



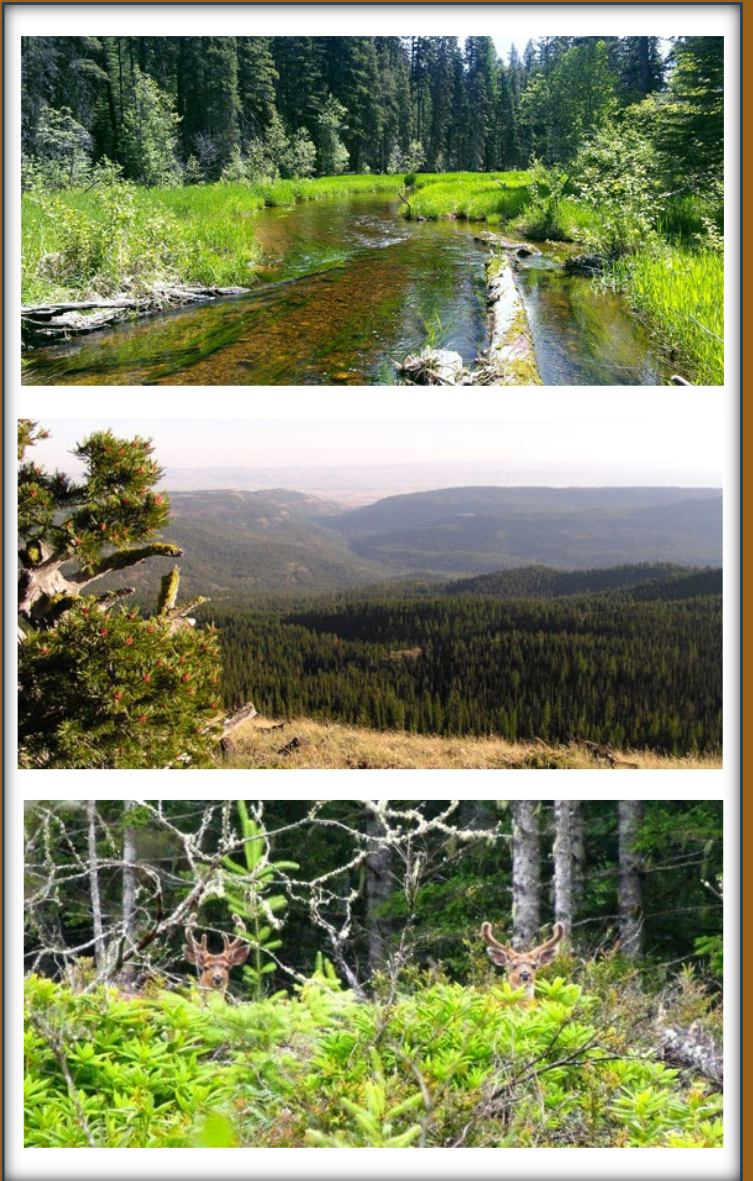


Eastside and Westside Arrearage Report 2015-2024



Overview

1. Statutory Authority for Arrearage
2. 2019 BNR Policy on Arrearage
3. Eastside Arrearage
4. Westside Arrearage
5. Resolution 1643



Statutory Authority

RCW 79.10.300(1): "Arrearage" means the summation of the annual sustainable harvest timber volume since July 1, 1979, less the sum of state timber sales contract default volume and the state timber sales volume deficit since July 1, 1979.



Statutory Authority

RCW 79.10.330: If an arrearage exists at the end of any planning decade, the department shall conduct an analysis of alternatives to determine the course of action regarding the arrearage which provides the greatest return to the trusts based upon economic conditions then existing and forecast, as well as impacts on the environment of harvesting the additional timber. The department shall offer for sale the arrearage in addition to the sustainable harvest level adopted by the board of natural resources for the next planning decade if the analysis determined doing so will provide the greatest return to the trusts.



2019 BNR Policy on Arrearage

“Before the Board of Natural Resources approves a decadal sustainable harvest level, the department will determine whether an arrearage exists for the prior decade. A decadal arrearage exists if the actual timber volume sold and not defaulted for the decade is less than the sustainable harvest level for that decade.



2019 BNR Policy on Arrearage

If a decadal arrearage exists, the department will conduct an analysis. The analysis should:

- **Determine how much of the shortfall in volume is actually available for sale.**
- **Identify the shortfall volume available for sale by the sustainable harvest units used in the sustainable harvest calculation.**
- **Consider the economic and environmental impacts of alternative courses of action to address sale of the additional timber in the following decade.**



2019 BNR Policy on Arrearage

The Board of Natural Resources will consider the analysis and adopt a course of action to address the decadal arrearage that is in the best interest of the trusts.”



Eastside Sustainable Harvest Units

5 Sustainable Harvest Units of the 1996 SHC:

- Klickitat
- Yakima River
- Highlands / South Okanogan
- North Columbia
- Arcadia

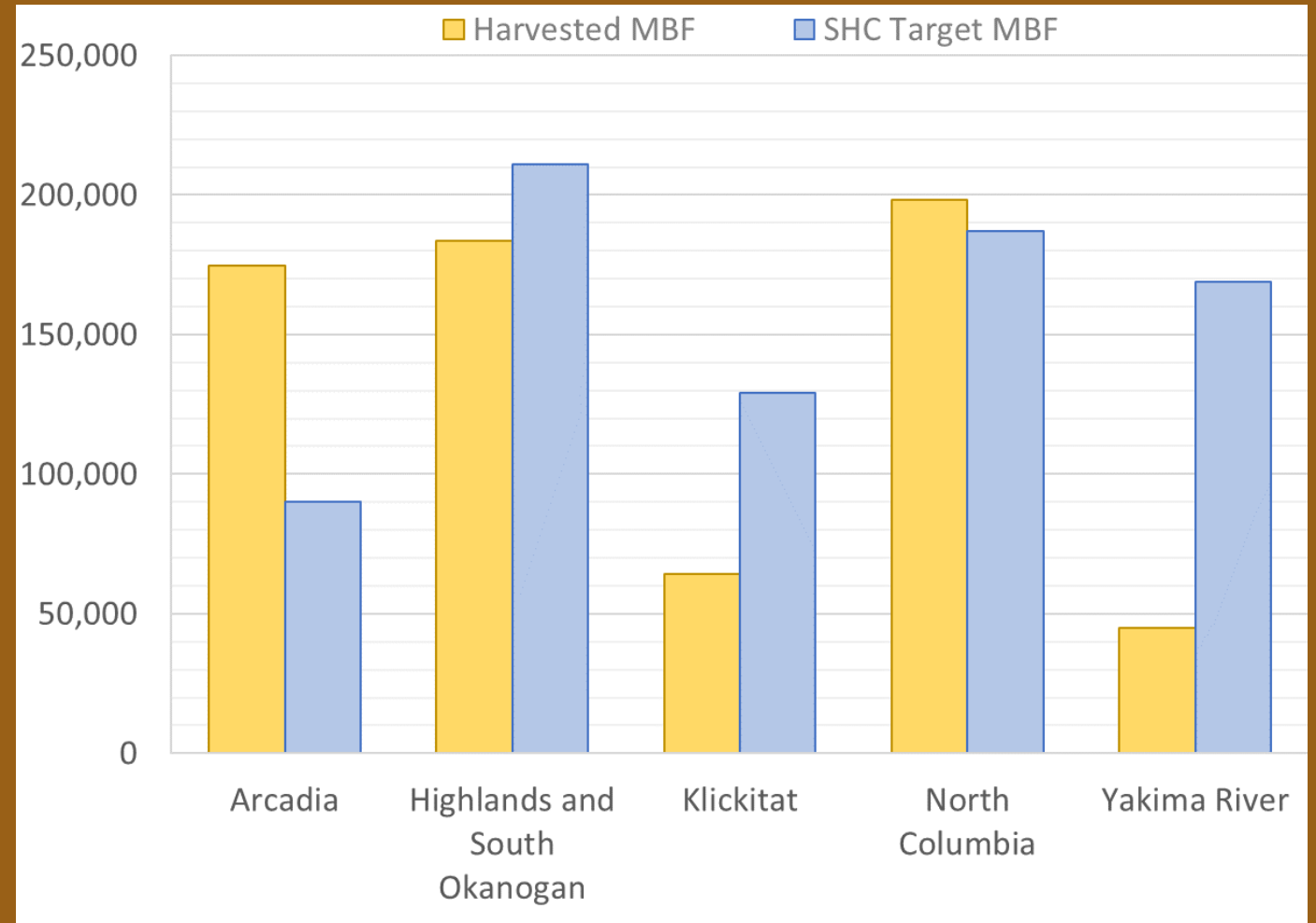


Challenges with 1996 harvest target

- **The 1996 calculation was an adjustment of the 1988 calculation based on HCP adoption**
- **Major changes in laws, policies, and land plans**
- **Large land transfers since 1996**
- **Major changes in inventory – technology & natural disturbance**

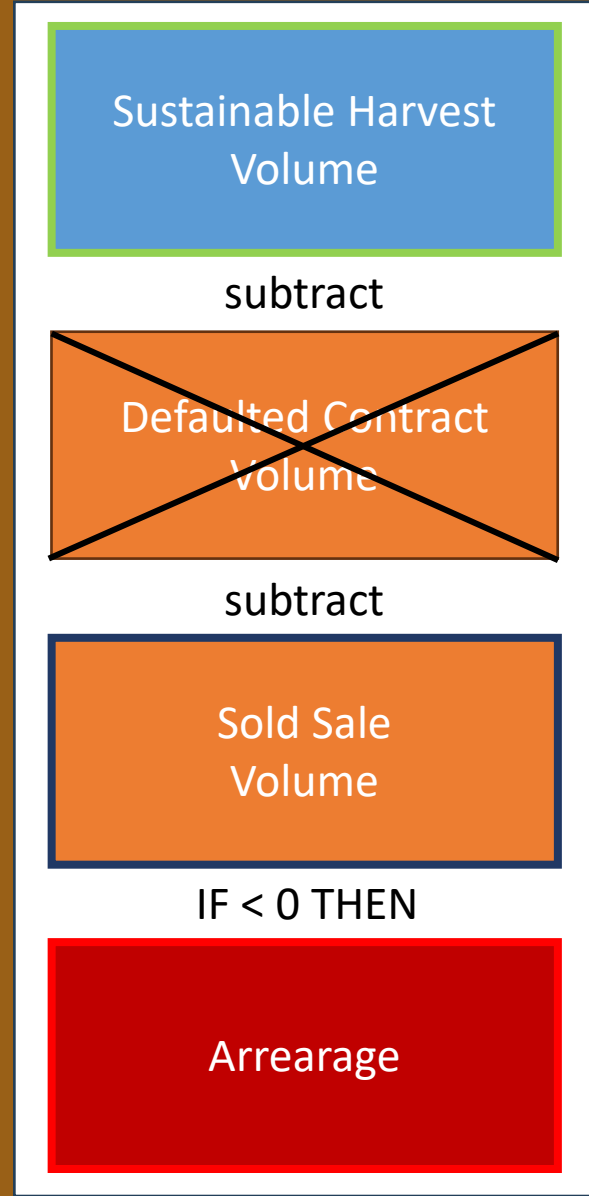


Eastside Arrearage, 2015-2024



Eastside Arrearage, 2015-2024

Sustainable Harvest Unit	Harvested MBF	SHC Target MBF	Difference in MBF	Arrearage
Arcadia	174,542	90,000	84,542	
Highlands and South Okanogan	183,460	211,000	-27,540	-27,540
Klickitat	64,277	129,000	-64,723	-64,723
North Columbia	198,285	187,000	11,285	
Yakima River	45,090	169,000	-123,910	-123,910
Total MBF	665,654	786,000	-120,346	-216,173



The Why Behind Arrearage

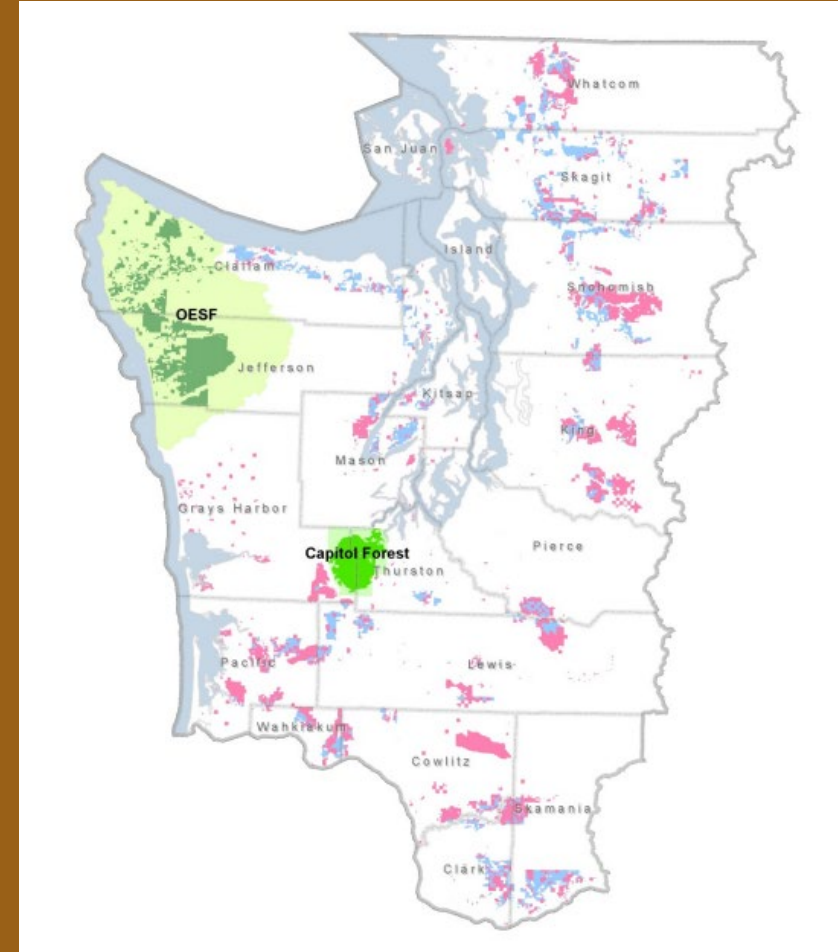
- **Very difficult to quantify due to changes that have occurred since 1996**
 - **Changes in economic viability**
 - **Changes in laws, policies, and land plans**
 - **Changes in land base due to land transfers**
 - **Changes in forest inventory due to wildfire and other disturbances**
 - **Changes in how forest inventory is determined**



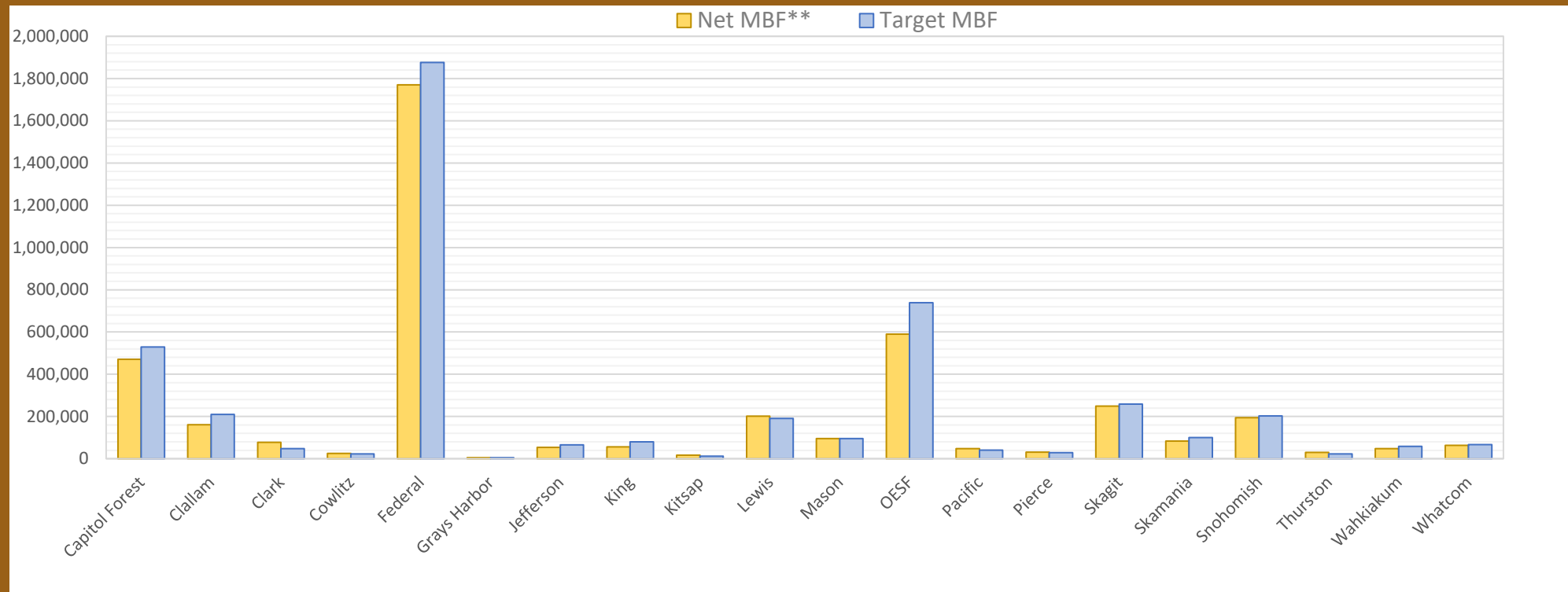
Westside Arrearage

In western Washington, the Policy for Sustainable Forests defines 20 sustainable harvest units:

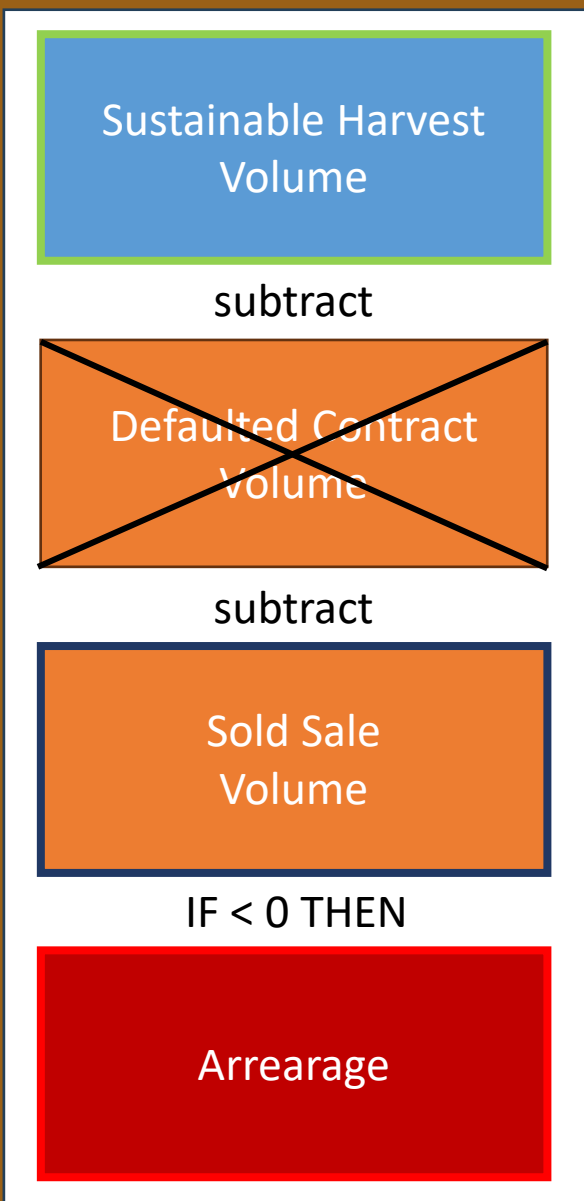
- OESF
- Capitol Forest
- 17 Counties
- Federal Trusts & State Forest Purchase



Westside Sustainable Harvest Unit Performance



Sustainable Harvest Unit	MBF*	Riparian MBF	Net MBF**	Target MBF	Delta MBF	Arrearage
Capitol Forest	472,552	1,427	471,125	529,249	-58,124	-58,124
Clallam	162,496	1,204	161,292	209,659	-48,367	-48,367
Clark	78,454	364	78,090	47,879	30,211	
Cowlitz	25,418	25	25,393	23,321	2,072	
Federal	1,798,033	27,964	1,770,069	1,876,138	-106,069	-106,069
Grays Harbor	5,169	0	5,169	4,679	490	
Jefferson	54,894	423	54,471	65,220	-10,749	-10,749
King	57,666	1,817	55,849	79,981	-24,132	-24,132
Kitsap	16,983	0	16,983	11,935	5,048	
Lewis	203,080	1,128	201,953	191,136	10,817	
Mason	95,414	267	95,148	95,046	102	
OESF	602,042	12,144	589,898	738,686	-148,788	-148,788
Pacific	48,622	116	48,506	40,812	7,694	
Pierce	31,876	1,188	30,688	28,823	1,865	
Skagit	253,933	4,506	249,427	258,680	-9,253	-9,253
Skamania	83,570	42	83,528	100,777	-17,249	-17,249
Snohomish	198,746	3,803	194,943	202,653	-7,710	-7,710
Thurston	30,226	0	30,226	23,349	6,877	
Wahkiakum	47,692	106	47,586	58,996	-11,410	-11,410
Whatcom	64,691	1,480	63,211	66,666	-3,455	-3,455
Total MBF	4,331,557	58,004	4,273,553	4,653,685	-380,132	-445,306



Defaulted Contract Volume

- 6 contracts defaulted, fully rescinded, partially rescinded (13.3 MMBF)
- 4 sales the volume was resold in whole or in part (8.7 MMBF resold)
- 4.5 MBF default:

Lewis: 40 MBF >0 no arrearage	Snohomish: 2,177 MBF 9,887 MBF
Federal: 2,134 MBF 108,203 MBF	Thurston: 185 MBF >0 no arrearage



The Why Behind Arrearage

- **OESF (-149 MMBF): 1-1 rule from 2006 SHC settlement agreement; staffing in Coast District**
- **Capital Forest (-58 MMBF); Clallam, Jefferson, King, Snohomish, Whatcom (-93 MMBF): litigation, older forests, 2,000 acre project, carbon project**
- **Skamania, Wahkiakum (-28 MMBF): 2019 final decision on the Marbled Murrelet**



