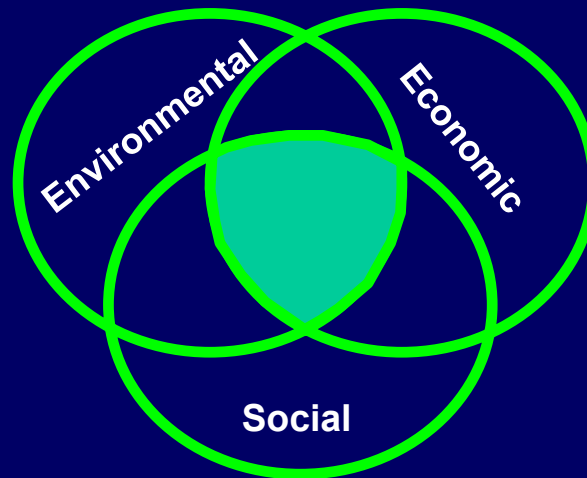


Washington State Department of Natural Resources



Sustainable Forest Management

Presentation prepared for the Board of Natural Resources
November 10 2003

Agenda

1. Presentation of Draft Environmental Impact Statement
2. Presentation of the Financial Analysis for the Six Alternatives
3. Presentation of the proposed decision making process for selecting the Preferred Alternative

DEIS Purpose and Need

Need

“This proposal is to evaluate options for long-term sustainable forest management and to recalculate a sustainable harvest level...” “...state law requires DNR to periodically adjust the acreages designated for inclusion in the sustained yield management program and calculate a sustainable harvest level. (page ES-1, Executive Summary)

Purposes

- 1. “To incorporate new information into a new model to recalculate the decadal sustainable timber harvest level (for western Washington) under current DNR policy and federal and state laws; “ and (page ES-1, Executive Summary)**
- 2. “To permit the Board of Natural Resources to evaluate any policy changes after a number of policy alternatives have been modeled and analyzed through an Environmental Impact Statement. (page ES-2, Executive Summary)**

Purpose/Role of an Environmental Impact Statement

- The primary purpose of an EIS is to provide an impartial discussion of significant environmental impacts, and reasonable alternatives and mitigation measures that avoid or minimize adverse environmental impacts
- **The analysis is based on reasonably available information**
- The EIS information is used by agency officials (in this case, the Board of Natural Resources) – in conjunction with applicable regulations and other relevant information – to make decisions to approve, condition and or deny a proposal

(SEPA Handbook, 1988 Dept. of Ecology)

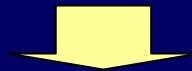
Context of this Draft EIS

Forest Practices, Endangered Species Act, Clean Water Act, etc..

DNR Policy and Procedures

Policy

Forest Resource Plan (**40 Policies**)
Habitat Conservation Plan
Asset Stewardship Plan



Procedures

49 Department Procedures
19 guidelines
5 tasks related to forest management



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Six Alternatives propose changes to:

- **7** Forest Resource Plan Policies (4, 5, 6, 11, 14, 30 and 31)
- **5** Procedures and **2** Tasks

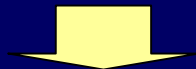
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The environmental impact analysis of the proposed changes considers the entire policy setting

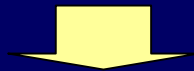
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DNR Policy and Procedure

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And builds on previous environmental analysis

Content of DEIS

- Chapter 2 describes the proposals and alternatives
 - in our case we have proposed changes in policy and procedure, with no preferred alternative
- Chapter 3 describes current conditions
- Chapter 4 identifies the important resource areas of the environment
 - Affected environment
 - Significant impacts
 - Mitigation measures

Summary of Proposed Policy and Procedure Changes

DEIS
chapter 2- page 19

Table 2.6-1. Summary of Policy, Procedure, and Task Changes under the Six Alternatives

Management Issue	Policy, Procedure, Task Reference	Forest Management Alternatives					
		1	2	3	4	5	6
Ownership groups	Policy No. 6	Current policy (24 groups)	Current policy (24 groups)	Change policy (1 group)	Current policy (24 groups)	Change policy (20 groups)	Change policy (20 groups)
Even-flow of harvest	Policy No. 4 PR 14-001-010 TK 14-001-020	Current policy	Update policy discussion	Update policy discussion	Current policy	Update policy discussion	Update policy discussion
			Change procedure, task	Change procedure, task			
Harvest regulation	Policy No. 5	Current policy	Current policy	Current policy	Current policy	Change policy	Change policy
Maturity criteria	Policies No. 4, 11, 30, 31 PR 14-005-020	Current policy and procedure	Update policy discussion (No. 4)	Update policy discussion (No. 4)	Update policy discussion (Nos. 4, 11)	Update policy discussion (Nos. 4, 11)	Update policy discussion (Nos. 4, 11, 30,31)
			Change procedure	Change procedure			
Northern spotted owl conservation	Nesting, roosting, foraging and dispersal PR 14-004-120	Current procedure	Change procedure	Change procedure	Change procedure	Change procedure	Change procedure
	Owl circles PR 14-004-120	Current procedure	Change procedure	Change procedure	Change procedure	Change procedure	Change procedure
Old forest components	Policy No. 14 (Old Growth Research Areas)	Current policy	Current policy	Current policy	Update policy discussion	Change/new policy	Change/new policy
					New procedure/task	New procedure/task	New procedure/task
	Task 14-001-010 (Maintaining Mature Forest Components)	Current task	Change Task	Change Task	Change Task	Change Task	Change Task
	PR 14-006-090 (Legacy and Leave Tree Levels)	Current procedure	Change procedure	Change procedure	Change procedure	Change procedure	Change procedure
Riparian and wetland areas	PR1 14-004-150	Current procedure	Change procedure (Requires Services' agreement)	Change procedure (Requires Services' agreement)	Current procedure	Change procedure (Requires Services' agreement)	Change/new procedure (Requires Services' agreement)

Summary of Environmental Consequences

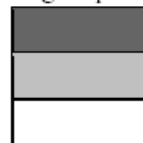
- “None of the Alternatives would result in any probable significant adverse impacts to any of the resource areas, relative to current conditions, beyond those anticipated in the Habitat Conservation Plan.”
- “Potential relative risks are identified and discussed for the resource areas and are used to rank the Alternatives. The potential relative risks and rankings express the potential for a negative environmental impact to occur and/or indicate if an Alternative may fail to meet all of its projected outcomes.”
- “A relatively high risk does not necessarily equate to a probable significant adverse impact when compared to another Alternative or to existing conditions.”

(DEIS, page ES-10)

E-2 Summary of Alternatives

	Alt 1	Alt 2	Alt 3	Alt 4	Alt 5	Alt 6
Forest Structure	Lower group	Intermediate group	Higher group	Lower group	Higher group	Intermediate group
Old Growth	Lower group	Intermediate group	Higher group	Lower group	Higher group	Intermediate group
Forest Health	Higher group	Intermediate group	Lower group	Higher group	Lower group	Intermediate group
Capturing Greenhouse Gases	Higher group	Intermediate group	Lower group	Higher group	Lower group	Intermediate group
T&E and Sensitive Plants	Lower group	Intermediate group	Higher group	Lower group	Higher group	Intermediate group
Riparian Resources	Lower group	Intermediate group	Higher group	Lower group	Higher group	Intermediate group
Spotted Owl Habitat	Lower group	Intermediate group	Higher group	Lower group	Higher group	Intermediate group
Deer and Elk Habitat	Intermediate group	Lower group	Higher group	Intermediate group	Lower group	Higher group
Air Quality	Lower group	Intermediate group	Higher group	Lower group	Higher group	Intermediate group
Geomorphology, Soils, and Sediment	Lower group	Intermediate group	Higher group	Lower group	Higher group	Intermediate group
Water Quality	Lower group	Intermediate group	Higher group	Lower group	Higher group	Intermediate group
Fish Resources	Lower group	Intermediate group	Higher group	Lower group	Higher group	Intermediate group
Wetlands	Lower group	Intermediate group	Higher group	Lower group	Higher group	Intermediate group
Trust Revenues (2004 to 2013)	Higher group	Intermediate group	Lower group	Higher group	Lower group	Intermediate group
County Revenues (2004 to 2013)	Higher group	Intermediate group	Lower group	Higher group	Lower group	Intermediate group
Cultural Resources	Lower group	Higher group	Intermediate group	Lower group	Intermediate group	Higher group
Recreation	Lower group	Intermediate group	Higher group	Lower group	Higher group	Intermediate group
Scenic Resources	Lower group	Intermediate group	Higher group	Lower group	Higher group	Intermediate group

Alternatives have been placed into three groups:



Lower group

Intermediate group

Higher group

Table ES-2
Page ES-19

Summary of the Alternatives

- The previous table (E2) groups the Alternatives by their ranks
- It does not express the variability that may or may not exist between the Alternatives
 - For some factors (such as air quality), the Alternatives differ only slightly in their potential effects
 - For others (such as trust revenue), the differences are greater
- The information on the “variability” is described in the resource summaries found Chapter 2 and 4 of the DEIS
- The subsequent decision process, will draw on some of this information, to aid the decision-making in discerning important outcomes

Six Public Hearings

1. December 2nd ~ Lacey
2. December 3rd ~ Port Angeles
3. December 4th ~ Mount Vernon
4. December 9th ~ Vancouver, WA
5. December 10th ~ Aberdeen
6. December 11th ~ Des Moines

Comment Period: *November 10th - December 19th*

Financial Analysis

- **Three questions**
 1. What is the net revenue to the trusts?
 2. How much do the Alternatives cost to implement?
 3. How does the Department propose to implement any of the Alternatives?

Financial Analysis Summary: Decade 1 (2004-2013)

	Alternatives					
	1	2	3	4	5	6
Harvest	Revenue (Millions \$/year)					
Regeneration	\$112	\$137	\$198	\$81	\$182	\$180
Thinning	\$2	\$3	\$2	\$5	\$7	\$5
Partial Cut	\$5	\$12	\$6	\$19	\$21	\$11
Riparian Treatments	\$2	\$4	\$5	\$3	\$8	\$18
Westside Gross Revenue	\$121	\$156	\$211	\$108	\$217	\$214
Estimated Eastside Gross Revenue	\$20	\$20	\$20	\$20	\$20	\$20
Non-timber revenue	\$19	\$19	\$19	\$19	\$19	\$19
Total Upland Revenue	\$160	\$195	\$249	\$147	\$256	\$253
Total Costs	\$51	\$58	\$62	\$53	\$73	\$68
% of RMCA and FDA to fund Operating & Capital	32%	30%	25%	36%	28%	27%
NET Revenue to Beneficiaries	\$109	\$137	\$188	\$94	\$184	\$185

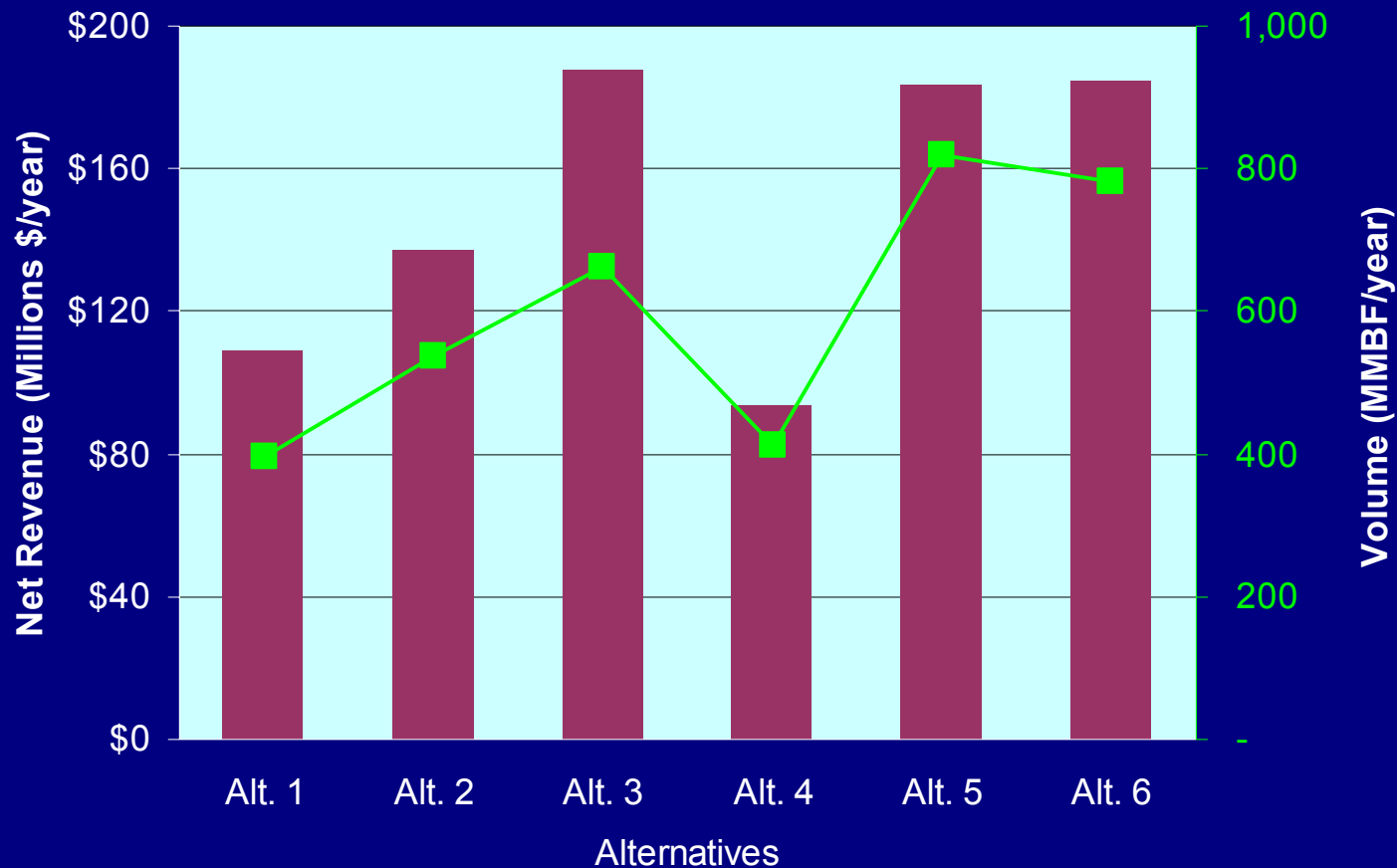
Notes:

Values are represented with constant prices and costs over decade 1 (2004-2013)

Westside gross revenue is represented with modeled harvest levels for decade 1

Prices are derived from last five year timber sales (1998-2002), while costs are estimated from last four years expenditures and and budget estimations

Net Revenue and Volume by Alternative for Decade 1 (2004-2013)



Notes:

Net Revenues include timber and non-timber and are expressed in millions of dollars for all state trust lands in western and eastern Washington

Volumes are expressed in millions of board feet (MMBF) for Western Washington state trust forest lands

Annual Average Net Revenues for the Trusts Decade 1 (2004-2013)

Trust	Alternative					
	1	2	3	4	5	6
State Forest Board Transfer	\$33.0	\$44.9	\$75.2	\$28.2	\$62.3	\$60.9
State Forest Board Purchase	\$7.2	\$7.9	\$14.6	\$6.4	\$10.5	\$11.6
Common School and Indemnity	\$45.4	\$57.5	\$65.1	\$39.9	\$72.6	\$75.4
Agricultural School	\$2.5	\$2.2	\$2.1	\$2.7	\$2.8	\$2.8
University - Transferred	\$0.4	\$2.0	\$1.7	\$0.6	\$3.3	\$1.1
CEP&RI ¹	\$4.7	\$4.9	\$5.8	\$3.4	\$5.9	\$7.5
Capitol Grant	\$7.6	\$8.4	\$11.5	\$5.5	\$14.2	\$13.6
Normal School	\$1.6	\$2.7	\$2.8	\$1.4	\$3.1	\$3.0
Escheat	\$0.4	\$0.4	\$0.5	\$0.2	\$0.5	\$0.4
Scientific School	\$5.9	\$5.8	\$7.8	\$5.1	\$8.0	\$7.8
University - Original	\$0.3	\$0.1	\$0.3	\$0.2	\$0.4	\$0.4
Community College Forest Reserve	\$0.2	\$0.1	\$0.1	\$0.1	\$0.2	\$0.1
Total	\$109.0	\$137.1	\$187.6	\$93.6	\$183.7	\$184.6

Notes

1. Charitable/Educational/Penal & Reformatory Institute
2. Values are expressed in millions of dollars per year for all state trust revenue sources

Proposed Decision Process for Selecting the Preferred Alternative

Incorporates:

- Past Board discussion
- Modeling and technical analysis
- EIS results
- Public comment

Direction from BNR on the Proposed Decision Process

1. ID key outcomes:
2. ID key policy issues:
3. Create discussion matrix:
(outcomes & policy issues)
4. If useful, then the Board directs DNR to complete the Discussion Matrix:

What does the BNR see as Key Outcomes?

1. Net income
2. Variability of income
3. Forest Structure and Older Forest-dependent species results
4. Implementation considerations
5. Other ?

Key Policy Choices for the BNR

1. Active vs. Passive
2. Ownership Groups
3. Even Flow Approach
4. Old Growth
5. Volume vs. Value Regulation

Key Policy Choices for the BNR

Policy Issues		Alternative	Outcomes				
			Qualitative Impact on Net Income	Net Income Variability	Forest Structure & Older Forest Dependent Species Results	Implementation	
						Costs	Timing
Active/Passive Management							
	If Active						
	Bio Diversity	6					
	Intensive Silviculture	2,3,5					
	If Passive						
	Minimum Silviculture	1,4					
Ownership Groups							
	24	1,2,4					
	20	3,5,6					
	1	3					
Even Flow							
	Constrained	1,4					
	Less Constrained	2,3					
	Modulating	5,6					
Old Growth							
	Basic Protection Only	1,2,3					
	OESF & OG Research Areas						
	Basic Protection	4					
	Age Criteria						
	Fixed Location						
	Basic Protection	5,6					
	Age Criteria						
	Structure						
	Non-fixed Location						
Volume & Value							
	Volume	1,2,3,4					
	Value	5,6					

Major Elements of the Proposed Decision Process

1. ID key outcomes: **Today**
2. ID key policy issues: **Today**
3. Create discussion matrix: **Today**
(outcomes & policy issues)
4. If useful, then the Board directs DNR to complete the Discussion Matrix: **Today**
5. Review the completed Discussion Matrix: **December BNR**

Major Elements of the Proposed Decision Process

6. BNR evaluation of Discussion Matrix; BNR preference for each policy issue:
February BNR
7. Develop the FEIS for the alternatives:
February – May
 - a) End of May ~ release of FEIS
8. BNR review of FEIS: **June**
9. Board adoption of FEIS and Sustainable Forestry Level: **June/July**