest management. To all of the members, staff and partners we work with, thank you for your tireless efforts and hard work on behalf of the industry.

Norm P. Schaaf, President, WFPA

"I love the jobs and opportunities working forests provide."

“As we move forward with restoring America’s forests, we are getting smarter and more efficient in how we use wood products as both an energy and green building source, which will help maintain rural jobs.”

U.S. Forest Service Chief Tom Tidwell



“The late Billy Frank Jr, of the NW Indian Fish Commission and Bill Wilkerson of the Wash. Forest Protection Association were central to bringing natural resource leaders together from the tribes, industry, state agencies, and environmental groups creating the Forests and Fish Agreement. We will miss Billy’s presence, but continue to serve his legacy, by working together and collaborating for the economic and environmental health of our natural resources.”

Mark Doumit

“Billy fought for treaty rights to fish the waters of the Pacific Northwest, a battle he finally won in 1974 after being arrested many times during tribal “fish-ins”. Today, thanks to his courage and determined effort, our resources are better protected, and more tribes are able to enjoy the rights preserved for them more than a century ago.”

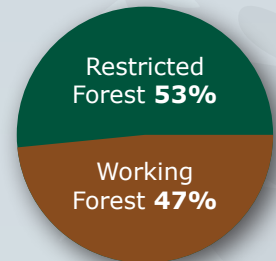
President Obama, May 2014

Our Long Term Commitment to Sustainable Forestry

Forestry is an important part of our Pacific Northwest heritage, landscape and economy. Private forest landowners invest in timberland and wood product industries mainly because we believe it is the best business to be in. Many of the oldest timber companies are making major, new investments in timberland in the Pacific Northwest. With Weyerhaeuser Company’s announcement to relocate their headquarters to Pioneer Square in Seattle, and Port Blakely Tree Farm’s celebration of their 150th anniversary this year, our timber companies represent and build on an important legacy from the past, and project an exciting and bright future for forestry, our most renewable resource. While Washington State remains the number two softwood lumber producer in the nation, new emerging wood technologies hold promise for a revolution in wood use in taller buildings. This begs the question, “*Will cities of the future be built of wood?*” Leaders of the 21st Century in architecture, engineering, planning and manufacturing are developing the technology for mass timber panels made of smaller trees, engineered to be structurally sound, durable and fire resistant. As we look for solutions to move into a low carbon economy, building with renewable, sustainable materials is part of the answer.

Forests and Fish – A Forest Policy Framework for our Future

This year marks the 15 year anniversary of the Forests and Fish Law, adopted by a supermajority vote of the Legislature in 1999. It set into motion a 50-year habitat conservation plan designed to protect fish habitat, water quality and a harvestable level of fish, and to provide regulatory certainty to support a viable forest products industry. This is the framework within which our state forest practices rules operate. The mechanism of collaboration, science and adaptive management provides assurances to federal officials that our state forest practices meet federal Endangered Species and Clean Water Act requirements for fish habitat and water quality. Forest policy is the core of the work WFPA does on behalf of its members. Bringing education, sound science and technical data to the Forest Practices Board (Board) has been applauded as it helps them make better decisions. Working in collaboration with stakeholders and helping to solve each other’s problems brings balance in the rulemaking process. We’re also working with the state to update outdated rules, such as Hydraulic Project Applications, to ensure they support current practices in the field. We use sound science to maintain landowner’s flexibility in management tools, such as the use of herbicides and potentially the size of



We have a balanced landscape in Washington, with more than half of Washington’s forests restricted from harvesting (53%) and the remainder available for practicing active forest management (47%). Private lands and manufacturing is the economic engine of the forest industry, producing 71% of the timber harvest in 2013. The benefits of practicing sustainable forestry and sourcing wood from one of the important wood baskets in the United States are we provide jobs, renewable products, and protect environmental values as an outcome of maintaining the economic health of our working forests. By practicing sustainable forest management, working forests will continue to provide economic and environmental benefits to society in perpetuity.



eastern Washington riparian buffers. This year the Board has been immersed in Mass Wasting issues. The state has had qualified experts review, validate and improve the process we use to assess and avoid landslide risk. WFPA and its members have been actively engaged in this issue, with the Board holding two special meetings specifically focusing on public safety and glacial deep-seated landslide risk. Looking to the future, we will be focused on water typing, identifying the uppermost point of fish habitat and perennial flow; wildlife listings and conservation agreements; and water quality standards and assurances. We wouldn’t be able to tackle the suite of issues or stay focused without the strong support and involvement of our members.

Wood is the only major building material that is renewable.

“One of the world’s oldest building materials is now also one of its most advanced.”

Secretary of Agriculture Tom Vilsack



Keeping Washington loggers safe.

Building a Culture of Safety

Logging is a dangerous job. Training for employees and operators so all of our workers can go home to their families at the end of the day is our utmost priority. To put this priority into action, the industry led a collaborative process involving loggers, landowners, the Governor’s Office and the state Departments of Labor & Industries (L&I) and Natural Resources to build an enhanced culture of safety – the Logger Safety Initiative (LSI).

This collaborative effort is on a path to success. The LSI is in its first full year of operation, and operators who have successfully completed their third party audits have received a 20% L&I workers comp rate reduction. Additionally with more operators reporting in the class, the 2015 workers comp rate for class 5001 (non-mechanical logging) is down 7 percent, at the same time the average of all risk classes rose 1.8%. By the end of the year, two-thirds of the companies that have signed up will have completed the process necessary to receive their 20% rate reduction. For these successful LSI participants, the base rates will drop from \$20.18/hour in 2014 to less than \$15/hour in 2015.

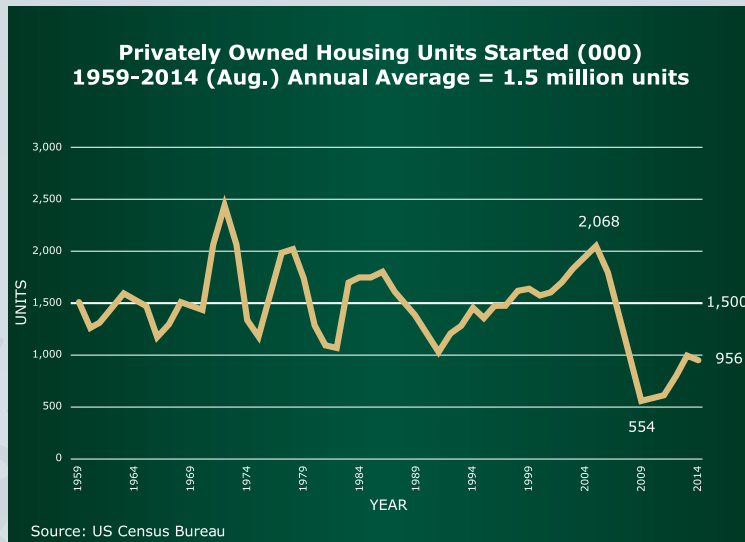


Forestry is an Economic Engine

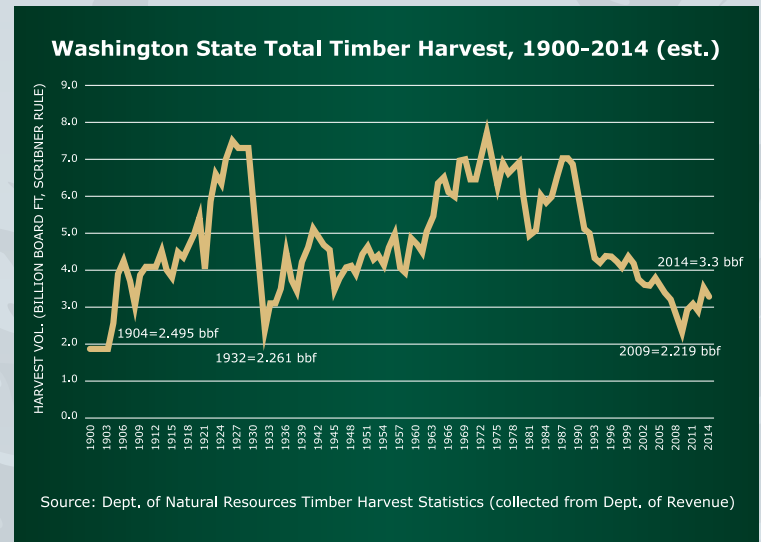
Washington’s forest products industry supplies green industry jobs that support rural communities. The forest products industry is the third largest manufacturing sector and supports:

- Nearly 40,000 direct jobs averaging about \$49,000/year;
- More than 107,000 direct, indirect and induced jobs;
- \$1.9 billion in direct wages;
- \$24 billion in gross business income and \$59 million in B&O tax;
- Timber counties and the state through timber excise and property tax of \$48 million; and \$68 million in state taxes & fees.

Since 2001, 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. Private landowners have invested more than \$170 million in forest road improvements, removing more than 4,000 fish barriers, opening up thousands of miles of historic fish habitat.



U.S. housing starts are increasing. In 2014 single and multi-family housing starts are currently 956,000 units. Average housing starts from 1959 are 1.5 million units annually.



As markets improve, statewide timber harvest levels are increasing from their lowest harvest level in 100 years in 2009.

“Building our Future with Wood: The Most Natural Resource.”

“Enabling clean, renewable heat and power generation from forest biomass not only creates jobs and economic activity in our timber-dependent communities, it supports our efforts to reduce greenhouse gas emissions and increase treatment of our forested lands for health and fire reduction.”

Governor Jay Inslee

Legislative and Tax Related Accomplishments

WFWPA passed its priority legislation limiting unbridled damage claims due to forest fires spreading from private or state lands, in addition to holding the line on new taxes and fees. The Adaptive Management funding bill (ESSB 6478) passed unanimously out of the Senate, and had wide bi-partisan support in the House, but was never allowed to come up for a vote. The entire TFW stakeholder coalition strongly supported the bill, including the timber industry, Director of Ecology, Commissioner of Public Lands, the Governor, tribal leadership, and the Washington Environmental Council. This bill would have redirected the state portion of the timber excise tax, and transferred unspent funds into statutory programs that help small landowners. The Governor encouraged stakeholders to continue working together on this important issue. Highlights of some of the

legislation that WFWPA worked on that passed includes:

- **ESSB 5972 Fire Liability.** Establishes an exclusive statutory cause of action for property damage to public or private forested lands resulting from forest fires, creating a clear and efficient standard for reasonable compensation, and avoiding speculative and excessive claims.
- **SSB 6199 Incendiary Devices.** State law prohibits discharging incendiary and tracer/incendiary ammunition on forest and open lands during the fire season. This bill expands that prohibition to include detonating an exploding target and releasing a sky lantern. In addition, outside of the fire season, a person is prohibited from these activities unless they own or control the land, or have written permission for the activity.

- **HB 2099 Timber Purchase Reporting.** This bill extends the expiration date requirement for data about timber purchases that is reported to the Department of Revenue from 2014 until 2018. The Department uses the information to establish stumpage value tables.
- **SB 6180 Consolidating Designated Forest Lands and Open Space Timber Lands.** For ease of administration, counties may opt to merge these two tax programs, dropping the minimum acres from 20 to 5 contiguous acres.
- **2SHB 2251 Streamline Permitting Fish Barriers.** This bill adds new categories of fish barrier removal projects to the list of projects that are eligible for streamlined permitting under the hydraulic project approval process.

Public Awareness and Support for Working Forests

The role of the Public Information Program is to change public perception and build a base of support as a backdrop for the policy and political work of the organization. Public perception is influenced by many factors, and is often under attack by segments of the population in opposition to our industry. Perception is also influenced by our own good work on the ground, through scientific-based forest policies, in relationship with key leaders, and by telling our story. Public perception of the timber industry is on an improving trajectory.

WFWPA launched a new television and radio ad this year focusing on climate friendly wood — the most responsible building material on earth. WFWPA executed its annual media campaign during the summer

months this year. The campaign utilized television as the primary medium to help communicate the concept and value of working forests. In addition, radio supported the campaign in select areas. The media launched during the week of 5/19 and concluded during the week of 8/4.

In addition to the television campaign, WFWPA focused on three areas this year:

1. Developing an earned media outreach effort,
2. Constructing a set of online tools and communications channels to build a grassroots action network, and
3. Building relationships with influential third party validators who reach segments of the public that are not our natural supporters.

This year we drove campaign traffic to an umbrella website WorkingForestsAreWorking.com which aggregates the overall messaging and our multiple content-rich web properties.

WFWPA reached out through social media to deliver messages to more than 9,600 individuals on Facebook and sent a dozen action network emails, delivering more in-depth information to our grassroots list. This effort is coordinated with the wfwpa.org blog to provide more information about forestry issues.

Beyond advertising, WFWPA worked with renowned architect, Michael Green, to develop short videos supporting the use of wood in tall buildings. This has energized a dialogue among leaders about using more wood in commercial buildings.



“Growing trees and families always goes together in my mind – creating a hope and a future.”

“Wood has a vital role to play in meeting the growing demand for green building materials.”

Secretary of Agriculture, Tom Vilsack

Adaptive Management – Using Science to Guide Our Actions

As part of the state's 50-year Forest Practices Habitat Conservation Plan, the Forest Practices Board (Board) adopted a robust Adaptive Management Program (AMP) in concurrence with the 1999 Forests and Fish Report. The AMP provides science-based recommendations and technical information to the Board, to assist them in determining if environmental protections for fish habitat and water quality are being met through the forest practices rules. To provide the science needed to support adaptive management, the Board also created the Cooperative Monitoring, Evaluation and Research Committee (CMER). CMER relies on four active scientific advisory groups (SAGs) to design and implement research and monitoring for specific aspects of forest practices rules, such as: Riparian areas, Landscape-Wildlife, Eastside issues, Wetlands, and Roads and Mass Wasting. This integrated approach is managed in collaboration by landowners, tribes, conservationists, local, state and federal agencies. It is one of the largest and most comprehensive systems of environmental protection in the United States, designed to fully comply with both the federal Endangered Species Act and the Clean Water Act.

WFPA Welcomes New Members

We are pleased to welcome two members to WFPA during 2014, Sierra Pacific Industries and Jorgensen Timber. We are grateful to both our new and our long-standing members, recognizing that WFPA is a stronger, more effective advocacy organization for the industry when we speak with a united voice.



WFPA Board of Trustees

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Roy Bever, *Bloedel Timberlands*
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*Paul Wing, *Green Diamond Resource Co.*

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Wendell Widdowsen
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Jerry Wilson

WFPA acknowledges the passing of two friends and leaders in our forestry community — Nels Hanson and Steve Stinson. We will miss their presence.

“The profession of forestry has provided me with the inspiration and opportunity to create lasting value for the people and the planet.”

“We really have to be looking to the forest and looking to nature for answers to the complexities of life’s problems. The answers are almost always going to be found in the natural world. In architecture that starts with wood.”

Michael Green, MGA Architecture

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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.*

WFPA Staff

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Executive Director

Cindy Mitchell

Senior Director, Public Affairs

Karen Terwilliger

Senior Director, Forest & Environmental Policy

John H. Ehrenreich, Jr.

Director, Forest Taxation and Economics

Doug Hooks

Director, Forest & Environmental Programs

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WFPA Members

Barker Tree Farm - Woods Trust

Bascom Pacific, LLC

Bloedel Timberlands Development

Broughton Lumber Company

Conservation Forestry

Fruit Growers Supply Co.

GMO Renewable Resources, LLC

Grandy Lake Forest

Green Crow

Green Diamond Resource Company

Hampton Resources, Inc.

Hancock Forest Management, Inc.

Hanson, Gary

Hanson, Nels (in memorium)

Hess, Phil

JLCG, LLC

Jorgensen Timber, LLC

Menasha Forest Products Corporation

Elisabeth Miller Botanical Garden Trust

Pendleton and Elisabeth Miller

Charitable Foundation

Miller, Ken & Bonnie

Munro, LLC

NBGC, LLC

North Cascades Timberland, LLC

Olympic Resource Management

O'Neill Pine Company

Pacific Denkmann - Pilchuck Tree Farm

Pacific Forest Management, Inc.

Pacific West Timber Company, LLC

PB Lumber, LP

Penguin Forests

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Powers Jr., Francis J.

Rayonier

RD Merrill Co.

Ring Family Limited Partnership

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Springboard – Wallace Falls, LLC

Stevenson Land Company

Stewart Tree Farms

Stimson Lumber Company

TC&I Chinook, LLC

Two Cats Timber

Vaagen Brothers Lumber

West Fork Timber Company

Weyerhaeuser Company

Wilcox Farms, Inc.

Williamson, Maurice

**Will cities of
the future be
built of wood?**

Forests and trees have an advantage of being lower energy materials, and trees soak up carbon dioxide as they grow and that carbon is stored in the harvested wood product, creating a sink. The exact opposite of most other building materials.

Michael Green, Architect

“When I drive through our forests, I’m proud of the way our lands are managed and the benefits we provide to society.”