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# Impact of President Clinton's Forest Plan on California's Economy and Environment - Summary and Written Statements

Senate Committee on Natural Resources and Wildlife

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# CALIFORNIA LEGISLATURE

## SENATE COMMITTEE ON NATURAL RESOURCES AND WILDLIFE

SENATOR MIKE THOMPSON  
CHAIRMAN

### IMPACT OF PRESIDENT CLINTON'S FOREST PLAN ON CALIFORNIA'S ECONOMY AND ENVIRONMENT

SUMMARY AND WRITTEN STATEMENTS



AUGUST 18, 1993  
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**CALIFORNIA LEGISLATURE**  
**SENATE COMMITTEE ON NATURAL RESOURCES AND WILDLIFE**  
**Senator Mike Thompson, Chairman**

**IMPACT OF PRESIDENT CLINTON'S FOREST PLAN  
ON CALIFORNIA'S ECONOMY AND ENVIRONMENT**

**Summary and Written Statements**

**August 18, 1993**  
**State Capitol**  
**Sacramento, California**

**COMMITTEE MEMBERS**

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**Tom Hayden**

**Pat Johnston**

**Tim Leslie**

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## TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
II. SUMMARY OF TESTIMONY	1
A. E. Thomas Tuchmann, Special Assistant to the Secretary, U.S. Department of the Interior	2
B. Dr. Ronald E. Stewart, Regional Forester, Pacific Southwest Region, USDA/Forest Service	3
C. Marvin Plenert, Pacific Regional Director, U.S. Fish and Wildlife Service	6
D. William N. Dennison, President, California Forestry Association	6
E. Fred Landenberger, First Vice President, Forest Landowners of California	7
F. Jim Brown, Vice President, Arcata Redwood, Forest Resources Council	8
G. David Ford, President, Western Forest Industries Association	10
H. Ted Rabern, Staff Representative for the Western Council of Industrial Workers (WCIW) on behalf of the WCIW and the International Woodworkers of America, U.S.	12
I. Dan Taylor, Western Regional Representative, National Audubon Society	12
J. Tim McKay, Executive Director, Northcoast Environmental Center	13
K. Nat Bingham, Habitat Director, Pacific Coast Federation of Fishermen's Associations	14
L. Terry Terhaar, Chairperson, California State Forestry Committee, Sierra Club of California	14
M. Joan Reiss, Regional Director, The Wilderness Society	16
N. Richard Hargreaves, Private Citizen	19
O. Sherie Jacobson, Private Citizen	19



**TABLE OF CONTENTS (continued)****Page****III. APPENDICES**

A.	Agenda	21
B.	Statement by Senator Thompson	22
C.	<u>The Forest Plan for a Sustainable Economy and a Sustainable Environment</u> , by President William J. Clinton and Vice President Albert Gore, Jr., 7/1/93	24
D.	<u>Background Brief on Forests in California</u> by the California Research Bureau, 7/22/93	47
E.	Testimony of E. Thomas Tuchmann	102
F.	Testimony of Dr. Ronald E. Stewart	112
G.	Testimony of Marvin Plenert	120
H.	Testimony of William N. Dennison	126
I.	Testimony of Fred Landenberger	147
J.	Testimony of Jim Brown	150
K.	Testimony of David Ford	157
L.	Testimony of Ted Rabern	190
M.	Testimony of Dan Taylor	193
N.	Testimony of Tim McKay	197
O.	Testimony of Terry Terhaar	213
P.	Testimony of Joan Reiss	244
Q.	Testimony of Richard Hargreaves	251

**SENATE COMMITTEE ON NATURAL RESOURCES AND WILDLIFE**  
**PRESIDENT CLINTON'S FOREST PLAN**

**I. INTRODUCTION**

On August 18, 1993, the Senate Committee on Natural Resources and Wildlife conducted an informational hearing on the Clinton Forest Plan. This hearing consisted of a presentation of the proposed Clinton Forest Plan by representatives of the President and other federal agencies, followed by reactions from the timber industry and environmental groups.

In his opening statement, Senator Thompson noted that the Forest Plan represents the culmination of effort following the timber summit convened in Portland, Oregon earlier in the spring. Senator Thompson indicated the purpose of this hearing is to examine the near and long-term effects of the plan on California's economy and environment. The hearing provided a forum to explore the specific impacts on California of the four major areas of reform in the plan including:

- A. Modification of the forest management practices including limited logging to 1.2 billion board feet annually in spotted owl areas of the Cascade and Westside forests of Washington, Oregon, and Northern California;
- B. The establishment of watersheds, rather than political boundaries, as the fundamental building block for planning;
- C. The emphasis on increased agency coordination;
- D. The provision of \$1.2 billion in economic assistance to the affected areas.

**II. SUMMARY OF TESTIMONY**

Senator Thompson noted that these figures are aggregate impacts across the three Pacific rim states. He added that an objective of the hearing was to provide a forum to hear from federal representatives as to how timber logging restrictions will apply to California and what portion of economic development funds will accrue to the state.

**A. E. Thomas Tuchmann, Special Assistant to the Secretary, U.S. Department of the Interior**

Mr. Tuchmann provided an overview of the Clinton Forest Plan. During his presentation, he highlighted a number of issues, including:

1. The contribution that California has made to the plan, particularly during the timber summit in Portland, where a number of Californians spoke to the President, Vice President, and Cabinet Members.
2. A brief history of past decisions and how those decisions have narrowed the range of options available to the President. Past procrastination and a tendency to ignore legal warnings issued by nine different judges and numerous scientific warnings led to the limited options available to the President that were consistent with current law.
3. The basic fundamental tenets of the Plan, including:
  - a. A sustainable harvest level of 1.2 billion board feet.
  - b. \$1.2 billion in new money to be dedicated to assisting local workers and communities in restoring their economic health.
  - c. Establishment of a comprehensive set of late successional/old growth reserves.
  - d. Creation of "Adaptive Management Areas" to encourage development and testing of forest management techniques.

Mr. Tuchmann went on to note that the President's plan is:

1. Ecologically sound - Over 600 scientists and natural resource professionals worked to ensure it reflected the state-of-the-art in science and management.
2. Legally responsible - It brings forest management into compliance with existing laws.
3. Balanced - It protects 80% of the remaining old growth forests, plus key watersheds and related forest ecosystems. The option

chosen by the President allows the most timber to move in an effort to help local economies.

4. Fair - In recognition that the proposed harvest levels are too low to support the kind of industry that existed in the past, the plan provides assistance to help promote jobs and diversify communities.
5. Honest - The plan participants did not expect harvest levels so low, but rather than continuing the previous practices of denial, the plan reflects the best science available at this time.
6. Comprehensive and integrated - The plan creates a framework in which other regional forestry decisions can be made among various federal agencies.

Mr. Tuchmann noted that the plan is a starting point, and will no doubt need change. The 90-day public comment period has now started and Mr. Tuchmann stated the administration looks forward to working with the California public to improve on what has been developed.

#### **Comments by Committee Members**

Senator Thompson asked whether another option could be chosen or could changes be made to the preferred option under this process. Mr. Tuchmann responded that the Option 9 is the preferred option and that it could be modified based on public comments.

#### **B. Dr. Ronald E. Stewart, Regional Forester, Pacific Southwest Region, USDA/Forest Service**

Dr. Stewart stated that the plan was presented to Judge William Dwyer on July 19, but the final plan will not be in place until the end of the calendar year. In the meantime, the administration is starting to use the plan as a guide. Dr. Stewart formally invited the public to participate in the comment process, noting that the most useful comments provide a detailed analysis of the issues rather than a blanket statement of disagreement.

Dr. Stewart's remarks focused on three areas: 1) the effects of the "Forest Ecosystem Management Team" (FEMAT); 2) the role of the United States Forest Service (USFS) in delivering the planned Rural Economic Initiative package; and 3) the role of the USFS with other related state and federal agencies.

1. Application and effects of the plan on California:

The team was instructed to produce management alternatives that would both meet the legal test, and produce the highest contribution to the social and economic well being in the impacted areas. The team assessed 10 different options, of which Option 9 was the preferred option because it recognizes that watershed management and the protection of riparian areas are critical elements of sustainable forest management.

The plan recommends four land allocations in addition to existing congressional reserves and administratively withdrawn areas. These four include: a) Late-Successional Reserves (918,000 acres); b) Riparian areas (298,000 acres); c) Adaptive Management Areas (124,000 acres); and d) Forest Matrix (527,000 acres). Dr. Stewart further noted that the acreage calculations are complex and tend to entail some double counting, due to the comprehensive nature of the plan. Harvest activities in the reserves would be very limited. Forest matrix harvests would be on a 180-year rotation and require at least 15% of the volume to be left uncut.

2. Delivery of the Rural Economic Initiative Package.

Dr. Stewart noted that between 1981 and 1990, the four National Forests within range of the Northern Spotted Owl sold an average of 624 million board feet per year, whereas the plan proposes sales of 152 million board feet. Anticipating the economic impact that would result from this decline, the Clinton plan determined that the best way to stabilize employment is to diversify the employment base. All plans of technical help and direct financial aid (including retraining, "jobs in the woods," and other programs) will be coordinated through the Labor and Community Assistance Working Group in a five-year, \$1.2 billion assistance program.

The USFS plans to be involved in the human/community element of the plan through the forestry program, particularly through the 1990 Memorandum of Understanding (MOU) for Rural Economic Assistance to Timber Dependent Communities. In addition, the USFS is a signatory of the MOU on Biological Diversity, and is committed to carry out the intent and purpose of this agreement. These memoranda may be used to facilitate grassroots efforts for economic recovery programs.



3. Working relationships with state and other federal agencies:

The technical and scientific aspects of implementation will require close coordination among various agencies. The USFS will consult with the U.S. Fish and Wildlife Service (USFWS), coordinate with the state Department of Fish and Game (DFG), and apply models such as the state's Natural Community Conservation efforts. It is the intent that this plan will relax pressure on private lands, not stimulate further state regulatory actions.

**Comments by Committee Members**

Senator Leslie stated that USFS policies have been turning his district into an economic wasteland, and asked what the plan really means to his district.

Dr. Stewart responded by stating that the USFS focus in the past has been the number of acres they could harvest, whereas today they are looking at much more multi-faceted solutions to broaden the economic base and improve infrastructure in communities.

Senator Leslie further pointed out that a substantial portion of the forest is comprised of dead or dying trees that could be harvested. Dr. Stewart responded that current policy is being reviewed. The emphasis is now on long-term forest health and appropriate stocking levels.

Senator Thompson asked how the economic package would be distributed among the states.

Mr. Tuchmann responded that funding is pending in the 1994 appropriations bill. The process for spending is still in flux. They are considering a number of options including 1) distributing on need and 2) breaking out fixed percentages of the total amount and distributing the remainder on need. They are establishing a structure to set priorities and create a regional group. Communities must identify their needs, and agencies will work together to address those needs.

Senator Leslie asked for further clarification of the "jobs in the woods" programs.

Mr. Tuchmann stated that formal mechanisms of coordination will include the MOU on economic diversity and the MOU on biological diversity. Mr. Tuchmann emphasized the need to separate the forest management plan from the worker assistance program. The only two agencies involved in both parts

are the USFS and the USFWS, and the link is ecosystem management and the "jobs in the woods" program. The community/state coordinating group will determine both the distribution of the economic development funds and will have a role in the implementation of forest management. They have a commitment among the Departments of Commerce, Labor, Agriculture, the Environmental Protection Agency, and Interior to develop MOUs to coordinate forest management programs and worker/community assistance.

**C. Marvin Plenert - Pacific Regional Director, U.S. Fish and Wildlife Service**

Mr. Plenert noted that the final Forest Plan is not yet in place. His remarks centered around 1) the role the USFWS has played over time, 2) opportunities for a more ordered approach to endangered species, and 3) private/public opportunities of partnerships.

He stated the USFWS recognizes that the habitat and climatic area is different in California than other states, allowing California to have a quicker rotation, and that they have found healthy populations of spotted owls in second growth forests. Nonetheless, they feel it is premature to de-list the owl at this time.

Mr. Plenert stated that they plan to use the special rule under Section 4(d) under the Endangered Species Act to describe the circumstances under which the taking prohibitions of the act may be relieved on private lands. Although not completed, the intent of the draft 4(d) rule is to bring relief, where appropriate, to the private sector. This rule would work in concert with the Habitat Conservation Plans contained in Section 10(a) of the Endangered Species Act.

Mr. Plenert closed by stating the plan will require closer cooperation and coordination among Federal and state agencies because it takes a new approach to forest ecosystem management. It acknowledges the interrelationship of forests, wildlife, and fisheries, and thus mandates a closer working relationship among all levels of government.

**D. William N. Dennison, President, California Forestry Association**

Mr. Dennison noted that California has more northern spotted owls than in Oregon and Washington due to the more restrictive timber harvest practices used by California companies. He also noted that California has had a high incidence of wildfire in the northern spotted owl area, underscoring the need for road access in healthy forests to minimize the wildfire size.

He summarized the impacts of the Clinton Plan as imposing:

1. Extreme social and economic hardship for families and communities (estimated at 5,000 jobs in Senate District 2 and 15,000 jobs in Northern California).
2. Destruction of the health of the forests and increased safety hazards due to wildfire and excess growth.
3. Wide-ranging loss of private property rights.

He asked for the Legislature's support in the following areas:

1. Support of interim federal legislation which will provide sufficiency language (i.e., exemptions) for meaningful 1993-95 timber sale program from the forests included in the Clinton Plan, while the pluses and minuses of Option 9 are properly evaluated.
2. Support healthy forest legislation which the California Forestry Association will be submitting to Congress this fall.
3. A review of California's wildlife habitat, land use history and potential to provide balanced production of commodities and amenities.
4. Assurance that Option 9 and future proposals will weigh the habitat contributions toward wildlife, fisheries and recreation provided by private landowners without adding more restrictions to private property rights.

Senator Leslie asked for data and evidence verifying the estimate of over 15,000 jobs lost in Northern California.

**E. Fred Landenberger, First Vice President of Forest Landowners of California**

Mr. Landenberger noted that Family Forests of California comprise 4 million acres in 50,000 ownerships, or more timber than all of the large industrial ownerships combined. They need a diversified manufacturing base for stable markets for timber. He stated that the Clinton Plan will clause severe restrictions on the federal timber supply which will affect the markets for the timber as there will be fewer mills to purchase the timber.

Mr. Landenberger replied that reduced production on public land will eliminate many smaller mills which rely on logs produced on public land. Small, private landowners will be unable to market their logs and will have to withdraw their land from timber production and find alternative uses.

Senators Leslie and Thompson inquired why increased restriction of public lands would not increase demand for timber harvested on private lands.

Mr. Landenberger voiced concerns that Option 9 seemed to have been developed for conditions in western Washington and Oregon and did not take California's unique conditions, particularly the higher fire hazard due to markedly different precipitation patterns. He stated that they are concerned with the reduced level of fire protection applied to federal lands under the plan, since private lands intermingle with federal lands. He further noted that California has the most stringent state forest practice act as well as restrictions imposed under the Endangered Species Act. In his view, the restrictions imposed have not been preceded by adequate scientific evidence.

He closed with the thought that restrictions on federal timber supplies will severely impact the forest products manufacturing base in California.

**F. Jim Brown, Vice President Arcata Redwood, Forest Resources Council**

Mr. Brown stated that the Forest Resources Council (FRC) analysis concluded that the plan would reduce timber sales by 75%, a drop they estimate is likely to result in the loss of 85,000 direct and indirect jobs. Member companies of the FRC do not rely on federal timber sales for their livelihood, but they are inextricably linked to the communities and the competitive markets that do depend on national forest timber sales.

Mr. Brown identified seven points of concern:

1. Drafters of the plan ignored California's existing statutes and regulation governing environmental issues on private forest lands.
2. The prescriptions in the plan appear to be based more on opinion than on scientific research supported by data.

3. The plan implies that the prescriptions of federal lands should be applied to private property. This would limit harvests on private lands, and eliminate the opportunity of private lands to make up the production shortfall.
4. The plan calls for the elimination of forest management operations in "key watersheds" until a comprehensive plan is prepared. Any effort to extend such a policy to private lands would be inappropriate.
5. The plan sends mixed messages on the role of private lands as part of the threatened and endangered species recovery effort.
6. The plan underestimates the potential for increased fire danger to private lands and other non-federal lands such as state parks.
7. The plan, if implemented, will substantially reduce timber supply of federal lands and increase the demand on the state's already regulated private lands.

Mr. Brown further noted that the plan handles private lands in an inconsistent manner. On the one hand, it suggests that private lands should be subject to the same timber harvest restrictions as federal lands. On the other hand, the plan states that the private lands can increase timber harvest to help offset lost production from federal lands.

Mr. Brown concluded with the following recommendations:

1. California public policymakers should resist adoption of any state or federal policy that subjects private forest lands to prescriptions without adequate factual and scientific justification.
2. The Clinton Administration should amend the plan to:
  - a. Acknowledge California's existing forest management practices and then exempt this state from the plan.
  - b. Re-evaluate plan prescriptions and separate those based on sound science from those based on theories. Eliminate all policy proposals not based on good science, or defer them pending further study.



## **Comments by Committee Members**

Senator Leslie asked whether the plan applied to private land. Mr. Tuchmann replied that there was no intention to apply restrictions to private lands. Because of the increase protection to wildlife on federal lands, there are more opportunities to apply the 4(d) rule on private lands. Discussion followed on the development of the 4(d) rule.

### **G. David Ford, President, Western Forest Industries Association**

Mr. Ford indicated that the Western Forest Industries Association represents small independent solid wood products manufacturers, who depend upon federal lands for their basic supply of logs. He emphasized that small progressive timber companies are at a crossroads. The level of board feet will be insufficient to maintain mills. This will result in a deficiency of supply relative to the demand for timber. He expressed concern that the Clinton plan will increase the pressure of small independent landowners to sell to large corporations. This could result in a consolidation of timber corporations.

Given the limits on timber availability, Mr. Ford requested that the federal government ensure that the available timber goes to entities that really need it. He argued that the goal of the plan should be to maximize employment with the allocation of timber. His suggestions to the Clinton Administration included:

1. Community Based Partnerships - Current efforts underway such as the Quincy Library Group in Quincy are finding ways to bring opposing groups to the table to address one another's concerns and insure the future stability of the community. These efforts should be encouraged.
2. Protect Dependent Communities - If a community is dependent on a mill that is dependent on federal timber, this mill should receive priority for harvest of the portion of federal timber available.
3. Ecosystem Management - The Clinton plan should embrace a management system that stresses less intensive management on more acres.
4. Value-Added Manufacturing - The Clinton plan should encourage value-added manufacturing of solid wood products, including secondary manufacturing of wood products.

5. Adaptive Management Areas - This concept is a step in the right direction and should be encouraged.
6. Financial Relief to Small Business - Due to the difficulty in obtaining bonding, small business owners find it difficult to sustain a healthy cash-flow. The Clinton Administration should examine this problem.

Mr. Ford made the following recommendations for the final plan.

1. Protection of small dependent communities must be assured.
2. Value added manufacturing of wood products must be encouraged, through the use of grants, loans, and other economic incentives.
3. Adaptive Management Areas and Community Based Partnerships should be expanded.
4. Special financial assistance should be made available for existing small business manufacturers in California - through low interest government guaranteed loans which could be used either to cover the up-front costs of purchasing federal timber sales, or to invest in value added manufacturing of wood products.

Mr. Ford further stated that the California Senate could do the following to help small business:

1. Communicate to the Administration that the final EIS should be modified to ensure survival of small independent sawmill operator .
2. Communicate a strong desire to have additional local control incorporated in the management of the Adaptive Management Areas.
3. Examine the implications of the Clinton Plan and other federal land management initiatives with efforts to update state forest practices rules.

**H. Ted Rabern, Staff Representative for the Western Council of Industrial Workers (WCIW) on behalf of the WCIW and the International Woodworkers of America, U.S.**

Mr. Rabern noted that he had previously worked in California in the timber industry and had seen many workers lose their jobs. He described the process that workers went through after losing their jobs. Federal programs like the Job Training Partnership Act (JTPA) try to retrain and place workers -- many of whom do not have a high school education -- in a new job which is usually a low-paying service job. He stressed that job displacement that would happen under the Clinton plan would stretch state social programs such as housing, welfare, health coverage, and counseling to their limits. He described the difficulty some individuals he knew personally had in adjusting to the loss of employment and the absence of alternatives.

He further stated that Option 9 is opposed by the organizations he represents because it offers no stability or certainty or short term relief.

He reiterated the need to keep people in the front of one's mind when making decisions.

**I. Dan Taylor, Western Regional Representative, National Audubon Society**

Mr. Taylor noted that procrastination in dealing with the underlying issues of forest management has greatly limited the options and increased the costs of "doing the right thing." Forest policy leadership has been a lesson in both delay and denial in its management of public and private lands, often in flagrant violation of the law.

Mr. Taylor asked that the comment period be lengthened to allow for better analysis.

Mr. Taylor identified positive aspects of the Plan as:

1. The emphasis on ecosystems and science.
2. Its commitment to uphold existing laws.
3. What is inside the reserve boundaries.

Mr. Taylor identified a number of weaknesses of the plan including:

1. Logging in reserves - too much logging is allowed in the reserves; there should be no logging of ancient forests.
2. Logging on the matrix lands, particularly the abandonment of the "50-11-4 rule."
3. Species viability standards are too low.
4. Adaptive Management Areas - although the concept has merit, the criteria for guiding management in these areas is incomplete and could be abused.

Mr. Taylor noted that a balance must be struck that will maintain a well distributed wildlife population and also be sensitive to the financial purposes and property rights considerations on private lands.

#### **Comments by Committee Members**

Senator Hayden asked when the EIS must be submitted to Judge Dwyer. Mr. Tuchmann responded by December 31, 1993.

#### **J Tim McKay, Executive Director, The Northcoast Environmental Center**

Mr. McKay stated that after 20 years of involvement in Forest Service land management, he has observed that plans and proposals do not always translate into changes on the ground, and therefore require careful monitoring which has been lacking in the past.

Positive aspects of the Clinton plan include the emphasis on watershed management and restoration. In the past, funds for such programs have not been forthcoming. He voiced concerns that funding to implement Option 9 may be in doubt, noting that the attempt of the House Interior Appropriations Subcommittee to reprogram \$35 million for watershed restoration had been blocked thus far.

He stated that watershed restoration must be given the highest priority. While much focus has been on the northern spotted owl, the owl is merely an indicator of a severely damaged forest ecosystem which has had a significant impact on salmon and steelhead fisheries. He pointed out that there are 4,300 miles of perennial fish bearing streams in the four "owl forests" while there are 20,000 miles of forest roads, mostly unpaved and a primary contributor of sediment to the salmon and steelhead streams.

He emphasized that the general pattern of land use and development in this region has led to fragmentation and increasingly intensive management that creates erosion and a reduction in biological diversity.

He provided a historical overview of the region, noting that World War II caused a radical shift in population to the Western United States, followed by the GI bill which provided low interest housing loans to veterans, creating a timber boom in the West. Peak employment in the timber industry in Humboldt County occurred in 1955 and has been declining every since. Although the timber conflict has been characterized as a urban-rural conflict, he noted that it relates more to the suburbanization of the West. For the past thirty years, increasing numbers of people - not linked to logging, mining or ranching - have moved to the region and have demanded that changes take place to protect and restore the region.

**K. Nat Bingham, Habitat Director, Pacific Coast Federation of Fishermen's Associations**

Mr. Bingham stated that his organization believes it should work with the government, the timber industry, and the environmental community and cease fighting each other. Currently 25 out of 300 boats are fishing now in the north coast region, due to the low numbers of fish available, which has been caused in part by activities by the timber industry.

He stated that they will provide detailed comments in the future, but their preliminary analysis indicated that the aquatic sections of the plan and the provisions for riparian reserves looked promising. He noted that streams require 80-year-old conifers to retain the correct temperature, and hence it will require a significant amount of work and time to restore the streams and put the roads to bed.

Mr. Bingham requested that when computing job losses to the fishing industry, the plan include fish processing jobs lost. This would make the analysis parallel to the timber analysis which includes mill jobs as part of the computation of job losses.

**L. Terry Terhaar, California State Forestry Committee Chair, Sierra Club of California**

Ms. Terhaar stated that the Sierra Club believes the Clinton plan represents a first step toward long-term preservation of the remaining federal ancient forests. However, she added that the Sierra Club has concerns about the ability of the plan to protect the remaining ancient



forest ecosystem permanently. To address these concerns, she identified a number of recommendations for changes to the plan. These changes include:

1. The ancient forest reserves proposed in the plan should be made permanently off limits to roads and logging. Additionally, all remaining ancient forest should be included as part of the reserve.
2. Salvage and thinning operations must be strictly limited and only allowed when they improve the health of the forest. All attempts to reduce fire risk should be limited to the non-commercial removal of ladder fuels.
3. Streamside buffer zones should be increased in the matrix.
4. Most of the areas in the Adaptive Management Areas (AMAs) should be included within ancient forest reserves. For those areas that remain in AMAs, local community involvement should be secondary to the guidance of science and long-term ecosystem preservation.

She urged that sufficient appropriations be obtained over the years to ensure adequate monitoring and oversight by agency professionals.

Ms. Terhaar noted that this plan only deals with federal ancient forests of Northern California and will have a better chance of success if the state improves the conditions of adjacent privately owned timberlands. She stated that a need exists for state legislation that will mandate protection, recruitment and connection of ancient forests, old growth and similar habitat across a forest landscape. She pointed out that the regulatory actions of the State Board of Forestry to date had not resulted in restrictions or limits placed on the harvesting of old growth forests.

She identified a number of steps California can take to enhance the plan including:

1. Enact state legislation that mandates the protection, recruitment, and connection of ancient forests.
2. Enact state legislation that prevents the depletion of raw timber on private timberland.

3. Enact state legislation that provides for overall watershed assessment and standards of forest resource protection.
4. Enact state legislation that prevents the conversion of private timberland to hardwoods.
5. Enact state legislation that ensures private timberlands are restored, enhanced, and maintained.
6. Communicate to the Clinton Administration and Congress the need for permanent long-term protection of ancient forest resources.
7. Oppose any efforts to exempt federal forest management from federal environmental laws ("sufficiency language").
8. Support permanent federal legislative protection of the Sierra Nevada ancient forests.
9. Support adequate federal appropriations for monitoring the plan, restoration activities, and economic transition programs.
10. Support establishment and funding of a training center for agency personnel on state-of-the-art forest management and restoration.
11. Ensure full public participation in planning and implementing the plan.

In conclusion, Ms. Terhaar urged members to resist the urge to weaken existing state forestry laws and regulations.

#### **Comments by Committee Members**

Senator Hayden asked Ms. Terhaar to clarify whether her concern regarding salvage of dead trees applied to all forests or only ancient forests. She replied it applied to both.

#### **M. Joan Reiss, Regional Director, The Wilderness Society**

Ms. Reiss noted that two processes are currently underway that relate to the plan:

1. Judge Dwyer is currently reviewing the FEMAT report as part of the legal proceedings.
2. A draft Supplemental Environmental Impact Statement (SEIS) as required under the National Environmental Policy Act (NEPA) is currently in the comment period which will continue until October 28th.

In her view, the draft SEIS represents a starting point for a process that will produce a set of forest plans. Of the 10 options proposed she contended that two are illegal (#7 and #8). She further noted that environmentalists are not planning litigation on the draft SEIS, but rather plan to work for a superior alternative through the process described by law.

She identified a number of key issues of importance to the Wilderness Society:

1. Key Watershed Approach - Given the number of at-risk salmonid stocks (314), ecosystem management, including watersheds, is critical. It is most successful when all landowners participate, including federal and nonfederal landowners.
2. Logging in California - She pointed out that although federal harvesting levels would decrease, private land cutting has increased from 1.6 to 1.8 billion board feet in the California owl forests.
3. Employment Issues - She argued that regardless which alternative is adopted, there would be a loss of 1,000 jobs or less. She noted that between 1979 and 1989 (prior to the listing of the northern spotted owl), more than 26,000 West Coast timber workers lost their jobs due to increased exports of raw logs, increased labor productivity, improved plant efficiencies, and a shift of production to southern states. At the same time, the timber industry cut more trees than before.

Ms. Reiss also noted that some county budgets have been dependent on federal timber receipts. She argued that timber receipts should be uncoupled from the counties' budgets and increase the Payment in Lieu of Tax. This way, a county would receive revenues from federal lands but not for the number of trees cut.

Because of the micro impact closures have on specific communities, she stated the Clinton economic assistance package is an essential part of restoration efforts in degraded riparian zones. She noted that this package is mired in congressional gridlock.

Ms. Reiss made a number of recommendations for changes to the plan:

1. She recommended adoption of Option 1. Even if Option 1 is not chosen, she argued that the plan needs ancient forest reserves which would include prohibitions on all logging related operations. Reserves must include all important watersheds, and all roadless areas and the most ecologically significant ancient forest.
2. Protection is needed in the riparian zones outside of the reserve areas.
3. Provide higher viability of populations of both fish and wildlife. Retain the 50-11-40 rule which provides habitat conditions for spotted owl dispersal.
4. Adaptive Management Areas are vague with regard to both process and rules. The management of AMAs should be subject to existing laws. Local groups should have an advisory capacity, rather than complete authority.
5. A funded monitoring provision should be included.

She also stated recommended actions for the California Legislature:

1. Enact a resolution supporting the recommended changes in the Clinton Forest plan including a) inviolate reserves of old growth, b) increased riparian protection zones, and c) assured viability of all species across the landscape.
2. Enact a resolution supporting the economic assistance package.
3. Pass legislation that would mandate preparation of an Environmental Impact Report of all timber harvests with blocks of old growth exceeding 20 acres.
4. Enact legislation for private forest lands to enact the "50-11-40 Rule" and enhanced protection of riparian zones as proposed in the Clinton plan.

5. Work with the congressional delegation to uncouple timber receipts from county budgets and replace with Payment in Lieu of Tax.

#### **Comments by Committee Members**

Senator Hayden asked why the Sierra Nevadas are not included in the Clinton Timber plan. Ms. Reiss responded that there are no Northern Spotted Owls in that region and therefore it was not subject to the injunction.

#### **N. Richard Hargreaves, Private Citizen**

Mr. Hargreaves noted that Option 9 would result in massive job dislocations, particularly when taking into account the indirect job loss that will occur. He stated that when a timber town loses 10% to 15% of its income, other merchants' businesses will be forced to close. He questioned whether the social economic retraining package would materialize because most of the funds are already appropriated through other economic programs, and additional funding would require congressional approval subject to federal budget constraints.

He argued that the JTPA programs are short term and ineffective at moving dislocated workers into high-wage, high-skill jobs. He also argued that the restoration program does not create many jobs, and that they are seasonal and short term.

He warned that the effect of mill closures in other communities has shown an increase in crime. He recounted a number of social problems resulting from job dislocation and the impact this has on workers and their families.

#### **O. Sherie Jacobson, Private Citizen**

She expressed outrage that families of timber workers were not allowed to participate in the process. The Clinton Plan, in her view, would encourage the export of jobs and would contribute to the demise of families.

#### **Comments by Committee Members**

Senator Thompson concluded the hearing by thanking everyone who participated, especially those who came great distances from Washington, D.C.,



and throughout the state. All the witnesses expressed a sincere interest in our forests and what they mean to the people of our entire state, as well as the forest region.

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AGENDA

**Impact of President Clinton's Forest Plan  
On California's Economy and Environment  
August 18, 1993 -- 9:30 a.m.  
Room 4203, State Capitol**

**9:30 to 10:30 PRESIDENT CLINTON'S FOREST PLAN**

*Office of Environmental Policy -- Thomas Tuchmann, Special Assistant, Secretary  
of the Interior*

*U. S. Forest Service -- Ronald Stewart, Regional Forester, Pacific Southwest Region*

*U. S. Fish and Wildlife Service -- Marvin Plenert, Regional Director, Pacific Coast Region*

**10:30 to 11:30 IMPACT ON TIMBER AND RELATED INDUSTRIES**

*California Forestry Association -- William N. Dennison, President*

*Forest Landowners of California -- Fred Landenberger, First Vice President*

*Forest Resources Council -- Jim Brown, Vice President, Arcata Redwood*

*Western Forest Industries Association -- David A. Ford, President*

*Western Council of Industrial Workers -- Ted Rabern, Field Representative*

**11:30 to 12:30 IMPACT ON THE ENVIRONMENT AND WILDLIFE**

*National Audubon Society -- Dan Taylor, Director*

*North Coast Environmental Center -- Tim McKay, Executive Director*

*Pacific Coast Federation of Fishermen's Associations -- Nat Bingham, President*

*Sierra Club of California -- Terry Terhaar, State Forest Practices Chair*

*Wilderness Society -- Joan Reiss, Regional Director*

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\* Subsequent hearings on the impact of timber harvest practices and regulations on the economy, environment, and local communities will be conducted on the North Coast and in the Sierras during the Interim Study Recess.



**STATEMENT**  
**By Senator Mike Thompson**  
**For the Informational Hearing to Review**  
**the Clinton Forest Plan and its impact on California**  
**August 18, 1993**

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President Clinton recently issued his Forest Plan which represents the culmination of effort following the timber summit convened in Portland this Spring.

The purpose of this hearing is to examine the near and long-term effects of the plan on California's economy and environment.

The Clinton Forest Plan includes four major areas of reform, all of which will have an impact on California. The Plan:

- 1) Modifies forest management practices including limiting logging to 1.2 billion board feet annually in spotted owl areas of the Cascade and Westside forests of Washington, Oregon, and Northern California;
- 2) Establishes watersheds, rather than political boundaries, as the fundamental building block for planning;
- 3) Fosters increased agency coordination; and
- 4) Offers \$1.2 billion over five years in economic assistance to affected areas.

The figures I just quoted aggregate impacts across the three Pacific rim states. What we don't know is precisely how the timber logging restrictions will apply to California and what portion of economic development funds will accrue to this state. In this hearing we will have the opportunity to hear from federal representatives from a

variety of agencies that will be able to identify how the plan will affect California.

We will first hear from a U.S. Department of the Interior representative who will give an overview of the plan. He will be followed by representatives from regional offices of the U.S. Forest Service and the Fish and Wildlife Service who will be able to assist in implementing the plan in California.

Following the federal agency presentations, we will hear from a panel of representatives from the timber industry and organized labor, followed by representatives of environmental groups. Given our time constraints, I have to ask members of the two panels to keep your comments brief and limited to 10 minutes.

At the end of the hearing we will hear from others who have signed up to testify, to the extent that time allows.

Before we begin, I want you to know that we plan to hold additional hearings on the impact of timber harvest practices and regulations on the economy, environment, and local communities on the North Coast and in the Sierras during the Interim Study Recess. At that time, we will hear testimony from local residents who cannot be here today.

#927

# **THE FOREST PLAN**

## **FOR A SUSTAINABLE ECONOMY AND A SUSTAINABLE ENVIRONMENT**



**PRESIDENT WILLIAM J. CLINTON  
VICE PRESIDENT ALBERT GORE, JR.**

July 1, 1993  
Washington, D.C.



# **THE FOREST PLAN:**

## **FOR A SUSTAINABLE ECONOMY AND A SUSTAINABLE ENVIRONMENT**

President Clinton's Forest Plan for a Sustainable Economy and a Sustainable Environment is a comprehensive and innovative blueprint for forest management, economic development, and agency coordination aimed at strengthening the long-term economic and environmental health of the region. For too long, contradictory policies from feuding agencies have blocked progress, creating uncertainty, confusion, controversy and pain throughout the region. President Clinton's plan reflects his commitment to break the gridlock with a courageous, new approach that balances economic and environmental concerns.

The Forest Plan provides:

- o A sustainable harvest that will allow timber sales and logging based on a scientifically-sound and legally-responsible plan, improving forest management and ending the confusion and uncertainty of past policies;
- o New economic assistance to help local workers, businesses and communities to strengthen the region's economy, create family-wage jobs, offer new economic opportunities and ensure the region's long-term economic health, confronting economic issues ignored by past Administrations;
- o An innovative, new approach to environmental protection focusing on key water supplies and valuable old growth forests, that will once again base forest management on science and a respect for existing law;
- o A comprehensive system of old growth reserves to protect old growth ecosystems;
- o New opportunities for people in the region to participate in decisions regarding management of the nation's forests for the economic and environmental benefits they provide and to help plan for their future;
- o Improved coordination among federal agencies responsible for managing federal lands, ensuring that federal agencies will work together, with state and local officials, with tribes, and with private landowners for the best interests of the people and communities in the region, instead of working against each other, undermining the law and creating gridlock.

### **BACKGROUND**

On April 2 in Portland, Oregon, President Clinton convened the Forest Conference as the first step toward a balanced and comprehensive policy that would recognize the importance of the forests and timber to the economy and jobs in the region and recognize the importance of America's old



growth forests, and the rivers and streams and wildlife that are so much a part of America's national heritage and the region's natural treasures.

The Forest Conference fulfilled a commitment President Clinton made to the people of the Pacific Northwest and Northern California to break the gridlock that has blocked progress on these issues with a comprehensive, innovative, and balanced plan for the region's long-term economic and environmental health.

"The most important thing we can do," President Clinton said in opening the conference, "is to admit, all of us to each other, that there are no simple or easy answers. This is not about choosing between jobs and the environment, but about recognizing the importance of both and recognizing that virtually everyone here and everyone in this region cares about both."

At the Forest Conference, the President, the Vice President, key members of the Cabinet and other top Administration officials talked with people from throughout the region representing a broad range of views and perspectives -- many of them adversaries who had spent more time fighting each other than working together. The Forest Conference provided a first-hand understanding of these issues and how the people in the region have been and will be affected.

At the close of the Forest Conference, President Clinton directed his Cabinet to action with five fundamental principles to guide them. President Clinton said:

- o "First, we must never forget the human and economic dimensions of these problems. Where sound management policies can preserve the health of forest lands, sales should go forward. Where this requirement cannot be met, we need to do our best to offer new economic opportunities for year-round, high-wage, high-skill jobs.

- o Second, as we craft a plan, we need to protect the long-term health of our forests, our wildlife, and our waterways. They are ... a gift from God and we hold them in trust for future generations.

- o Third, our efforts must be, insofar as we are wise enough to know it, scientifically sound, ecologically credible, and legally responsible.

- o Fourth, the plan should produce a predictable and sustainable level of timber sales and non-timber resources that will not degrade or destroy our forest environment.

- o Fifth, to achieve these goals, we will do our best to make the federal government work together and work for you. We may make mistakes but we will try to end the gridlock within the federal government and we will insist on collaboration, not confrontation."

Three working groups were established immediately after the Forest Conference: 1) Ecosystem Management Assessment to focus on forest management; 2) Labor and Community Assistance to focus on economic development; and 3) Agency Coordination to focus on how federal agencies work together. These working groups were comprised of scientists and experts from across the agencies involved (the Departments of Agriculture, Interior, Commerce, and Labor, as well as the Environmental Protection Agency, the White House Office on Environmental Policy, the National Economic Council, the Office of Science and Technology Policy, the Office of the U.S. Trade

Representative, the Council of Economic Advisors, the Office of Management and Budget, and the Domestic Policy Council). They conducted exhaustive research and analysis and met with a wide range of groups and individuals from a broad range of perspectives before issuing their reports to the White House on June 2. It is their work, and the ideas and opinions of the scores of people they consulted that provides the foundation for the President's Forest Plan for a Sustainable Economy and a Sustainable Environment.

## **FOREST MANAGEMENT**

The President's Forest Management Plan offers an innovative new approach which uses key watersheds as its basic building blocks and offers new possibilities for environmental and scientific research through the creation of Adaptive Management Areas.

Recently, forest management proposals have been driven either by an approach based on protecting areas inhabited by specific species, such as the spotted owl or marbled murrelet, or, by an approach based on protecting a specific type of forest.

The President's plan offers a different approach, based on sound science and a commitment to existing law, which is built around identifying and protecting key watersheds and old-growth forests. Such an approach takes great steps to protect the region's drinking water and represents an obvious and essential step toward restoring a healthy salmon industry. It protects threatened species, such as the northern spotted owl and the marbled murrelet, scores of other species (including fish now considered "at risk" under the law), as well as the most valuable old growth forests.

Ten Adaptive Management Areas provide opportunities for federal, state and local officials, industry, community, and environmental organizations, tribes, and others to work together to develop innovative management approaches, such as the Applegate Project and the Douglas Project in Oregon and the Hayfork Adaptive Management Area in Northern California. These areas provide for intensive experimentation and innovation to demonstrate new ways to achieve ecological, economic, and social objectives and allow for local involvement. A rigorous monitoring and research program will ensure the development and analysis of scientific data to assess the effectiveness and impact of these approaches.

Key elements of the President's plan include:

- o Watersheds as the fundamental building block;
- o Reserve areas based on watersheds and old growth that include the most valuable old growth forests and designated conservation areas to protect specific species. Only very limited activities would be permitted in the reserves, including salvage and thinning where the primary objective of that salvage and thinning is to accelerate the development of old growth conditions.

o Ten Adaptive Management Areas of 78,000 - 380,000 acres each for intensive ecological experimentation and social innovation to develop and demonstrate new ways to integrate ecological and economic objectives and allow for local involvement in defining the future;

o The development of a new rule from the Fish and Wildlife Service to ease restrictions on timber harvest from certain non-federal lands (modifying what have been known as "owl circles"), possible because the President's plan improves management of federal lands; and, encouraging private companies to commit the timber released by these changes to processing in domestic mills;

o Federal assistance to bring to market backlogged timber sales from Indian reservations.

The President will submit his forest management plan to the court and will do everything possible to resolve the legal challenges and lift the injunctions that have stopped timber sales so that both the Forest Service and the Bureau of Land Management can implement a sale planning and preparation program as quickly as possible. He is asking the Secretaries of Agriculture and Interior to take any other available actions consistent with our legal obligations to revive the timber sale program.

And, because the President believes the workers, businesses, and communities in the region need help as quickly as possible, the President is directing his Cabinet to work with all those who share his determination to resolve these issues in a fair and balanced way to develop the most effective means to implement this plan and move timber sales forward as quickly as possible.

Harvest levels in the President's plan take into account the fact that previous Forest Service management plans have significantly overestimated the amount of timber available for harvest every year, presenting unrealistically high harvest levels that cannot be sustained even under existing forest management plans. The President's plan provides for a sustainable timber harvest of 1.2 billion board feet annually on the spotted owl forests. In addition, the expected release of sales stopped by injunction, steps to move timber from Indian lands, and other measures are expected to increase that figure as the program is implemented.

The President's Forest Plan focuses on management strategies to resolve the long-standing court challenges over management of the spotted owl and old growth forests on the west side of the Cascade Mountains. Management of east side forests will need to focus on restoring the health of forest ecosystems impacted by poor management practices of the past.

The President is directing the Forest Service to develop a scientifically sound and ecosystem-based strategy for management of the east side forests. This strategy should be based on the forest health study recently completed by agency scientists as well as other studies. Consistent with this strategy, the President also is directing the agency to accelerate efforts to prepare timber sales to harvest dead and dying timber on the east side.

## ECONOMIC DEVELOPMENT

Unlike his predecessors, President Clinton recognizes that the Northwest forest crisis involves important economic and social as well as environmental concerns. Recognizing the importance of timber and forests to the economy and jobs in the region is central to the President's Forest Plan for a Sustainable Economy and a Sustainable Environment.

The President's plan will provide immediate and critical support for economic adjustment and diversification in the region, including expanded funding for business development, economic planning, infrastructure development and worker retraining to help build a foundation for long-term economic strength and environmental health. The President's plan will help existing companies grow and attract new businesses. It will add more jobs for the timber harvested by encouraging value added manufacturing and help those workers and those communities who rely on a future in wood.

The plan will provide \$270 million in new funding for FY 1994 -- \$1.2 billion over five years -- including a new Northwest Economic Adjustment Fund. While estimates indicate that the forest plan will directly impact 6,000 jobs, in 1994, the plan would create more than 8,000 jobs and fund 5,400 additional retraining opportunities.

Key elements of the President's plan include:

- o For workers and families, increased funding under the Job Training Partnership Act for job search assistance, retraining, and relocation; overall, a 110 percent increase in funding from \$20.2 million to \$42 million;
- o A three-part strategy for business development in the Pacific Northwest and Northern California, including improved access to capital, expanded technical assistance, and enhanced access to domestic and international markets; overall a 47 percent increase in funding from \$163 million to \$239.7 million;
- o For communities, established levels of financial assistance to timber counties, replacing the roller coaster of payments tied to timber harvests with a reliable schedule of payments, creating a sound fiscal environment for county governments, businesses, and financial institutions; strengthening community capacity to plan for economic development and diversification, and improving the infrastructure needed for such development through Community Development Block Grant lending, Rural Development Administration community facilities, and the RDA water/wastewater program; overall a 25 percent increase in funding from \$298.6 million to \$373.6 million;
- o To protect the environment and create jobs, investments in watershed maintenance, ecosystem restoration and research, environmental monitoring and forest stewardship, all of which will also improve water quality and increase salmon stocks to avoid listing of salmon species under the Endangered Species Act and to improve commercial fishing; in addition, forest stewardship will be expanded to help small landowners manage their forests; overall, a 19 percent increase in funding

from \$438.2 million to \$519.8 million.

- o Support for the elimination of tax incentives for the export of raw logs; and, the President is directing his cabinet to study effective ways to make it more difficult for companies to avoid export limitations on raw logs.

- o Directing his Cabinet to identify and implement, in a priority manner, the best ways to strengthen small businesses and secondary manufacturing in the wood products industry, including a review of increasing the supply of federal timber set aside for small businesses and possible preferences for bidders who contract for domestic secondary processing. The President also is directing his administration to encourage improved and effective community partnerships to bring together those with different perspectives on forest management. (Secondary manufacturing generates from four times to 25 times more jobs per billion board feet than primary manufacturing)

The Northwest Economic Adjustment Initiative would be implemented through an innovative partnership among state, local, and federal agencies, as well as community and business leaders, to help local families and workers caught in the middle of this crisis. The President is directing that federal agencies implement this innovative approach to economic adjustment by creating a unified management system that will bring the various agency efforts in each state together into a single team. This will coordinate the related activities of federal, state, and local agencies and provide a unified point of contact and procedures for workers, firms, and local communities.

The President's proposal, supported by Governor Barbara Roberts of Oregon and Governor Mike Lowry of Washington, represents a comprehensive experiment in "reinventing government" -- improving the way the government works to make it more responsive, more effective, and more efficient. The plan calls for replacing restrictions on the use of federal funds with performance-based measures, making new use of leveraged private resources, and creating new processes and institutions responsive to local needs and priorities.

The President's plan provides a substantial infusion of new federal assistance through innovative programs to both provide economic relief to timber communities as soon as possible and to encourage long-term economic development and diversification.

### AGENCY COORDINATION

Too often in the past, different federal agencies have acted in isolation or even at cross purposes in managing federal forest lands in the Pacific Northwest and Northern California. Instead of working to confront existing problems, they have contributed to them, creating confusion and controversy. At the Forest Conference, President Clinton made clear "we will insist on collaboration, not confrontation."

Because of the President's clear direction to improve inter-agency coordination, an entire working group was created to focus on these issues. In addition, throughout this process, an inter-agency approach, involving the key federal agencies involved, has been in use. The implementation

of a new forest management strategy provides the ideal opportunity to correct past practices and improve inter-agency cooperation and, in the process, forest management.

The President's plan will improve inter-agency coordination by:

- o Creating a new focus for forest planning based on watersheds and "physiographic provinces" that base management on the unique ecology of each region;
- o Immediately creating a new inter-agency Geographic Information System data base to allow land management and resource agencies to coordinate their efforts in the collection and development of research and data;
- o Creating provincial-level teams that would develop analyses for physiographic provinces and particular watersheds. These teams would include the relevant federal agencies, state officials and tribes and, when individual watersheds are analyzed, the objective would be to involve all affected parties in discussions on biological, timber, community, and other needs. An Inter-agency Executive Committee would coordinate and provide direction for the work of the provincial teams;
- o Revising the consultation process under the Endangered Species Act to emphasize an integrated ecosystem approach. This would include the Fish and Wildlife Service and the National Marine Fisheries Service early in the process so that the views of these agencies can be made known when the land management agencies begin to develop their plans for a particular area, instead of later in the planning process as is now the case. It would also involve the use, where appropriate, of regional consultations.

## CONCLUSION

The President's Forest Plan for a Sustainable Economy and a Sustainable Environment represents a comprehensive, innovative and balanced approach to the economic and environmental challenges facing the region. It is the result of extensive research, analysis, and cooperation among federal agencies and extensive discussions with a wide range of individuals and groups including business, labor, environmentalists, tribes, community groups, and Members of Congress. The President and his entire Administration intend to continue to seek the support and opinions of these groups to implement this plan and break the gridlock that has blocked progress on these issues.

As the President said at the close of the Forest Conference: "If we don't give up or give in to deadlock or divisiveness or despair, I think we can build a more prosperous and a more secure future for our communities and for our children." This Forest Plan is an important step toward that future.

##



# ***APPENDIX***





## ***Background***

### ***Forests of the Pacific Northwest and Northern California***

The issue is how best to manage and protect federal forest lands in the Pacific Northwest and Northern California. Years of short-sighted and contradictory policy-making by previous Administrations have fueled a region-wide battle that has polarized communities, totally blocked any rational policy making, and left decision-making in the courts.

What has been needed and what President Clinton provides today is an innovative, comprehensive, and balanced blueprint for forest management, economic development, and agency coordination aimed at strengthening the long-term economic and environmental health of the region. The President's plan provides for a sustainable harvest based on scientifically-sound and legally-responsible forest management, new job-creating investments in the region's environment, innovative protections for valuable old growth forests, and new economic assistance to help workers, businesses and communities to provide long-term, family-wage jobs and long-term economic development.

#### **THE PROBLEM:**

The debate centers on how all public forest lands should be managed to recognize the need to protect and preserve old growth forests, fish, wildlife, and water as well as the needs of the workers, businesses, and communities dependent on timber sales. Old growth forests are those at least 200 years old or older. Most remaining old growth forests are on federal lands. Nearly 90 percent of the region's old growth forests already have been logged. An estimated 8 to 9 million acres of old growth forest remain today.

Throughout the Bush Administration, key agencies responsible for managing federal forest lands (Forest Service in the Department of Agriculture and the Bureau of Land Management in the Department of Interior) simultaneously pursued not only contradictory policies, but policies the courts have ruled were in violation of federal laws (principally the Endangered Species Act [ESA], the National Environmental Policy Act [NEPA], and the National Forest Management Act [NFMA]). The debate was polarized, and gridlock ensued. As a result, court injunctions have stopped most Forest Service and some BLM timber sales, with serious economic consequences for the region.

#### **FEDERAL FOREST LANDS:**

Federal land managers historically, and through the Bush Administration, emphasized commodity uses of federal lands, e.g. logging, mining, and grazing, over conservation of natural ecosystems. Easily accessible old growth forests on federal and private lands were extensively logged long ago, creating increasingly heavy reliance on the remaining old growth forests on federal lands. These old growth forests are in demand because of the size and quality of the trees

to the timber industry. Second growth forests on most private lands are still 15 to 20 years away from harvestable age.

The old growth forests support a broad range of plants and animals and the health of these forests impacts further on the area's rivers and streams -- meaning that fish also are affected by the state of these forests. For example, the region's salmon industry, which employs an estimated 60,000 people, has already been affected by reduced fish harvests due, in part, to habitat degradation of rivers and streams in logged areas. Destroying the old growth forests has a domino effect on entire communities --reducing jobs in tourism and fishing, recreational opportunities, hunting and fishing, and endangering water supplies. Old growth forests also contain a number of known and unknown species which offer promise, such as the Pacific yew tree, whose bark yields taxol, a possible cure for breast cancer.

### **THREATENED SPECIES**

The law requires protections for the spotted owl, the marbled murrelet, and certain species of fish. In the past, legal action has centered on the spotted owl, the first species to be listed as threatened.

The northern spotted owl range is located in the forests west of the Cascade Mountains in Washington, Oregon, and Northern California. Within that range, the owls preferred habitat is old growth forests.

The Department of Agriculture's Forest Service manages 23 million acres in spotted owl range. The Department of the Interior's Bureau of Land Management (BLM) manages 2.4 million acres in spotted owl range in Oregon and Northern California.

The debate has focused on the environmental and economic benefits and costs of protecting the northern spotted owl. From 1984, when the Forest Service adopted guidelines for managing the owl's habitat on national forests in Washington and Oregon through today, this debate has been marked by contradictory and sloppy policy-making that has forced the issue into the courts.

The debate intensified over the past five years, particularly since the Fish and Wildlife Service listed the northern spotted owl as threatened in July 1990. The courts during this time repeatedly concluded that the Bush Administration was acting in violation of existing laws and issued injunctions stopping major timber sales. The Bush Administration, for example, agreed to list the owl as threatened but refused to act to protect the areas where the owl lives. Later, unhappy with the findings of the Interagency Scientific Committee, which was charged with examining the issues, the Bush Administration convened its own task force that produced a 1-1/2 page press release asking Congress to pass legislation enabling certain Forest Service and BLM timber sales to proceed and be insulated from forest management laws.

Using the Endangered Species Act (ESA) and the National Forest Management Act, environmental groups have challenged Forest Service and BLM plans to sell timber in spotted owl habitat. The ESA prohibits agencies from taking actions which will "jeopardize the continued existence" of an endangered or threatened species, a determination which the Fish and Wildlife Service makes.

A series of injunctions by the Seattle District Court and the Ninth Circuit Court of Appeals have stalled almost all timber sales in spotted owl habitat in Washington, Oregon, and Northern California since 1989.

Almost routinely, the courts said the Bush Administration abused its discretion, acted arbitrarily and capriciously and violated the law. For example, in May 1991, Judge William Dwyer in Seattle District Court ruled that, "...a deliberate and systematic refusal by the Forest Service and the Fish and Wildlife Service to comply with the laws protecting wildlife [demonstrates] a remarkable series of violations of the environmental laws."

### **SCIENTIFIC REPORTS**

The scientific understanding of the old growth forest ecosystem has evolved significantly in the past five years. Scientists have conducted three key independent assessments:

- 1) The Interagency Scientific Committee (ISC) in 1990
- 2) The Scientific Panel on Late Successional Forest Ecosystems in 1991
- 3) The Scientific Analysis Team (SAT) of the Forest Service in 1993

All three have confirmed the need to set aside larger areas of habitat to protect species which depend on old growth forest ecosystems, such as northern spotted owls, marbled murrelets, and several species of salmon.

### **ECONOMIC ISSUES**

The forests of the Pacific Northwest and Northern California have provided the foundation for the region's economy for the past century. Though historically important as a source of employment in the northwest, the timber industry has been declining in importance as other sectors of the economy have grown. In 1970, timber-related jobs accounted for about 10 percent of total regional employment. By 1989, timber employment was at about 140,000 jobs or about 4 percent of total regional employment. However, some rural areas depend almost totally on forest industries.

In the northwest region, economic growth in the past two decades has diversified a regional economy that was once much more heavily dependent on manufacturing and timber. While many rural counties are vulnerable, overall economic conditions and trends in the northwest show substantial strength. After many years of somewhat sluggish economic growth,

the Pacific Northwest economy has shown strong growth since 1986. The rate of employment growth in Oregon and Washington exceeded the U.S. average in every year since 1986.

About 43 percent of the timber land in the affected region is owned by the federal government, with the remainder in state or private hands. Federal timber sales provide local communities receipts of between \$200 and \$500 million dollars annually.

During the 1980s, the northern spotted owl region (public and private lands) accounted for more than 30 percent of the lumber produced in the United States. Because about one-third of recent timber harvests in the owl region occur on federal lands, about 10 percent of domestic timber supply potentially is affected by spotted owl protection.

Increased harvest levels have failed to increase jobs proportionately. Increased mechanization in harvesting, transporting, and milling has lowered the labor required for producing lumber. During the 1980s, for example, the number of jobs in the lumber and wood products sectors declined from 10 jobs per million board feet of harvest to below 8 jobs per million board feet. From 1981 to 1989, while harvest levels increased by 44 percent in Oregon and Washington, there was no increase in employment in forest products.

Mill closings follow a similar trend. In 1968, Oregon had 300 sawmills; by 1988 the state had 165 mills. In Washington, the number of mills fell from 182 in 1978 to 118 mills in 1988, while the total number of wood processing establishments (including veneer and plywood, pulp, shake and shingle plants and other operations) fell from 764 in 1978 to 351 in 1988.

These trends preceded the old-growth controversy. While the spotted owl often is blamed for weak employment, the long term projections indicate steady declines in employment for any given level of timber harvest.

It is important to note that by law, logs from federal lands cannot be exported and log exports from state-owned lands will be prohibited by legislation President Clinton is signing today. However, substantial volumes of timber cut from private lands in the northwest are exported to Japan, Korea, and China with minimal domestic processing.

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THE WHITE HOUSE  
Office of the Press Secretary

Friday, May 7, 1993

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\*\* MEDIA ADVISORY \*\*

MISSION STATEMENT FOR FOREST CONFERENCE WORKING GROUPS

The mission statement that follows has been provided to members of the three inter-agency working groups created to help meet the President's mandate to his cabinet to craft a plan to break the gridlock over forest management in the Pacific Northwest and northern California. It reflects guidance given to the working groups when they were created and sets the parameters for their recommendations.

The three working groups are:

- o Ecosystem Management Assessment to identify alternative strategies for a scientifically sound, ecologically credible, legally responsible basis for managing the federal forests of the Pacific Northwest and northern California;
- o Labor and Community Assistance to identify alternatives for assisting individuals and communities affected by changes in federal timber sales programs and policies in the region;
- o Agency Coordination to identify opportunities to improve the working relationships among federal and state agencies in the region to reduce impediments to stronger cooperative, working relationships among all parties.

The names of working groups members also follow here.

##

May 7, 1993

**TO:           FOREST CONFERENCE INTER-AGENCY WORKING GROUPS**  
Ecosystem Management Assessment  
Labor and Community Assistance  
Agency Coordination

**FROM:       FOREST CONFERENCE EXECUTIVE COMMITTEE**  
Department of Agriculture  
Department of Interior  
Department of Labor  
Department of Commerce  
Environmental Protection Agency  
Office on Environmental Policy  
Office of Science and Technology Policy  
National Economic Council  
Council of Economic Advisors  
Office of Management and Budget

**RE:           STATEMENT OF MISSION**

---

Together, we are working to fulfill President Clinton's mandate to produce a plan to break the gridlock over federal forest management that has created so much confusion and controversy in the Pacific Northwest and northern California. As well, that mandate means providing for economic diversification and new economic opportunities in the region. As you enter into the critical phase of your work reviewing options and policy, this mission statement should be used to focus and coordinate your efforts. It includes overall guidance and specific guidance for each team.

## **BACKGROUND**

President Clinton posed the fundamental question we face when he opened the Forest Conference in Portland:

"How can we achieve a balanced and comprehensive policy that recognizes the importance of the forests and timber to the economy and jobs of this region, and how can we preserve our precious old-growth forests, which are part of our national heritage and that, once destroyed, can never be replaced?"

And, he said, "the most important thing we can do is to admit, all of us to each other, that there are no simple or easy answers. This is not about choosing between jobs and the environment, but about recognizing the importance of both and recognizing that virtually everyone here and everyone in this region cares about both."

The President said five principles should guide our work:

"First, we must never forget the human and the economic dimensions of these problems. Where sound management policies can preserve the health of forest lands, sales should go forward. Where this requirement cannot be met, we need to do our best to offer new economic opportunities for year-round, high-wage, high-skill jobs.

"Second, as we craft a plan, we need to protect the long-term health of our forests, our wildlife, and our waterways. They are, as the last speaker said, a gift from God; and we hold them in trust for future generations.

"Third, our efforts must be, insofar as we are wise enough to know it, scientifically sound, ecologically credible, and legally responsible.

"Fourth, the plan should produce a predictable and sustainable level of timber sales and non-timber resources that will not degrade or destroy the environment.

"Fifth, to achieve these goals, we will do our best, as I said, to make the federal government work together and work for you. We may make mistakes but we will try to end the gridlock within the federal government and we will insist on collaboration not confrontation."

### ECOSYSTEM MANAGEMENT ASSESSMENT

Our objectives based on the President's mandate and principles are to identify management alternatives that attain the greatest economic and social contribution from the forests of the region and meet the requirements of the applicable laws and regulations, including the Endangered Species Act, the National Forest Management Act, the Federal Land Policy Management Act, and the National Environmental Policy Act. The Ecosystem Management Assessment working group should explore adaptive management and silvicultural techniques and base its work on the best technical and scientific information currently available.

Our assessment should take an ecosystem approach to forest management and should particularly address maintenance and restoration of biological diversity, particularly that of the late-successional and old growth forest ecosystems; maintenance of long-term site productivity of forest ecosystems; maintenance of sustainable levels of renewable natural resources, including timber, other forest products, and other facets of forest values; and maintenance of rural economies and communities.

Given the biological requirements of each alternative, you should suggest the patterns of protection, investment, and use that will provide the greatest possible economic and social contributions from the region's forests. In particular, we encourage you to suggest innovative



ways federal forests can contribute to economic and social well-being.

You should address a range of alternatives in a way that allows us to distinguish the different costs and benefits of various approaches (including marginal cost/benefit assessments), and in doing so, at least the following should be considered:

- timber sales, short and long term;
- production of other commodities;
- effects on public uses and values, including scenic quality, recreation, subsistence, and tourism;
- effect on environmental and ecological values, including air and water quality, habitat conservation, sustainability, threatened and endangered species, biodiversity and long-term productivity;
- jobs attributable to timber harvest and timber processing; and, to the extent feasible, jobs attributable to other commodity production, fish habitat protection, and public uses of forests; as well as jobs attributable to investment and restoration associated with each alternative;
- economic and social effects on local communities; and effects on revenues to counties and the national treasury;
- economic and social policies associated with the protection and use of forest resources that might aid in the transitions of the region's industries and communities;
- economic and social benefits from the ecological services you consider;
- regional, national, and international effects as they relate to timber supply, wood product prices, and other key economic and social variables.

As well, when locating reserves, your assessment also should consider both the benefits to the whole array of forest values and the potential cost to rural communities.

The impact of protection and recovery of threatened and endangered species on non-federal lands within the region of concern should be minimized. However, you should note specific non-federal contributions that are essential to or could significantly help accomplish the conservation and timber supply objectives of your assessment.

In addition, your assessment should include suggestions for adaptive management that would identify high priority inventory, research and monitoring needed to assess success over time, and essential or allowable modifications in approach as new information becomes available. You should also suggest a mechanism for a coordinated inter-agency approach to the needed assessments, monitoring, and research as well as any changes needed in decision-making procedures required to support adaptive management.

You should carefully examine silvicultural management of forest stands -- particularly young stands -- especially in the context of adaptive management. The use of silviculture to achieve those ends, or tests of silviculture, should be judged in an ecosystem context and not solely on the basis of single species or several species response.

Your conservation and management assessment should cover those lands managed by the Forest Service, the Bureau of Land Management, and the National Park Service that are within the current range of the northern spotted owl, drawing as you have on personnel from those agencies and assistance from the Fish and Wildlife Service, the National Marine Fisheries Service and the Environmental Protection Agency. To achieve similar treatment on all federal lands involved here, you should apply the "viability standard" to the BLM lands.

In addressing biological diversity you should not limit your consideration to any one species and, to the extent possible, you should develop alternatives for long-term management that meet the following objectives:

- maintenance and/or restoration of habitat conditions for the northern spotted owl and the marbled murrelet that will provide for viability of each species -- for the owl, well distributed along its current range on federal lands and for the murrelet so far as nesting habitat is concerned;
- maintenance and/or restoration of habitat conditions to support viable populations, well-distributed across their current ranges, of species known (or reasonably expected) to be associated with old-growth forest conditions;
- maintenance and/or restoration of spawning and rearing habitat on Forest Service, Bureau of Land Management, and National Park Service lands to support recovery and maintenance of viable populations of anadromous fish species and stocks and other fish species and stocks considered "sensitive" or "at risk" by land management agencies, or listed under the Endangered Species Act; and,
- maintenance and/or creation of a connected or interactive old-growth forest ecosystem on the federal lands within the region under consideration.

Your assessment should include alternatives that range from a medium to a very high probability of insuring the viability of species. The analysis should include an assessment of current agency programs based on Forest Service plans (including the final draft recovery plan for the northern spotted owl) for the National Forests and the BLM's revised preferred alternative for its lands.

In your assessment, you should also carefully consider the suggestions for forest management from the recent Forest Conference in Portland. Although we know that it will be difficult to move beyond the possibilities considered in recent analysis, you should apply your most creative abilities to suggest policies that might move us forward on these difficult issues. You also should address short-term timber sale possibilities as well as longer term options.

Finally, your assessment should be subject to peer review by appropriately credentialed reviewers.

## LABOR AND COMMUNITY ASSISTANCE WORKING GROUP

Resolving the forest management issues confronting this region must involve addressing related economic and community issues. The forests of the Pacific Northwest and northern California have provided a foundation for the region's economy for the past century. And, while economic growth has diversified a region that was once much more heavily dependent on timber manufacturing, some rural areas depend almost totally on forest industries not just for jobs but for revenues from timber sales. The work of the Labor and Community Assistance Working Group should proceed from the following:

- o The economic development and assistance plan should be far-sighted and comprehensive. As noted at the Forest Conference, many species are at risk in old-growth forests. Just as the Ecosystem Management Assessment working group must focus on an 'ecosystem' approach that takes into account the region's vast and varied natural resources, the economic plan must focus on the regional economy and take into account its resources and needs. The plan must be long-term and address not just temporary efforts but economic development and diversification over time.
- o Government policy should accommodate properly functioning markets and facilitate the transitions inevitable in the modern global economy. The American economy is more dynamic than ever before. The federal government may be able to play a role in directing the development of the economy but it cannot overcome large-scale market forces. Economy policy here should encourage necessary adjustments and ease inevitable transitions.
- o Some region-specific community and worker assistance will be necessary because of the unique circumstance surrounding this issue. However, the economic plan must be consistent with national policies. The Labor and Community Assistance working group should develop a comprehensive plan for economic dislocations whether those are caused by slack demand, productivity growth, technological advances, or structural changes in the economy. This approach would mark a dramatic improvement over the current patchwork of programs which are both inefficient and inequitable.
- o Any assistance plan should be open to all displaced forest industry workers, regardless of the precise cause of their dislocation. Revolutions in technology, improvements in productivity, and the development of new products are changing the nature of forest industries. We should reach out to all forest industries workers who are affected without distinguishing the cause of the impact.
- o Policies should be coordinated among federal and state agencies to maximize benefits to affected communities and workers. More than a dozen federally-funded programs currently provide assistance to timber workers and their communities. A coordinated federal response would make the system more accessible and more efficient.

o State and local governments are best situated to direct economic development. Federal policy should not attempt to dictate preferred paths for economic development but instead should build upon the independence and strength of these communities and their residents and provide them with the tools needed for economic revitalization based on their own needs and on potential new opportunities in forest related employment.

### AGENCY COORDINATION WORKING GROUP

Too often in the past, various federal agencies with responsibility for some aspect of forest management in the Pacific Northwest and northern California have acted in isolation or even at cross-purposes. This problem becomes even more critical as we move toward an ecosystem approach to forest management where a number of agencies must be involved in planning and implementing a management strategy. We must improve the working relationships among federal and state agencies in the region and eliminate impediments that block coordinated action. The efforts of this working group are key to our success in this area.

To help identify new means to encourage coordination at all levels, we believe you should examine a range of issues.

Identify structural and procedural problems that in the past have made coordinated action difficult and suggest solutions or procedures for reaching solutions to those problems.

Identify ways the federal land management agencies can and should work together in the future to achieve coordinated management strategies that take into account the statutory mandates of those agencies.

Identify and suggest ways for dealing with issues concerning agency coordination related to implementing strategies currently being developed by the Ecosystem Management Assessment working group.

Identify ways to improve the process in which the land management agencies are required to consult with the Fish and Wildlife Service and the National Marine Fisheries Service concerning their responsibilities under the Endangered Species Act.

Identify ways to improve coordination between the land management agencies and the Environmental Protection Agency.

And, identify ways to improve working relationships between federal and state agencies in the region and suggest a course of action for involving those state agencies in the implementation of strategies being developed by the Ecosystem Management Assessment working group.

As you develop your recommendations, you should continue to call on personnel from the Forest Service, the Bureau of Land Management, the Fish and Wildlife Service, the National Marine Fisheries Service, the Environmental Protection Agency, and others as appropriate, as well as on advice from the states in the region.

## CONCLUSION

We appreciate your efforts and recognize, as President Clinton did, that these are difficult issues with difficult choices. And, we'll remind you of something else the President said at the Forest Conference, talking to the people of the Pacific Northwest and northern California: "We're here to begin a process that will help ensure that you will be able to work together in your communities for the good of your businesses, your jobs, and your natural environment. The process we [have begun] will not be easy. Its outcome cannot possibly make everyone happy. Perhaps it won't make anyone completely happy. But the worst thing we can do is nothing."

##

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**BACKGROUND BRIEF  
ON  
FORESTS IN CALIFORNIA**

**California Research Bureau**

**July 22, 1993**



## TABLE OF CONTENTS

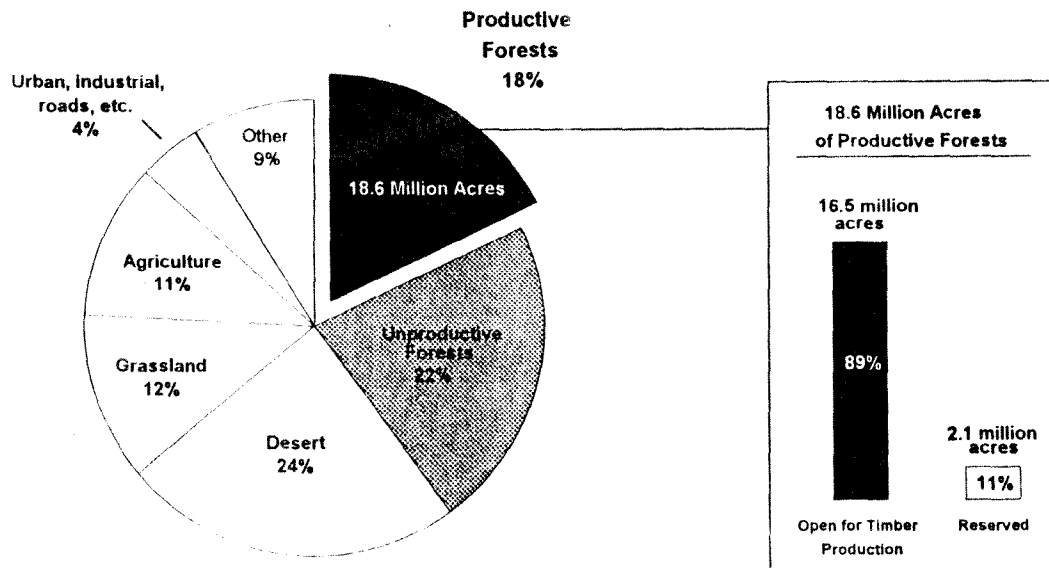
SECTION I: FORESTS AND TIMBERLANDS IN CALIFORNIA	1
Timberlands by County	3
Timber Harvests in California	3
Forests Affected by Court Injunction	5
National Forest Harvests in Oregon, California, and Washington	5
The Northern Spotted Owl	7
SECTION II: ECONOMIC PROFILE OF THE CALIFORNIA LUMBER INDUSTRY	
Current Snapshot of the Industry	8
Historical Overview of the Lumber Production	9
Lumber Industry Employment	11
Timber Tax Revenues	13
Economic and Demographic Characteristics of Major Timber-Producing Counties	13
Low Income Leads to Persistently High Public Assistance Utilization Rates	15
Sparsely Populated, but Rapid Growth	16
Demographic Characteristics	18
SECTION III: SUMMARY OF PRESIDENT CLINTON'S FOREST PLAN	20
President's Plan Responds to Court Injunction Halting Logging on Owl Habitat	26
Key Elements of the President's Plan	20
Economic Impact of President's Plan	22
Economic Assistance Seeks to Minimize Job Loss	23
Industry and Environmentalists Oppose the Plan	23
APPENDIX A: ADDITIONAL ECONOMIC INFORMATION ON THE TIMBER INDUSTRY	A1

## SECTION I: FORESTS AND TIMBERLANDS IN CALIFORNIA

California encompasses 100 million acres of land (157,000 square miles), making it the nation's third largest state, behind Alaska and Texas. Of California's 100 million acres of land, 40 million are forested.

**Productive Forest Land.** As chart 1 shows, approximately 18.6 million acres of California forests are *productive forests*. The U.S. Forest Service defines productive forest lands as those lands that can produce at least 20 cubic feet of industrial-quality wood per acre each year.

**Chart 1  
18% of California Land Is Productive Forests**

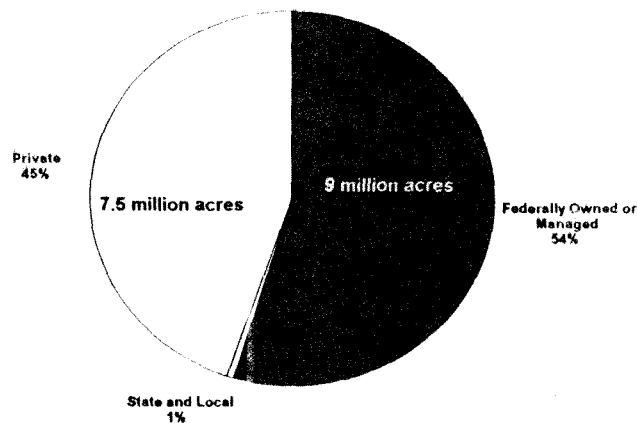


**Commercial Timberlands.** As chart 1 shows, of California's 18.6 million acres of productive forest lands, 16.5 million acres are open to timber production. These lands are called "commercial" timberlands. The other 2.1 million acres are reserved as parks and wilderness areas and are not available for timber production. As chart 2 shows, of the 16.5 million acres of commercial timberlands in California, the federal government owns or manages approximately 9 million acres. Corporations and individuals own 7.5 million acres. State and local governments own 100,000 acres.

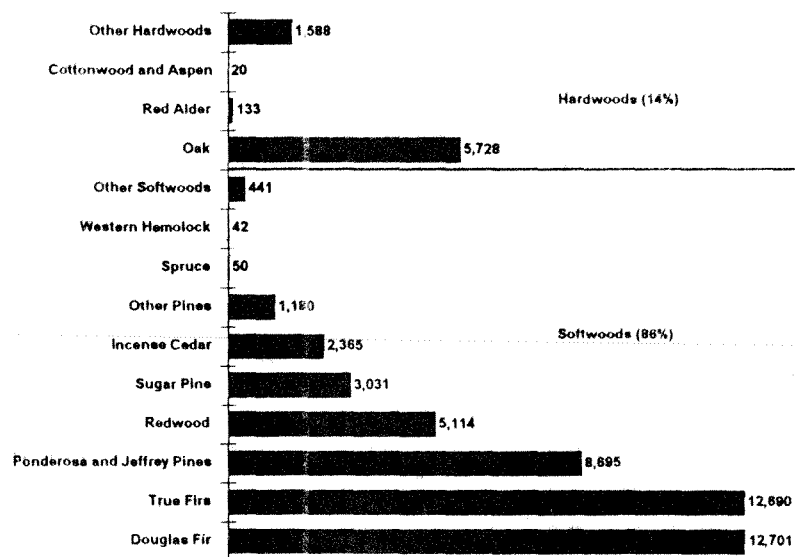
If timber harvests in federal forests could significantly affect the environment, the federal government must first complete an environmental impact statement (EIS). The U.S. Forest Service, Bureau of Land Management, or U.S. Fish and Wildlife Service typically are the lead agencies in producing the EIS. President Clinton's Forest Management Plan is meant, in large part, to respond to a court order to supplement the EIS done by the Fish and Wildlife Service for

timberlands on which spotted owls live California's Forest Practices Act governs timber harvesting on privately owned commercial timber lands. Private timber operators in California must produce timber harvest plans (THPs) to describe and mitigate adverse environmental effects of timber harvests on privately owned timberlands. Chart 3 shows the kinds of commercial timber in California.

**Chart 2**  
**Federal Government Owns 54%**  
**of Commercial Timberland in California**



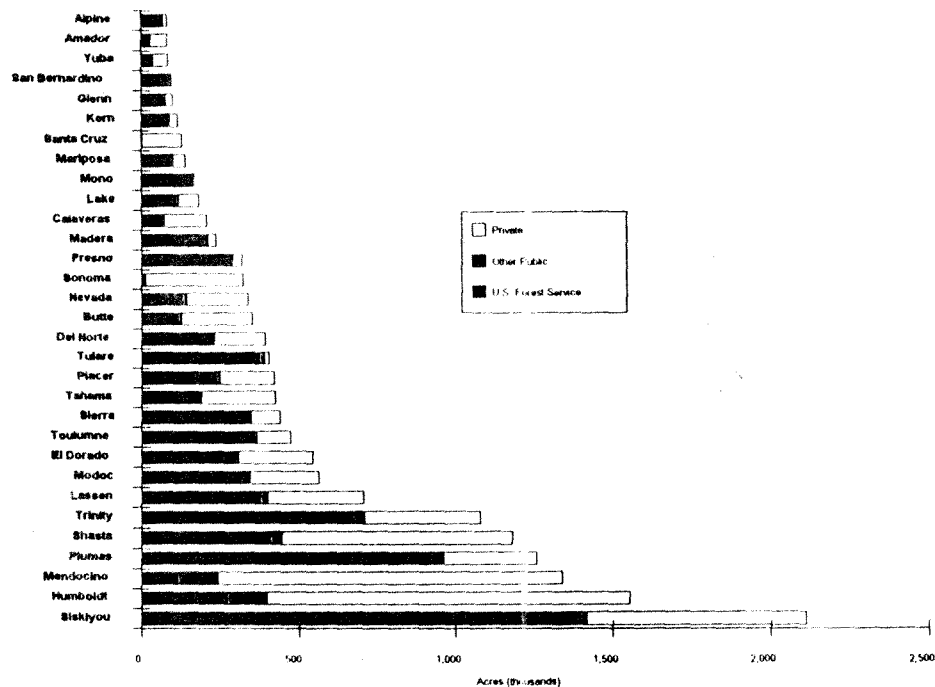
**Chart 3**  
**Types of Commercial Timber in California**  
**(million cubic feet)**



## Timberlands by County

Six California counties account for 53 percent of commercial timberlands in the state. Chart 4 shows timberland ownership for the 31 counties that account for virtually all commercial timberland in the state.

**Chart 4**  
**Commercial Timberlands by County**  
1986

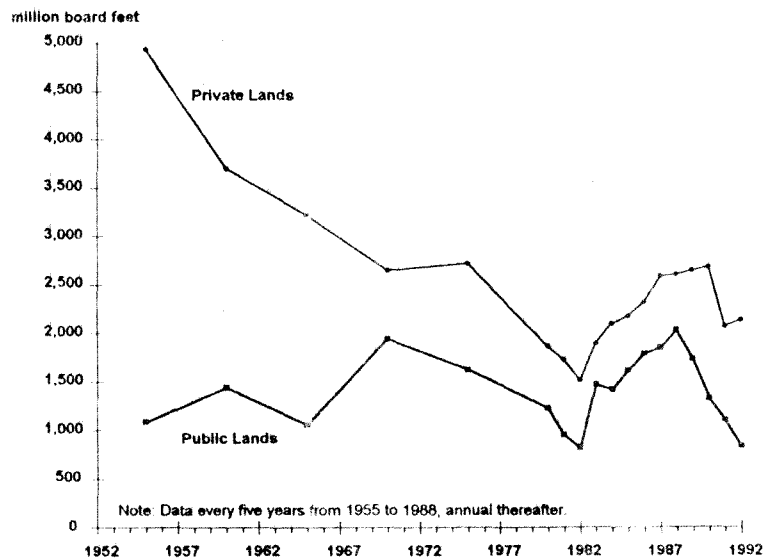


## Timber Harvests in California

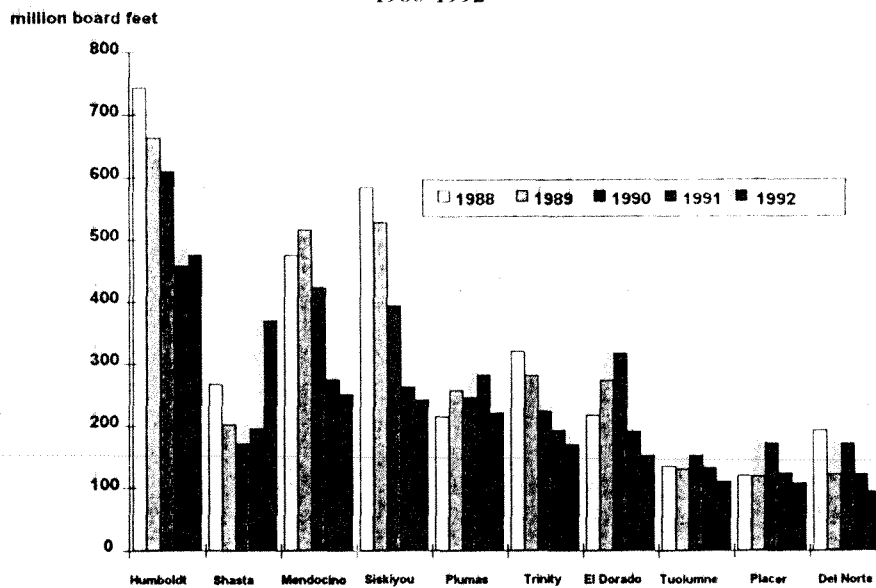
As Chart 5 shows, timber harvests have dropped on public lands since 1988. Harvests on private lands increased from 1991 to 1992. This difference is due, in large part, to the court injunction that stopped harvests on public lands where spotted owls live, until the court becomes satisfied that the federal government plans for harvests on public lands adequately protects spotted owls.

Chart 6 shows timber harvests for the ten counties with the largest volume of timber production from 1988 through 1992.

**Chart 5**  
**Timber Harvest in California**  
 1955 - 1992



**Chart 6**  
**Total Timber Harvests in Ten Largest Producing California Counties**  
 1988-1992

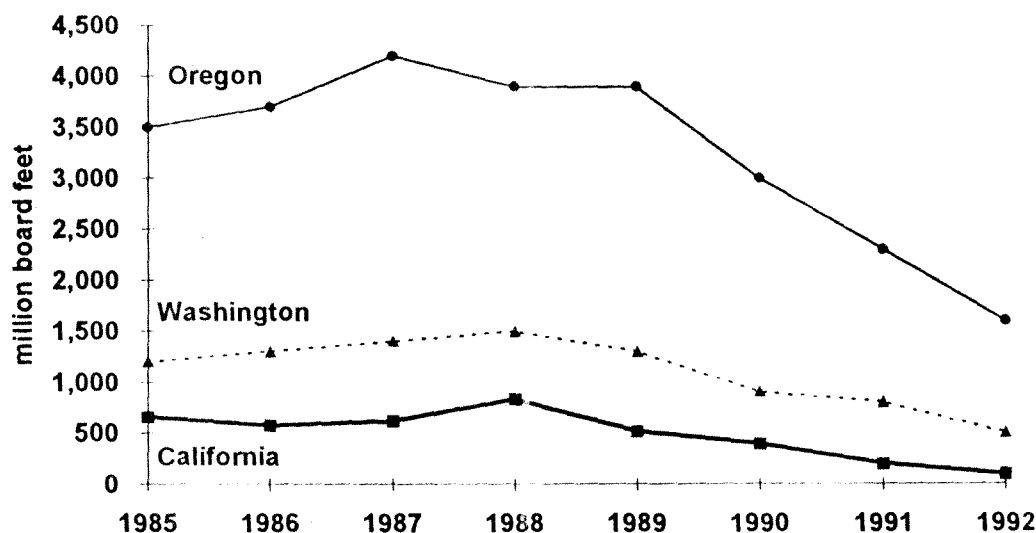


## Forests Affected by Court Injunction

In May 1991, a judge of the U.S. District Court in Seattle issued an injunction halting timber sales in national forests inhabited by the spotted owl. (Please see Section 3 for a summary of President Clinton's Forest Plan for a discussion of the injunction and the President's response.) In California, the Shasta, Trinity, Klamath, Mendocino, Six Rivers, Siskiyou, and Rogue River National Forests contain the spotted owl and are subject to the injunction. In Oregon and Washington, 13 of 16 national forests are subject to the injunction.

As chart 7 shows, timber sales from national forests in Oregon, Washington, and California have fallen since 1988. It is difficult to separate the effects of the court injunction from other factors affecting timber sales.

**Chart 7**  
**Timber Production from National Forests**  
**Oregon, Washington, and California**  
1985 - 1992



## National Forest Harvests in Oregon, California, and Washington

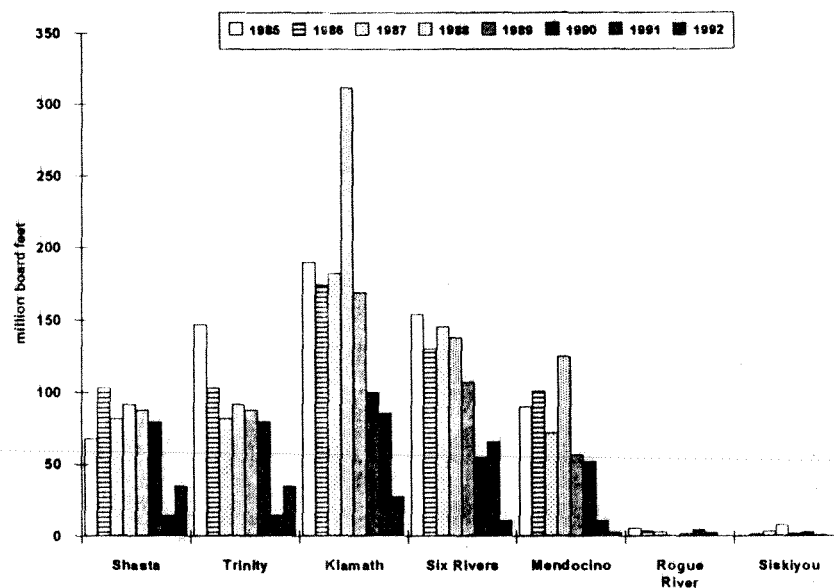
From 1985 through 1991, national forests in Oregon, Washington, and California produced an average of 5.2 billion board feet of timber. In 1992, they produced a total of 2.2 billion board feet. The President's Forest Plan provides for annual harvests of 1.2 billion board feet. The President has not yet indicated how the 1.2 billion board feet of production will be allocated among the three states.

## National Forest in California Affected by Injunction

Seven of the 22 national forests located in California are affected by the court injunction halting timber production in spotted owl territories. Chart 8 shows the timber production in California from these forests from 1985 through 1992.

	Commercial Timber Acreage (thousands)	Total Forest Acreage (thousands)
Klamath	1,022	1,681
Six Rivers	646	988
Trinity	459	1,045
Shasta	566	1,133
Mendocino	410	884
Rogue River	34	54
Siskiyou	22	33
Total Affected	3,159	5,818

**Chart 9**  
**Timber Production**  
**National Forests in California Affected by Court Injunction**



Timber harvests in California from the seven national forests affected by the court injunction averaged 528 million board feet from 1985 through 1991. Production in California from these seven forests totaled 112 million board feet in 1992. This represents a 79 percent reduction in

timber harvests from the 1985 through 1991 average. According to the U.S. Forest Service, the court injunction was the major cause for this decrease, although other factors might have played a small part in typical year-to-year harvest fluctuations.

### **The Northern Spotted Owl**

The U.S. Fish and Wildlife Service officially listed the northern spotted owl as an endangered species on July 20, 1990, under the authority of the Federal Endangered Species Act. In support of the action to list the owl as endangered, a federally appointed scientific committee stressed the importance to the owl of large blocks of "unentered old-growth" forests. According to the California Department of Fish and Game, the scientific committee defined unentered old growth as 40-acres or larger stands that are at least 200 years old and have never been harvested.

There is much debate about how spotted owls live and what they need to survive. According to one biologist in the Department of Fish and Game, the northern spotted owls of California have different lifestyles than those in Oregon and Washington. He asserts that California might not need to adopt the same timber harvest strategies of Oregon and Washington to protect its spotted owl populations. The initial press releases from the White House did not indicate whether the President's Forest Plan would recognize potential regional differences in strategies needed to protect the spotted owl, other species, and critical habitats.

Endangered-species and old-growth-forest issues are central to the debate about forest management and timber harvesting. The California Research Bureau currently is researching these issues.



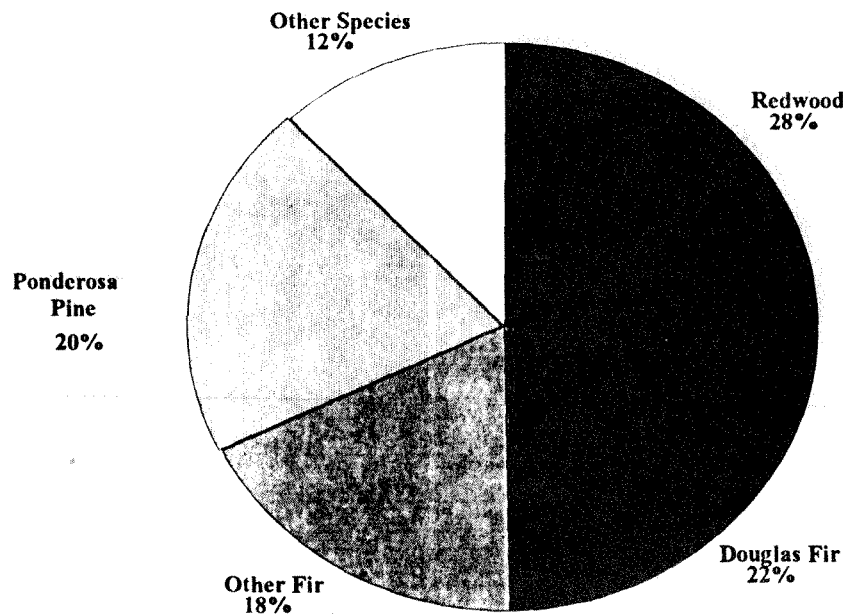
## SECTION II: ECONOMIC PROFILE OF THE CALIFORNIA LUMBER INDUSTRY

### Current Snapshot of the Industry

**Timber Harvest Value \$902 Million in 1992.** Saw timber for lumber is the dominant product of the California forest products industry. Pulpwood trees for paper, firewood, Christmas trees, and other wood products are of minor economic importance compared to timber. About 3 billion board-feet of lumber was cut in California in 1992, valued at \$902 million. Most lumber cut was used in housing construction. Including employees in logging, sawmills, millwork, and other lumber processing; the lumber and wood products industry employed about 48,800 people in 1992.

**Redwood, Fir and Pine Dominant Species.** As shown in Chart 9, in 1992 redwood led all other species in value of timber harvested, accounting for about 28 percent of the total. Douglas and other species of firs combined accounted for another 40 percent, Ponderosa Pine 20 percent, and all other species the remainder.

Chart 9  
Major Species of Timber Harvested in California  
(Percent of 1992 Total Value of Harvest)



Source : California Board of Equalization.

**Most Timber Harvested on Private Lands.** About 25 percent of the value of timber harvested in 1992 was on government-owned lands, primarily those managed by the U.S. Forest Service. In terms of board-feet of production, 28 percent of timber cut was on government lands. As shown in Table 1, timber harvested on government lands varied greatly for major timber producing counties. In Del Norte, Mendocino, and Humboldt Counties less than five percent of the total value of the harvest was on government-owned land. In counties located in the Sierras up to 60 percent of the value of the harvest of the top ten timber producing counties was from government-owned lands.

**Table 1**  
**Selected 1992 Timber Industry Statistics for Major Timber Producing Counties**

County	Lumber Production (Millions of Board-Feet)	Value (Dollars in Millions)	Percent of Harvest Value on government- Owned Land	Lumber Industry Employment (Employees)
Del Norte	94.3	\$45.8	4%	350
El Dorado	152.0	33.7	50	n/a
Humboldt a/	476.3	194.0	2	4,200
Mendocino	250.9	90.3	3	2,450
Placer	108.4	34.0	14	n/a
Plumas	221.4	67.3	53	725
Shasta	370.3	97.2	20	2,175
Siskiyou	242.6	63.7	40	800
Trinity	170.2	58.1	32	975 b/
Tuolumne	111.4	28.9	60	n/a
CALIFORNIA	2,958.7	\$902.4	25	48,800

a/ Includes employment in paper, pulp and related products. Data for lumber products alone is not available.

b/ The California Employment Development Department combines data for Lassen, Modoc and Trinity counties to avoid disclosing employment of individual firms.

Sources: California Board of Equalization and Employment Development Department.

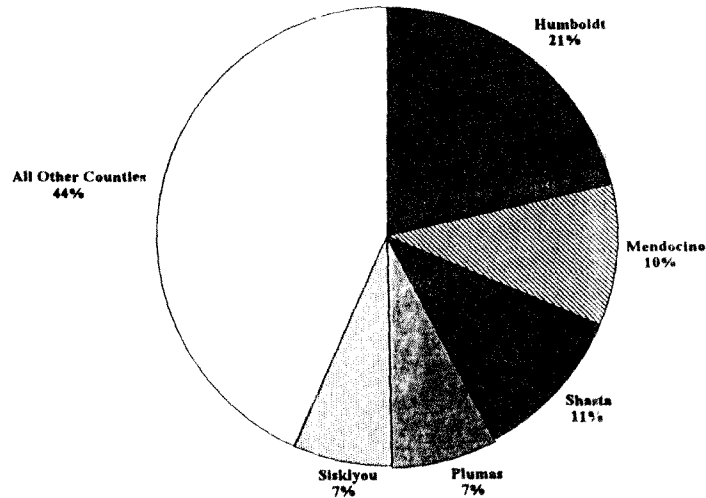
**Humboldt Leading Timber Producing County.** Of the \$902 million total value of timber harvested in 1992, Humboldt led all other counties with \$194 million (see Table 1). As shown in Chart 10, this is 21 percent of the total value of the California timber harvest. Other leading counties were Shasta, Mendocino, Plumas, Siskiyou and Trinity. The top ten timber producing counties accounted for about 80 percent of the total value of the harvest.

### Historical Overview of the Lumber Production

**Production and Total Value Closely Follows Economy and Housing.** The value of timber harvested has correlated closely with housing and overall economic conditions. As shown in Chart

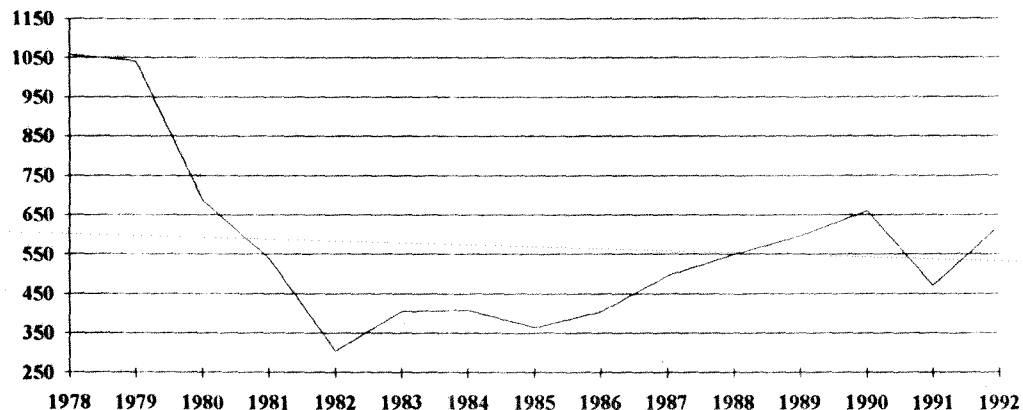
11, timber values adjusted for inflation fell steadily in the recession of the early 1980's, reaching a low in 1982. Then, starting with the economic recovery of the 1980's timber harvest values slowly increased once again, peaking in 1990. However, slower increases in prices compared with overall consumer prices throughout most of the 1980's held the 1990 peak to about half the 1979 peak. With the recession of the early 1990's values once again fell in 1991.

Chart 10  
Major Timber Producing Counties  
(Percent of 1992 Total Value of Harvest)



Source: California Board of Equalization.

Chart 11  
California Value of Timber Harvested  
(Constant Dollars in Millions) a/

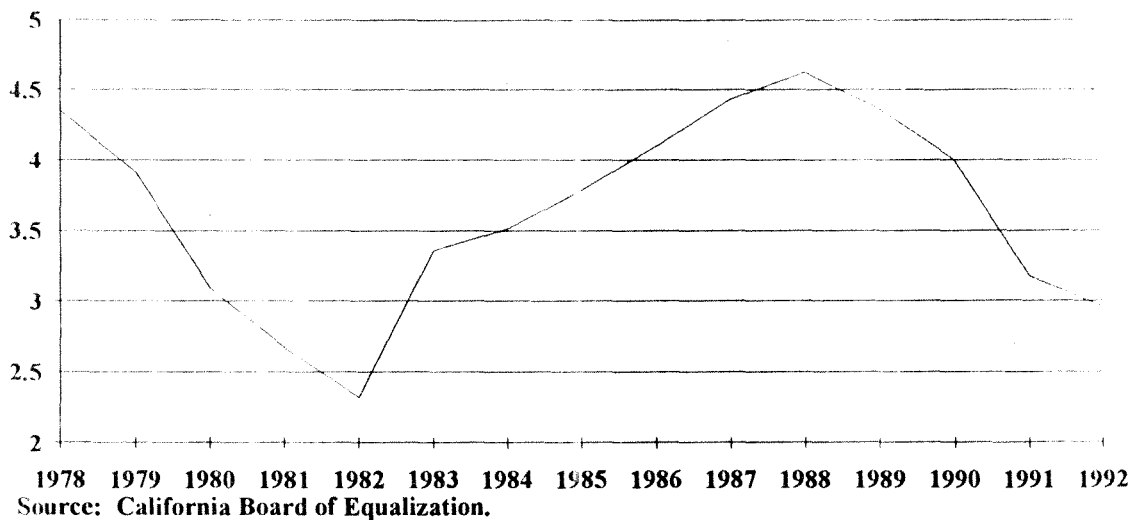


a/ Value of timber production deflated by California consumer price index, 1982- 1984 base period.  
Sources: California Board of Equalization and Department of Finance.

**Special Factors Raise Value of Production in 1992.** Despite a continuing recession and low levels of home construction, harvest value increased in 1992. Sharply rising prices and changes in the composition of types of trees harvested has caused value to rise. Another reason for the increase in value during the recession is that the drought and fires in the early 1990's caused many more trees than usual to be harvested as salvage trees.

Production measured in board-feet has followed a similar cycle to value of production, as shown Chart 12. Production peaked in 1988 at 4.6 billion board-feet, declining to 3.0 billion by 1992.

**Chart 12**  
**California Lumber Production**  
**(Billion Board-Feet)**



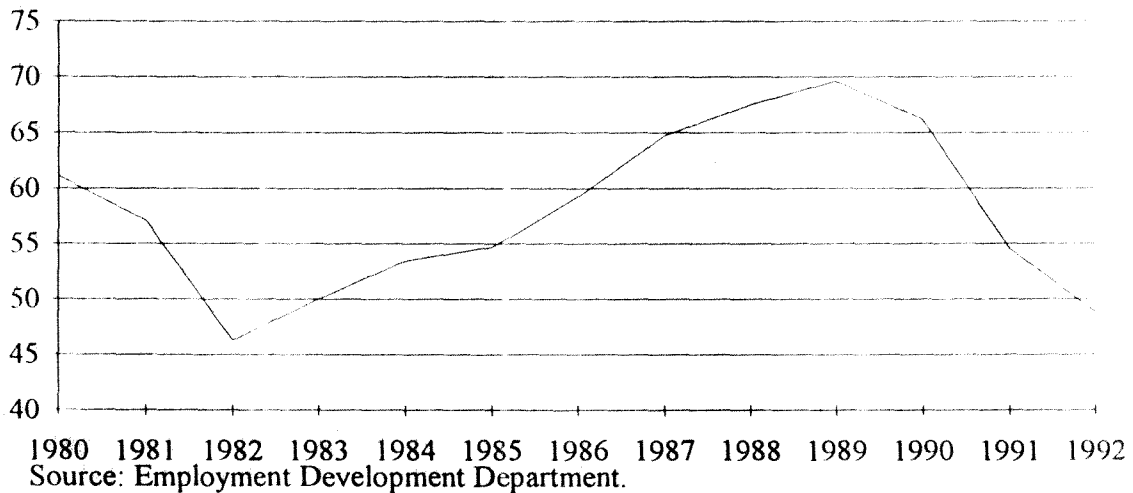
**California Lumber Consumption Greater Than Production.** Until the early 1970's California was self sufficient in aggregate lumber production. However, starting in the mid-1970's, California lumber production declined while consumption increased with population growth and associated housing construction. By 1986 only 40 percent of lumber consumption was cut from within the state. Most of the lumber coming from outside the state in the mid-1980's came from Oregon and Washington.

### **Lumber Industry Employment**

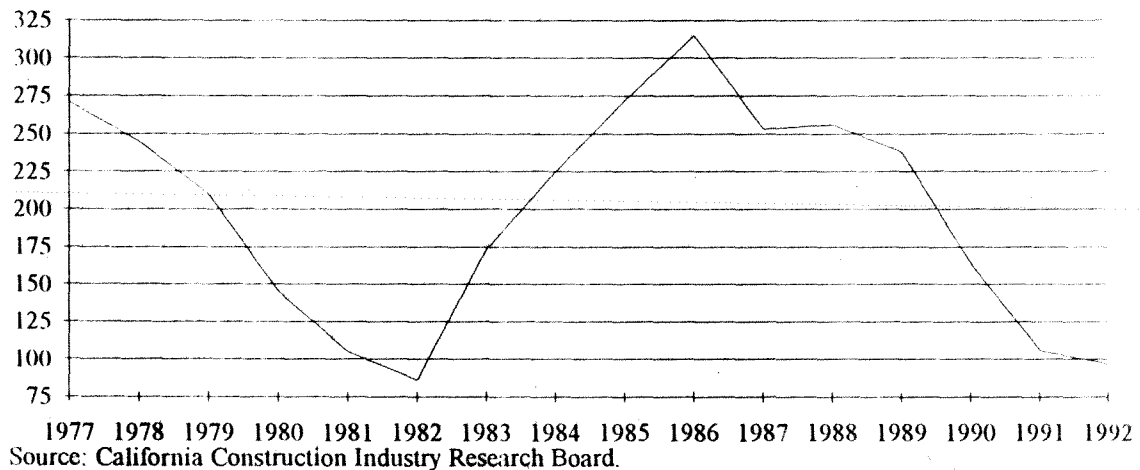
**Lumber Employment Cyclical.** As shown in Charts 13 and 14, there is a close correlation between employment in lumber and wood products and California housing construction. Starting in 1983 employment in the lumber and wood products industry rose steadily, following the California construction industry, reaching a peak in 1989. Over this period employment in the

lumber industry rose from 50,000 to 69,600 employees for the state as a whole. However, employment has fallen sharply since the 1989 peak, reaching 48,800 in 1992. Employment is continuing to drop in 1993, as May lumber and wood products employment of 46,600 is down 6.4 percent from May of 1992.

**Chart 13**  
**California Lumber and Wood Products Employment**  
**(Thousands of Employees)**



**Chart 14**  
**California Residential Housing Permits**  
**(Thousands of Permits)**



**Wide Variation in Lumber Employment by County in Current Downturn.** The declines in statewide lumber and wood products employment have affected major lumber producing counties somewhat unevenly. From 1989 to 1992 statewide employment in this industry has declined 30 percent. Employment declines over this period in major timber producing counties has varied from Shasta, which only saw a drop of 3 percent, to Siskiyou, where employment plummeted 51 percent (see Table 2).

**Table 2**  
**Change in Lumber and Wood Products Employment From 1989 Peak to 1992**  
**(Percent Change)**

Del Norte	-26%
Humboldt	-14
Lassen, Modoc and Trinity	-26
Mendocino	-23
Plumas	-22
Shasta	-3
Siskiyou	-51
CALIFORNIA	-30

Source: California Employment Development Department.

### **Timber Tax Revenues**

**Timber-Yield Tax Collections \$24 Million in 1992.** California has a timber-yield tax, which is currently 2.9 percent of the value of timber harvested. This tax, which is administered by the Board of Equalization, has been levied since the late 1970's, taking the place of a property tax on standing timber. Revenues from the tax are returned to the counties from which the timber was harvested net of an administration fee. The rate is set by formula based on average property tax rates in 17 timber producing counties, and has been 2.9 percent since the early 1980's. In calendar year 1992 state timber tax revenue collections were \$24 million.

Timberland is also subject to property taxes of the underlying land. However, the value of the property does not include the value of the standing timber, only the value of the land on which the timber is growing.

### **Economic and Demographic Characteristics of Major Timber-Producing Counties**

This section discusses various measures of overall economic health of major timber producing counties and also provides a demographic profile of the counties. Table 3 shows selected recent economic statistics, including employment in lumber and wood products, total nonagricultural employment, unemployment rates, and per capita income. Statewide statistics are also displayed

to provide a reference point for these statistics. Two additional measures of the economy were calculated from these basic statistics:

- Dependence on the lumber industry, measured as the percentage of employees in lumber and wood products of total nonagricultural employment.
- County per capita income as a percent of the statewide average.

**Counties Highly Dependent on Lumber Employment.** The table shows that major timber producing counties have from 4 to 13 percent of their employees in the lumber and wood products industry. In these counties lumber employment dependence is far higher than for the state as a whole, which has just 0.4 percent of its nonagricultural employees in lumber and wood products. To put the county lumber industry into statewide perspective, major lumber producing counties are more dependent on the lumber industry than the state as a whole is on electronics and aerospace, which accounted for about 5 percent of statewide nonagricultural jobs in 1992.

**Table 3**

**Selected 1991 Economic Statistics for Major Lumber Producing Counties**

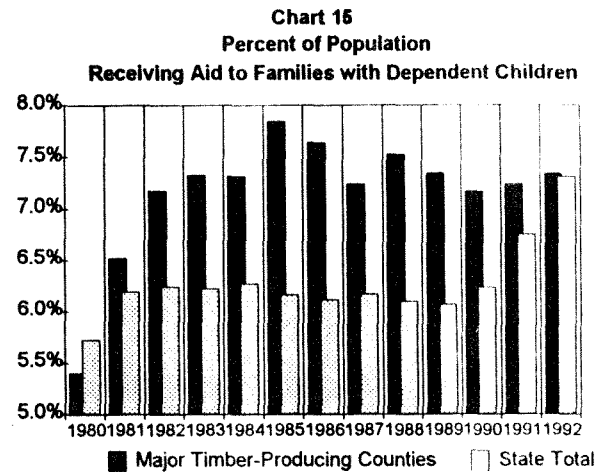
County	Lumber Products Employment (Number of Employees)	Total Employment (Employees)	Lumber Employment Dependence (Percent)	Unemploy- ment Rate a/ (Percent)	Per Capita Income (Dollars)	Per Capita Income Percent of (State Average)
Del Norte	425	7,325	5.8%	15.6%	\$12,187	59%
El Dorado	n/a	n/a	n/a	8.1	20,179	97
Humboldt	4,200	45,700	9.2	10.5	16,483	79
Mendocino	2,725	28,100	9.7	12.8	16,486	79
Placer	n/a	n/a	n/a	8.1	20,752	100
Plumas	825	6,450	12.8	14.3	16,737	80
Shasta	2,200	52,900	4.2	12.5	16,579	80
Siskiyou	850	14,375	5.9	14.5	15,197	73
Trinity b/	1,075	14,175	7.6	16.6	14,384	69
Tuolumne	n/a	n/a	n/a	10.8	15,077	72
CALIFORNIA	56,100	12,497,100	0.4	9.1	20,805	100%

a/ 1992 Unemployment Rate

b/ Total and lumber industry employment are for Lassen, Modoc and Trinity Counties.

Sources: California Employment Development Department and Department of Finance.

**High Unemployment Rates in Lumber Producing Counties.** As shown in the table, with the exceptions of El Dorado and Placer Counties, unemployment rates in the top ten timber producing counties in 1992 were far above the 9.1 percent average for the state as a whole. In the top three counties based on value of lumber production, unemployment was 10.5 percent in Humboldt County, 12.5 percent in Shasta, and 12.8 percent in Mendocino County. The recession, which sharply curtailed construction activity in California in the 1990's, is a major contributing factor to the higher unemployment rates in these counties. However, even during the late 1980's when housing and the economy as a whole were strong, unemployment rates in these counties were still higher than the state average.



#### **Lower Per Capita Income in Lumber**

**Producing Counties.** Finally, the table shows per capita income much lower in these counties. In 1991 all but Placer and El Dorado had incomes well under the statewide average. Del Norte income per capita was 59 percent of the state average; most of the other counties had incomes 70 to 80 percent of the state average.

#### **Low Income Leads to Persistently High Public Assistance Utilization Rates**

With per capita incomes lower than the state average, it is no surprise that major timber producing counties tend to have higher than average public assistance utilization rates, as they did through most of the 1980s. As shown in Chart 15, between 1980 and 1985 the proportion of the population receiving welfare (Aid to Families with Dependent Children) increased dramatically in the major timber-producing counties, from levels somewhat below the statewide average to levels substantially above the statewide average. Since 1985, however, the percent of the population receiving welfare has actually declined in the major timber-producing counties. Statewide, the proportion of the population receiving welfare has increased rapidly in the past few years, so that by 1992 the percent of the population receiving welfare was almost equal between the major timber-producing counties and the rest of the state.



<b>Table 4</b> <b>Percent of Population Receiving Welfare (Aid to Families with Dependent Children)</b> <b>for Major Timber-Producing Counties</b>				
<b>County/Region</b>	<b>1980</b>	<b>1985</b>	<b>1990</b>	<b>1992</b>
Del Norte	6.5%	12.9%	12.3%	11.1%
El Dorado	3.4%	4.6%	3.9%	3.8%
Humboldt	6.0%	8.3%	9.4%	9.8%
Lassen	5.3%	7.8%	8.2%	8.9%
Mendocino	6.8%	8.7%	8.6%	9.2%
Placer	4.5%	6.8%	3.5%	4.0%
Plumas	4.3%	6.3%	6.8%	6.2%
Shasta	7.2%	9.5%	10.5%	10.2%
Siskiyou	4.3%	8.7%	9.6%	10.2%
Trinity	5.3%	8.5%	8.2%	9.4%
Tuolumne	4.0%	6.4%	5.4%	5.7%
Major Timber-producing Counties	5.4%	7.7%	7.2%	7.3%
State Total	5.7%	6.2%	6.2%	7.3%
Sources: Compiled by the California Research Bureau from data provided by the Department of Social Services and the Department of Finance				

There is a great deal of variation in welfare utilization rates among the major timber-producing counties (see Table 1). The counties of the far north (Del Norte, Humboldt, Lassen, Mendocino, Shasta, Siskiyou, and Trinity) have extremely high proportions receiving welfare. In an average month in 1992, over 10% of the population of Del Norte, Shasta, and Siskiyou Counties received AFDC payments. In contrast, the major timber-producing counties of the Sierra Nevada (El Dorado, Placer, and Tuolumne) have low public assistance utilization rates.

### **Sparsely Populated, but Rapid Growth**

Comprising 21.7% of the state's land area, the eleven major timber-producing counties contain only 2.8% of the state's population. Only one of every 36 Californians lives in a major timber-producing county. Of the 47 cities in California with populations of at least 100,000, none are in the major timber-producing counties. In 1992, fewer than one million persons lived in the major timber-producing counties.

<b>Table 5</b>				
<b>Population of Major Timber-Producing Counties</b>				
<b>County/Region</b>	<b>1980</b>	<b>1985</b>	<b>1990</b>	<b>1992</b>
Del Norte	18,217	18,967	23,460	26,663
El Dorado	85,812	97,171	125,995	136,261
Humboldt	108,525	110,453	119,118	123,874
Lassen	21,661	24,113	27,598	28,552
Mendocino	66,738	72,665	80,345	82,766
Placer	117,247	136,522	172,796	187,042
Plumas	17,340	18,370	19,739	20,585
Shasta	115,715	137,501	147,036	157,391
Siskiyou	39,732	41,346	43,531	44,740
Trinity	11,858	12,697	13,063	13,324
Tuolumne	33,928	38,956	48,456	51,272
Major Timber Counties	636,773	708,761	821,137	872,470
State Total	23,668,145	26,112,632	29,760,021	30,988,170
Source: California Department of Finance, United States Bureau of the Census				

Overall, population growth in the major timber-producing counties has been rapid, with population growth rates slightly higher than those of the state (see Table 3). The Sierra Nevada foothill counties (El Dorado, Placer, and Tuolumne) have been among the fastest growing counties in the state. Placer and El Dorado Counties are a part of the Sacramento metropolitan area, and have become increasingly suburban. Most of the growth in those counties has occurred in the western portion closest to Sacramento. Del Norte, Lassen, and Shasta Counties also grew faster than the statewide average between 1980 and 1992. Much of the growth in Del Norte and Lassen Counties can be attributed to new and/or expanded prisons. Shasta County's growth is harder to explain. Redding is the only city in California north of Sacramento with more than 50,000 people, and may serve as a magnet to people in surrounding counties as well as retirees from other parts of California. Humboldt, Siskiyou, Trinity, and Plumas Counties are among the slowest growing counties in California.

<b>Table 6</b> <b>Percent Change in Population for Major Timber-Producing Counties</b>				
<b>County/Region</b>	<b>1980-1985</b>	<b>1985-1990</b>	<b>1990-1992</b>	<b>1980-1992</b>
Del Norte	4.1%	23.7%	13.7%	46.4%
El Dorado	13.2%	29.7%	8.1%	58.8%
Humboldt	1.8%	7.8%	4.0%	14.1%
Lassen	11.3%	14.5%	3.5%	31.8%
Mendocino	8.9%	10.6%	3.0%	24.0%
Placer	16.4%	26.6%	8.2%	59.5%
Plumas	5.9%	7.5%	4.3%	18.7%
Shasta	18.8%	6.9%	7.0%	36.0%
Siskiyou	4.1%	5.3%	2.8%	12.6%
Trinity	7.1%	2.9%	2.0%	12.4%
Tuolumne	14.8%	24.4%	5.8%	51.1%
Major Timber Counties	11.3%	15.9%	6.3%	37.0%
State Total	10.3%	14.0%	4.1%	30.9%
Source: Compiled by the California Research Bureau from California Department of Finance and U.S. Census data.				

### Demographic Characteristics

With the exception of Lassen County, the eleven major timber-producing counties have concentrations of senior citizens higher than the statewide average (see Table 4). For some counties, like Siskiyou and Plumas, the high proportions of elderly persons are a reflection of an aging, slow-growing population, with out-migration among young adults. For other timber counties, like Tuolumne and Shasta, the high proportions of senior citizens are the result of large numbers of retirees moving into the counties. Overall, the proportion of persons aged 65 and over in the major timber-producing counties was 25% higher than the statewide proportion.

The eleven major timber-producing counties are much less ethnically diverse than the rest of the state (see Table 4). Even among the counties with rapid population growth, the proportion of the population that is white has remained extremely high.

**Table 7**  
**Population Composition by Age and Race/Ethnicity**  
**for Major Timber-producing Counties, 1990**

	Age Group			Race/Ethnicity			
	<18	18-64	65+	White	African American	Hispanic	Asian and Other
Del Norte	26.7%	59.9%	12.8%	78%	4%	10%	8%
El Dorado	26.5%	61.7%	11.8%	90%	*	7%	3%
Humboldt	25.8%	62.0%	12.2%	88%	1%	4%	7%
Lassen	24.9%	64.9%	10.2%	79%	6%	10%	4%
Mendocino	27.5%	59.0%	13.5%	84%	1%	10%	5%
Placer	26.3%	61.8%	11.9%	88%	1%	8%	3%
Plumas	25.6%	57.6%	16.8%	91%	1%	5%	4%
Shasta	27.6%	58.4%	14.0%	91%	1%	4%	4%
Siskiyou	27.0%	56.7%	16.3%	88%	2%	6%	5%
Trinity	26.5%	58.8%	14.7%	91%	1%	3%	5%
Tuolumne	22.6%	61.0%	16.5%	87%	3%	8%	2%
Major Timber Counties	26.4%	60.5%	13.1%	88%	1%	7%	4%
State Total	26.3%	63.3%	10.5%	57%	7%	26%	10%

\* - less than 1%

Source: California Department of Finance, Report 93 P-3

## **SECTION 3:**

### **Summary of President Clinton's Forest Plan<sup>1</sup>**

#### **President's Plan Responds to Court Injunction Halting Logging on Owl Habitat**

In May 1991, Judge William Dwyer of the U.S. District Court in Seattle issued injunctions halting timber sales in national forests inhabited by the spotted owl. Judge Dwyer required that the Forest Service comply with endangered species protections before logging could resume.

In February of 1993, President Clinton declared his intention to develop a plan for the Northwest Forests that would meet both the judge's requirements and the needs of forest-dependent communities in Washington, Oregon and northern California. The President and Vice-President initiated development of the forest plan at an April 2nd "forest summit" in Portland, Oregon. On July 1 the White House issued a summary of the plan. The Interior Department released a draft of the full plan and of the required environmental impact statement two weeks later. The plan and Environmental Impact Statement (EIS) are subject to comment and revision before the end of the year. Logging interests and environmentalists have attacked the draft plan as litigation-prone and failing to meet their concerns.

The plan covers the Cascades and "westside" forests of Washington, Oregon, and northern California inhabited by the spotted owl. The map on the following page identifies the affected national forests.

#### **Key Elements of the President's Plan**

According to the President's statement, the plan includes the following features:

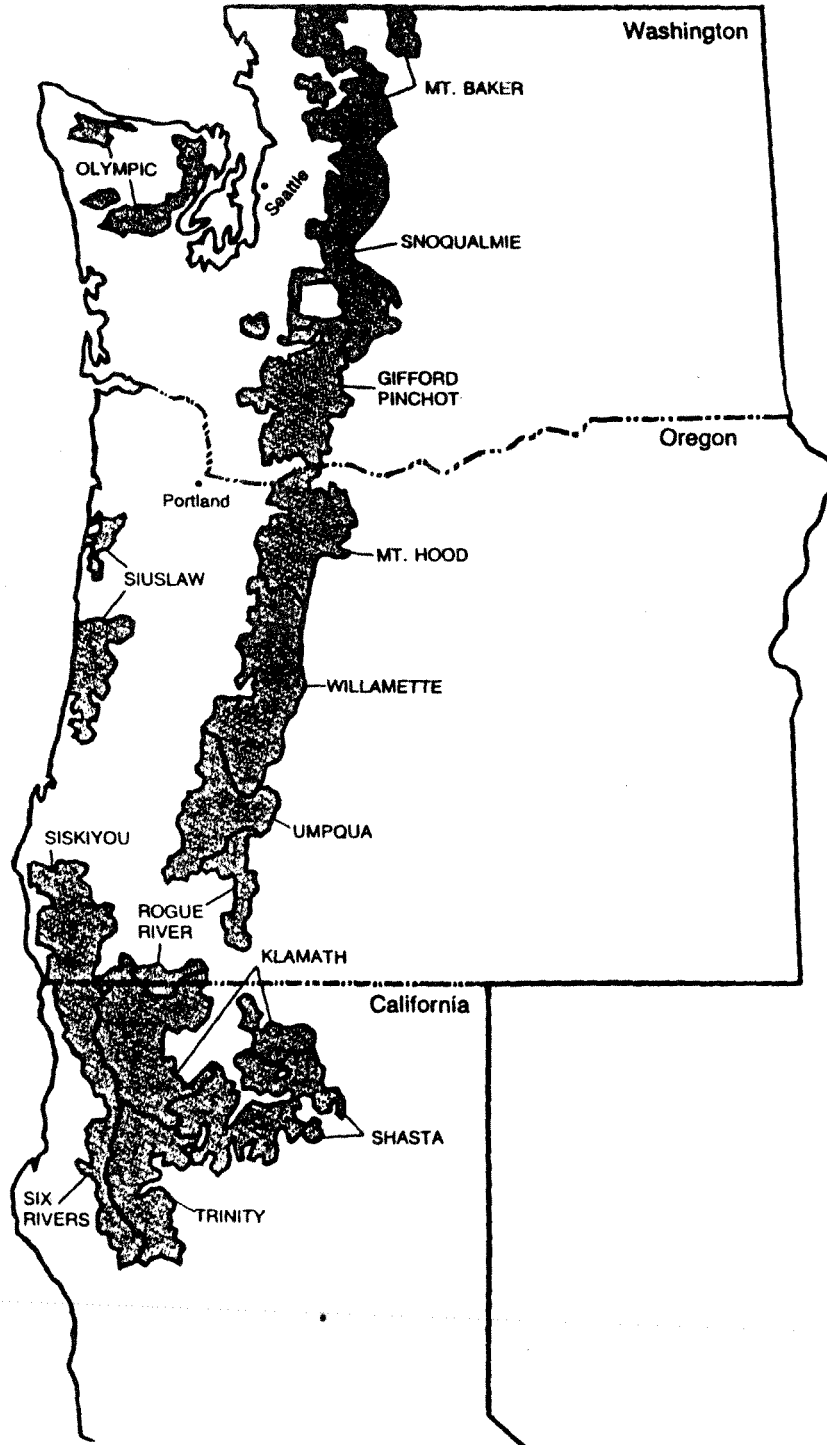
##### **Forest Management**

- Limits logging in spotted owl areas to 1.2 billion board feet per year, in contrast to more than 4 billion per year that took place during part of the 1980s.
- Speeds marketing of backlogged timber sales from Indian reservations and in other ways seeks increased logging in early years of the plan.
- Establishes watersheds, rather than political boundaries, as the fundamental building block for planning.

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<sup>1</sup> The President summarized his plan in a seven-page press release issued by the White House on July 1, 1993. The White House has not yet issued significant details of the plan itself. The bureau will provide the committee with a summary of the plan as details are released.

National Forests Affected by the President's Forest Plan



- Severely limits activities in 6.7 million acres of reserved areas. The reserves emphasize streams and the most valuable old growth forests and areas designated for protection of specific species. Only limited salvage and thinning would be permitted in those areas.
- Specifies ten "adaptive management areas" of 78,000 to 380,000 acres each for intensive ecological experimentation and social innovation.
- Proposes easing of "owl circle" restrictions on certain non-federal lands and encourages private companies to commit the timber released by these changes to processing in domestic mills.

### **Agency Coordination**

- Creates new focus for forest planning based on watersheds and "physiographic provinces." Management is to reflect the unique ecology of each region.
- Creates a new interagency geographic information system (GIS) data base to aid coordination of land and resource management data.
- Creates interagency "provincial-level" teams to analyze physiographic provinces and particular watersheds.
- Revises the consultation process under the Endangered Species Act to emphasize an integrated ecosystem approach. Fish and Wildlife Service and National Marine Fisheries Service would be involved early in the process and would include regional consultations where appropriate.

### **Economic Development**

- Requests Congressional approval for economic assistance to the affected region totaling \$1.2 billion over five years, starting with \$270 million in FY 1984. The assistance is spread among several programs, described in more detail below.

### **Economic Impact of President's Plan**

The Clinton administration estimates that its forest plan will result in the elimination of a total of 6,000 jobs in Oregon, Washington, and California. It did not indicate how the losses would be spread over the three states. Apparently, many observers disagree with these job-loss estimates. Press reports have quoted some industry and labor groups who say that the President's plan could cause the loss of as many as 72,000 jobs. The administration has not released its analysis of job losses. We therefore do not have any basis for estimating the accuracy of job-loss estimates of the President or others. As specific information becomes available, we will evaluate the potential

economic impact of the President's forest plan on California and the directly affected timber communities.

### **Economic Assistance Seeks to Minimize Job Loss**

The President's plan includes varied elements to reduce the adverse economic effects of logging restrictions. The July 1st summary did not break down assistance on a state-by-state basis. The plan would:

- Increase from \$20.2 million to \$42 million Job Training Partnership Act funding for job search assistance, retraining, and relocation.
- Increase funding for business development in the Pacific Northwest and northern California. Elements include improved access to capital, expanded technical assistance, and enhanced access to domestic and international markets. Plan proposes a 47 percent increase in funding for these purposes, from \$163 million to \$239.7 million.
- Establish constant levels of financial assistance to timber counties, to avoid ups and downs tied to timber harvest. Assistance to be provided through Community Development Block Grant lending, Rural Development Administration (RDA) community facilities, and the RDA water/program. Funding to be increased from \$298.6 million to \$373.6 million.
- Expand funding for environmental protection and monitoring, watershed maintenance, research, and forest stewardship (small landowner forest management). Funding to be increased from \$438.2 million to \$519.8 million.
- Eliminate tax incentives for export of raw logs and make avoidance of raw log export limitations more difficult. Purpose is to direct more log processing to local mills. The President has already signed a bill to block export of raw logs harvested from federal lands.
- Direct the Cabinet to identify and implement ways to strengthen small businesses and secondary manufacturing in the wood products industry.

### **Industry and Environmentalists Oppose the Plan**

Forest-product-related industry and local officials have stated that the logging limits are too low to support the region's economy and will increase lumber prices. The 1.2 billion board feet per year limit is only about 40 percent of what timber interests sought.

Environmentalists believe that the plan offers insufficient protection to threatened species and sensitive ecosystems. They have stated that the plan's allowance of selective harvesting for purposes of thinning and salvage would open a huge loophole in protection of ancient forests. Both sides anticipate litigation over the plan as proposed.



## **Appendix: Further Information on the California Timber Industry and Timber-Producing Counties**

The following appendix tables provide more detailed information about California timber production and related economic data for timber-producing counties. In addition, we have summarized our key observations in a highlights section next to each table. The tables include data on timber acreage by ownership type, production, value, timber tax collections, employment in lumber and wood products, and county unemployment rates and per capita income. The top ten lumber-producing counties in 1992, as referenced in the text, are highlighted in bold print in appendix tables where all significant timber producing counties are included.

## Highlights of Appendix Table A-1

Table A-1 shows California timber production in thousands of board-feet for 1988 through 1992 by county.

The table shows:

- While there are 35 counties producing significant quantities of timber in California, production is concentrated in a much smaller number of counties.
- Statewide, production has declined markedly, from 4.6 billion board-feet in 1988 to 3.0 billion in 1992.
- While most major timber-producing counties have experienced declines in production, performance has varied significantly from one county to the next. For example, timber production in Plumas County in 1992 was about at its 1988 level, while in Siskiyou County production in 1992 declined about 60 percent from 1988.

**Appendix Table A-1****California Timber Production, 1988 to 1992****(In Thousands of Board Feet)**

County	1988	1989	1990	1991	1992
Total	4,625,800	4,364,500	3,997,900	3,172,200	2,958,700
Alpine	9,600	500	1,200	800	1,200
Amador	31,600	101,600	82,600	61,800	43,400
Butte	146,400	82,300	53,500	75,900	38,500
Calaveras	99,300	134,500	164,300	94,800	64,700
Colusa-Sutter	6,500	900	--	3,000	500
Del Norte	191,900	122,900	171,200	122,900	94,300
El Dorado	217,400	273,600	316,800	191,600	152,000
Fresno	81,300	89,700	59,600	48,100	58,700
Glenn	29,200	36,900	34,900	13,600	13,300
Humboldt	742,700	663,200	609,900	459,200	476,300
Kern	19,000	7,600	2,500	7,400	4,300
Lake	42,300	22,600	12,500	3,400	3,900
Lassen	124,500	107,300	96,000	113,500	104,300
Madera	62,100	67,700	79,800	34,400	41,600
Mariposa	86,200	84,400	16,000	42,000	20,100
Mendocino	474,500	515,300	422,700	275,000	250,900
Modoc	47,900	51,000	90,400	34,900	62,100
Mono	7,000	7,800	--	--	7,800
Napa	1,800	1,100	300	200	600
Nevada	72,200	97,200	53,800	65,300	64,100
Placer	120,200	119,700	172,500	124,100	108,500
Plumas	215,200	257,200	246,500	281,600	221,400
San Mateo	14,600	10,300	7,700	7,000	9,300
Santa Clara	2,300	3,900	4,800	1,000	2,200
Santa Cruz	15,200	16,600	18,100	19,400	16,600
Shasta	267,100	202,900	171,800	196,600	370,300
Sierra	205,500	102,300	82,700	48,700	38,100
Siskiyou	584,400	527,700	394,100	263,000	242,600
Sonoma	37,900	50,500	52,200	32,600	29,400
Tehama	159,800	104,600	133,700	146,200	63,000
Trinity	319,800	281,500	224,200	193,700	170,200
Tulare	36,500	58,600	43,600	60,100	43,500
Tuolumne	135,000	130,900	152,500	133,000	111,400
Yuba	17,500	29,300	25,500	17,400	29,500

Source: California Department of Finance, *1992 Statistical Abstract*, November, 1992.

## Highlights of Appendix Table A-2

Table A-2 shows the net volume of sawtimber produced in California in 1985.

The table shows:

- Softwoods predominate California production.
- Douglas fir is the single largest proportion of timber produced.
- Redwood is the fourth largest type of lumber produced.

**Appendix Table A-2****Net Volume of Sawtimber in California, 1985****(Million Board Feet)**

<b>Species</b>	<b>Volume</b>
Total--all species	280,439
Total Softwoods	263,681
Douglas Fir	76,614
Redwood	26,567
White Fir	48,608
Ponderosa Pine	36,017
Sugar Pine	20,177
Incense Cedar	13,293
Jeffrey Pine	13,654
California Red Fir	19,199
Shasta Red Fir	882
Lodgepole Pine	3,953
Grand Fir	380
Bishop Pine	236
Sitka Spruce	174
Digger Pine	146
Western White Pine	1,829
Knobcone Pine	158
All other softwoods	1,706
Total Hardwoods	16,758
Tanoak	5,074
California Black Oak	5,432
Pacific Madrone	2,676
Canyon Live Oak	1,507
California Laurel	530
Red Alder	330
California Live Oak	299
Bigleaf Maple	176
Oregon White Oak	184
All other Hardwoods	550

Source: California Department of Finance, *1992 Statistical Abstract*, November 1992.

## Highlights of Appendix Table A-3

Table A-3 shows areas of commercial forest land ownership in 1986.

The table shows:

- About half of the commercial forest acreage is managed by the U.S. Forest Service.
- Other public agencies control relatively little acreage.
- Private ownership tends to be most prevalent in Humboldt and Mendocino counties, while the northern and Sierra counties tend to have more of their lands operated by the U.S. Forest Service.

# Appendix Table A-3

## Area of Commercial Forest Land and Ownerships, California, 1986

(In Thousands of Acres)

County	U.S. Forest Service	Public, Other Than National Forest	Forest Industry	Other Private Timber Growers	Other Private	Total Private	Total, All Ownerships
Total	8,282	510	2,760	1,435	3,264	7,459	16,251
Alpine	69	1	--	--	14	14	84
Amador	26	3	23	2	31	56	85
Butte	116	12	120	15	92	227	355
Calaveras	66	7	66	--	71	137	210
Colusa	23	--	1	1	7	9	32
Del Norte	231	1	100	35	27	162	394
El Dorado	301	7	119	2	117	238	546
Fresno	290	1	3	7	22	32	323
Glenn	79	--	18	--	6	24	103
Humboldt	273	124	541	49	567	1,157	1,554
Kern	87	3	--	--	26	26	116
Lake	108	11	8	3	53	64	183
Lassen	376	24	94	173	42	309	709
Madera	213	--	5	9	12	26	239
Mariposa	100	2	1	--	40	41	143
Mendocino	114	127	487	38	575	1,100	1,341
Modoc	339	5	36	136	49	221	565
Mono	162	1	--	--	7	7	170
Napa	--	1	1	1	24	26	27
Nevada	130	14	5	55	137	197	341
Placer	238	11	63	32	79	174	423

County	U.S. Forest Service	Public, Other Than National Forest	Forest Industry	Other Private Timber Growers	Other Private	Total Private	Total, All Ownerships
Plumas	959	4	138	77	82	297	1,260
San Mateo	--	2	8	4	49	61	63
Santa Clara	--	1	--	--	31	31	32
Santa Cruz	--	2	7	4	118	129	131
Shasta	407	37	265	304	169	738	1,182
Sierra	346	2	27	22	44	93	441
Siskiyou	1,396	20	230	259	209	698	2,114
Sonoma	--	11	33	19	261	313	324
Tehama	189	3	195	4	35	234	426
Trinity	672	39	98	161	111	370	1,081
Tulare	373	16	--	--	16	16	405
Tuolumne	358	7	60	--	50	110	475
Yuba	36	2	5	21	23	49	87
All Other Counties	205	9	3	2	68	141	428

620

Source: California Department of Finance, 1992 *Statistical Abstract*, November, 1992.



### **Highlights of Appendix Table A-4**

Table A-4 shows commercial forest land managed by the U.S. Forest Service by national forest or management unit in 1985.

The table shows:

- Of the total land area in these U.S. Forest Service units, less than half is commercial forest land.
- The Klammath and Plumas national forests have the largest number of acres of commercial forest land of California forests. Both of the national forests are in Northern California.

**Appendix Table A-4****Area and Commercial Forest Land Managed by U.S.  
Forest Service, California, 1985****(In Thousands of Acres)**

<b>National Forest or Management Unit</b>	<b>Total Land Area</b>	<b>Commercial Forest Land a/</b>
Total	20,578	8,286
Angeles	654	27
Cleveland	421	12
El Dorado	674	323
Inyo	1,826	164
Klamath	1,681	1,022
Lassen	1,060	737
Los Padres	1,753	67
Mendocino	884	410
Modoc	1,654	453
Plumas	1,155	975
Rogue River	54	34
San Bernardino	658	116
Sequoia	1,124	487
Shasta	1,133	566
Sierra	1,303	475
Siskiyou	33	22
Six Rivers	988	646
Stanislaus	899	511
Tahoe	817	636
Tahoe Basin Management Unit	128	62
Toiyabe	634	82
Trinity	1,045	459

a/ Land capable of producing 20 cubic feet or more per acre per year of industrial wood, and not withdrawn by statute, ordinance, or administrative order from timber utilization.

Source: California Department of Finance, *1992 Statistical Abstract*, November, 1992.

## Highlights of Appendix Table A-5

Table A-5 shows productive forestland acreage in California by owner and region in 1982.

The table shows:

- In 1982 about 10 percent of total productive forestland statewide was withdrawn from production utilization through statute, ordinance, or administrative order.
- About one-third of total productive California forest land is in the northern interior part of the state.
- The north coast is the area of the state with the next highest amount of productive forest acreage, with about 20 percent of the state total.

**Appendix Table A-5**

**Productive Forestland Acreage in California by Owner and Region, 1982 (a)**

Region	Productive, Available (Timberland) (b,c)					Productive, Reserved (d)			Productive, Total		
	Forest Service	Other Public	Industry	Other Private	Total	Forest Service	Other Public	Total	Public	Private	Total
North Coast (c)	597	291	1187	1400	3475	49	154	203	1091	2587	3678
North Interior	3430	167	1577	643	5817	458	144	602	4199	2220	6419
Sacramento	1778	30	545	345	2698	96	16	112	1920	890	2810
Central Sierra	1211	83	420	548	2262	75	244	319	1613	968	2581
Central Coast	163	33	12	304	516	29	77	106	302	320	622
San Joaquin	948	67	16	86	1113	219	227	446	1461	98	1559
Eastside	426	9	-	29	464	150	5	155	590	29	619
S. California	154	18	1	13	186	58	12	70	242	14	256
State Total	8707	698	3758	3368	16531	1134	879	2013	11418	7126	18544

(a) Acreages are in thousands.

(b) Productive forestland is capable of growing 20 cubic feet per acre per year of industrial wood and can be managed for continuous timber crops.

(c) Available productive forestland is available for timber production; also referred to as timberland.

(d) Reserved productive forestland is withdrawn from timber utilization through statute, ordinance, or administrative order.

(e) Includes Sonoma County.

Source: FRRAP Information and Analysis System

## Highlights of Appendix Table A-6

Table A-6 shows the number of sawmills and their capacity in California for 1972, 1976 and 1982.

The Table shows:

- The total number of sawmills in the state declined from 176 in 1972 to 101 by 1982. During the same time period total capacity declined by about 25 percent.
- Most of the decline in the number of mills from 1972 to 1982 was in smaller mills. California had the same number of the largest capacity mills in 1982 as in 1972.

**Appendix Table A-6****Number of Sawmills and Capacity by Sawmill Size Class  
1972 through 1982****(Million Board Feet)**

		> 120 MBF	80-119 MBF	40-79 MBF	< 40 MBF
Year	Total	Per 8 Hr Shift	Per 8 Hr Shift	Per 8 Hr Shift	Per 8 Hr Shift
Number of Sawmills					
1972	176	52	54	34	36
1976	142	63	39	23	17
1982	101	52	28	10	11
Sawmill Capacity (Million Board-Feet)					
1972	16,552	8,893	5,098	2,066	495
1976	16,174	10,872	3,685	1,402	215
1982	12,475	9,127	2,686	520	142

Source: *California's Forests and Rangelands: Growing Conflicts Over Changing Uses*,  
California Department of Forestry and Fire Protection, 1988.

## Highlights of Appendix Table A-7

Table A-7 shows California timber values and timber tax collections from 1977 to 1992.

The table shows:

- Market value of timber production varies sharply depending on economic and other conditions. For example, value of production declined from \$890 million in 1990 to \$662 million in 1991, then rose back to \$902 million in 1992.
- Over the last five years timber tax receipts have been running from \$19 million to \$25 million per year.

**Appendix Table A-7****California Timber Value and Timber Tax Collections****(Millions)**

	<b>Timber Harvest Market Value</b>	<b>Timber Tax Revenues</b>
1977	389.0	23.8
1978	682.1	41.3
1979	742.7	22.5
1980	565.8	16.9
1981	493.1	15.0
1982	296.1	9.0
1983	400.5	12.0
1984	425.0	13.1
1985	396.5	12.2
1986	451.8	14.0
1987	577.2	16.8
1988	669.2	20.0
1989	762.7	21.7
1990	890.5	24.9
1991	661.8	19.2
1992	902.4	24.1

Source: *Annual Report, 1991-92*, California Board of Equalization, December 1992.



## **Highlights of Appendix Table A-8**

Table A-8 shows industry detail for California lumber and wood products employment from 1983 through 1992.

- The table shows:
- Total lumber and wood products employment reached a peak of 69,600 employees in 1989, dropping to 48,800 by 1992
- Since 1989 the largest decline in employees both numerically and percentage wise have been in millwork and plywood production. Nevertheless, logging and sawmills have also experienced sharp declines in employment.
- Employment in production of wood containers and other wood products has been relatively stable compared to log, lumber and plywood production.

**Appendix Table A-8****California Lumber and Wood Products Employment****(Number of Employees)**

Industry	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Lumber & Wood Products	50,000	53,500	54,700	59,200	64,700	67,500	69,600	66,200	54,600	48,800
Logging & Sawmills	19,500	20,300	20,000	20,600	21,800	20,000	21,200	19,700	15,800	16,200
Millwork & Plywood	14,200	16,400	17,900	20,600	23,800	25,900	28,500	27,000	22,000	18,400
Wood Containers	3,700	3,900	4,000	4,500	4,600	4,500	4,400	4,600	4,400	4,000
Other Lumber & Wood Products	12,700	12,800	12,700	13,500	14,500	15,100	15,600	14,900	12,400	10,100

Source: Employment Development Department

## Highlights of Appendix Table A-9

Table A-9 shows monthly employment in lumber and wood products industries from January, 1992 to May 1993.

The table shows:

- So far in 1993 employment in lumber and wood products has been below the corresponding month of 1992.
- All major lumber industries have experienced employment losses compared to corresponding months of 1992.

Appendix Table A-9

## Recent Trends in California Lumber and Wood Products Employment

(Thousands of Employees)

1992	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Lumber and Wood Products (Exc Furniture)	47.6	47.4	47.8	48.4	49.8	50.1	50.4	50.0	49.6	49.2	48.0	47.3
Logging, Sawmills, and Planing Mills	15.5	15.4	15.4	15.7	16.7	17.0	17.3	17.0	16.7	16.4	15.8	15.6
Millwork, Veneer, and Plywood	18.3	18.1	18.4	18.5	18.7	18.7	18.7	18.6	18.5	18.7	18.1	17.9
Wood Containers	3.7	3.8	3.9	4.0	4.2	4.3	4.4	4.3	4.3	4.0	3.9	3.7
Other Lumber and Wood Products	10.1	10.1	10.1	10.2	10.2	10.1	10.0	10.1	10.1	10.1	10.2	10.1
1993	Jan	Feb	Mar	Apr	May							
Lumber and Wood Products (Exc Furniture)	45.5	45.3	45.6	46.1	46.6							
Logging, Sawmills, and Planing Mills	14.4	14.3	14.5	14.7	14.9							
Millwork, Veneer, and Plywood	17.7	17.7	17.7	17.8	17.8							
Wood Containers	3.5	3.4	3.5	3.6	3.8							
Other Lumber & Wood Products	9.9	9.9	9.9	10.0	10.1							

Source: Employment Development Department, *Bureau of Labor Statistics Report on Employment, Hours and Earnings*.

## Highlights of Appendix Table A-10

Table A-10 shows employment in lumber and wood products for major timber-producing counties from 1983 to 1992.

The table shows:

- These 11 timber-producing counties had 14,200 employees in lumber and wood products in 1992, about 30 percent of statewide employment.
- Employment in lumber and wood products in the major timber-producing counties reached a peak of 18,600 employees in 1989, the same year the state as a whole reached a peak.
- While employment has declined in every major timber producing county since 1989, Shasta County has had the most stability in lumber and wood products employment.

**Appendix Table A-10**

# **Employment in Lumber & Wood Products by County Major Lumber-Producing Counties**

(Thousands of Employees)

County	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992 (a)
Butte	1.3	1.5	1.5	1.6	1.8	1.8	1.9	1.6	1.3	0.9
Del Norte	0.8	0.9	0.8	0.7	0.7	0.6	0.5	0.5	0.4	0.4
Humboldt	4.4	4.7	4.7	4.8	5.1	5.2	4.9	4.6	4.2	4.2
Mendocino	2.8	2.9	2.8	2.8	2.9	3.2	3.2	3.2	2.7	2.5
Plumas	.10	1.1	.10	.10	.10	.10	0.9	0.9	0.8	0.7
Shasta	2.1	2.1	1.8	1.9	2.1	2.5	2.3	2.4	2.2	2.2
Siskiyou	1.0	1.4	1.4	1.5	1.7	1.7	1.6	1.1	0.9	0.8
Tehama (b)	2.0	2.2	2.2	2.3	2.2	2.2	2.0	1.5	1.5	1.6
Lassen, Modoc, Trinity (c)	1.3	1.4	1.3	1.3	1.3	1.3	1.3	1.2	1.1	1.0
<b>Total</b>	16.8	17.9	16.1	17.8	17.4	18.1	18.6	16.9	15.1	14.2
<b>California</b>	50.0	53.5	54.7	59.2	64.7	67.5	69.6	66.2	54.6	48.8

(a) 3/92 Benchmarked Data.

(b) Includes paper and related products.

(c) Data not available for individual county because of confidentiality requirements.

Source: California Employment Development Department.

## Highlights of Appendix Table A-11

Table A-11 shows annual average unemployment rates for timber producing counties from 1980 through 1992.

The table shows:

- During the 1980s many major timber producing counties experienced high rates of unemployment compared to the state average. For example, in 1985 unemployment in Del Norte County was 14.8 percent compared to a statewide average of 7.2 percent.
- As statewide unemployment rates decreased through the late 1980s, rates also fell for timber producing counties. However, they generally remained higher than the state average. When California unemployment reached a low of 5.1 percent of the labor force in 1989, unemployment remained 7.8 percent in Humboldt and Mendocino counties, 9.0 percent in Shasta, 10.6 percent in Siskiyou and 12.9 percent in Del Norte.
- As the California unemployment rate climbed in the early 1990s, rates in major timber-producing counties also climbed.

Appendix Table A-11

## Annual Unemployment Average, 1980 to 1992

County	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
State Total	6.8	7.4	9.9	9.7	7.8	7.2	6.7	5.8	5.3	5.1	5.6	7.5	9.1
Alpine	6.9	7.1	8.5	9.9	5.3	7.1	6.4	5.7	5.9	5.0	5.9	8.2	9.2
Amador	12.0	11.9	14.7	13.5	10.1	8.6	7.9	6.2	6.7	5.9	5.5	7.2	9.4
Butte	10.1	11.4	14.6	13.5	11.7	10.9	9.7	7.9	7.9	7.8	7.5	9.4	11.6
Calaveras	10.7	12.5	17.3	16.0	13.0	10.7	9.4	8.6	8.6	8.3	7.8	10.5	13.9
Colusa	8.2	8.7	12.1	16.0	14.0	14.0	13.1	9.9	10.4	11.6	12.3	15.7	19.0
Del Norte	12.7	16.9	23.8	19.4	16.3	14.8	13.0	11.9	12.5	12.9	12.3	12.5	15.6
El Dorado	9.2	10.0	12.6	9.8	7.9	6.7	5.7	4.8	4.7	4.2	4.2	6.1	8.1
Fresno	9.0	10.5	13.8	14.0	12.9	12.9	12.4	10.6	10.8	10.0	10.5	12.6	14.5
Glenn	8.2	9.8	13.6	15.8	13.9	13.1	12.6	11.0	10.6	12.4	12.5	15.5	19.5
Humboldt	12.2	13.8	16.7	13.3	11.8	10.6	9.1	7.6	7.7	7.8	7.6	8.8	10.5
Kern	7.7	8.6	12.0	13.4	12.2	11.5	11.5	10.5	9.9	10.3	10.5	11.8	15.1
Lake	9.5	10.8	13.9	14.2	12.0	12.6	12.1	9.9	10.6	10.0	9.0	11.1	13.8
Lassen	11.5	14.0	16.3	13.2	12.5	11.6	9.9	8.2	8.4	8.4	9.1	10.0	10.9
Madera	8.7	10.2	12.8	13.6	11.9	11.9	11.8	9.5	10.9	11.2	13.0	14.0	15.7
Mariposa	10.5	10.5	12.5	11.5	9.2	8.4	6.8	6.0	5.9	5.6	5.1	6.3	7.7
Mendocino	10.4	11.8	15.1	13.3	12.0	10.8	9.5	8.5	8.4	7.8	9.3	10.9	12.8
Modoc	7.0	8.7	10.6	10.8	11.4	10.9	9.4	8.1	8.7	9.1	10.1	12.4	13.1
Mono	9.2	10.4	12.6	14.0	12.0	8.8	7.7	6.8	5.0	4.5	6.2	12.5	10.7
Napa	6.6	7.1	10.0	10.5	7.5	6.5	6.0	5.1	4.7	4.6	4.5	5.9	7.9
Nevada	9.7	11.5	15.0	12.7	9.5	8.3	7.1	5.9	6.1	5.6	5.2	7.0	9.0
Placer	9.2	10.3	12.7	10.5	8.3	7.1	5.9	5.2	5.1	4.5	4.6	6.8	8.1
Plumas	15.0	17.2	22.5	17.6	14.9	14.2	11.9	10.8	11.1	10.4	10.3	12.0	14.3
San Mateo	3.9	4.6	6.5	5.6	4.3	3.9	3.8	3.2	2.8	2.7	3.0	4.2	5.3
Santa Clara	5.1	5.9	7.5	7.2	5.3	5.9	5.8	4.5	3.9	3.8	4.0	5.5	6.8
Santa Cruz	8.6	9.4	11.5	10.5	8.3	8.5	8.1	6.7	6.6	6.6	6.3	8.0	9.2



County	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Shasta	12.9	15.1	18.3	15.5	14.1	13.3	11.3	9.2	9.1	9.0	8.4	10.3	12.5
Sierra	14.9	18.9	30.7	21.3	15.0	12.9	10.8	9.9	9.5	9.8	10.1	10.5	10.7
Siskiyou	15.1	16.6	22.7	19.7	15.6	15.2	12.8	10.2	10.7	10.6	11.5	12.5	14.5
Sonoma	7.1	8.0	10.3	9.0	6.5	6.1	5.7	4.8	4.7	4.4	4.2	5.7	7.1
Sutter	14.1	15.7	21.4	23.0	19.6	16.3	14.6	11.7	12.3	13.0	14.5	17.6	19.1
Tehama	11.9	13.8	16.7	15.1	12.0	11.5	10.0	8.5	8.8	9.5	10.7	12.4	13.4
Trinity	14.7	17.4	20.7	16.8	16.8	16.2	13.0	10.8	11.2	12.4	12.5	14.5	16.6
Tulare	8.2	9.2	12.5	12.8	13.2	13.6	12.6	10.6	10.4	10.4	11.9	17.1	15.3
Tuolumne	11.7	14.3	18.2	15.6	12.6	10.8	8.6	7.8	7.9	7.1	6.6	8.3	10.8
Yuba	13.5	14.9	19.2	19.6	16.1	16.1	14.4	11.5	11.6	10.8	10.9	14.1	16.6

\* Note: Census ratios used in deriving these estimates are from the 1980 census. Unemployment rate is based on unrounded data. Data not seasonally adjusted.

Source: California Employment Development Department.

## Highlights of Appendix Table A-12

Table A-12 shows personal income per capita for major timber producing counties from 1985 through 1991.

The table shows:

- Income per capita in most major timber producing counties was generally far below the state average.
- In 1991 of the major timber producing counties, Del Norte has the lowest income per capita at \$12,187, while Placer has the highest at \$20,752.

**Appendix Table A-12****Per Capita Personal Income, California Timber-Producing Counties****(Dollars)**

	1985	1986	1987	1988	1989	1990	1991
California	16,314	17,097	17,871	18,744	19,667	20,547	20,805
Metropolitan Portion	16,461	17,246	18,023	18,908	19,835	20,728	20,989
Non-Metropolitan Portion	11,943	12,600	13,293	13,842	14,638	15,139	15,366
<b>Counties</b>							
Alpine	14,484	14,815	16,928	19,766	22,120	22,578	21,747
Amador	12,943	13,831	14,579	14,412	14,446	14,894	15,547
Butte	11,735	12,346	13,073	13,610	14,104	14,900	15,172
Calaveras	11,731	12,590	12,349	12,682	13,651	14,284	14,273
Colusa	15,155	14,027	15,923	16,843	17,608	17,866	18,803
Del Norte	9,880	10,186	10,328	10,469	11,242	12,151	12,187
El Dorado	14,380	15,421	16,378	16,890	18,146	19,793	20,179
Fresno	12,683	13,362	14,087	14,454	15,270	16,222	16,323
Glenn	12,278	12,235	13,811	14,500	14,706	14,821	14,646
Humboldt	12,608	13,498	14,152	14,734	15,518	16,106	16,483
Imperial	10,314	10,658	11,961	13,241	14,141	14,664	13,852
Kern	12,966	13,467	13,591	14,206	14,760	15,639	15,791
Lake	12,462	13,362	13,611	13,975	14,910	15,493	16,075
Lassen	11,272	11,804	11,750	12,118	12,667	12,704	13,523
Madera	10,120	10,989	12,149	13,071	13,147	13,687	13,553
Mariposa	12,794	13,542	13,553	14,317	14,922	16,312	16,919
Mendocino	12,458	13,322	13,826	14,242	15,568	16,133	16,486
Modoc	11,336	11,852	12,791	13,706	14,739	14,869	13,938
Mono	14,766	15,508	15,938	17,423	18,741	18,856	18,805
Napa	16,768	17,679	18,769	19,948	21,463	22,897	23,581

	1985	1986	1987	1988	1989	1990	1991
Nevada	13,410	14,474	15,238	16,030	16,779	17,713	18,104
Placer	15,391	16,410	16,751	17,671	18,911	20,263	20,752
Plumas	12,930	13,797	14,139	14,597	15,505	16,147	16,737
San Mateo	22,068	23,233	24,163	25,733	27,037	28,290	28,933
Santa Clara	19,637	20,466	21,473	22,870	23,913	25,201	25,955
Santa Cruz	16,107	17,324	18,253	19,332	18,799	21,558	22,554
Shasta	12,221	13,022	13,796	14,365	15,252	16,383	16,579
Sierra	12,929	14,194	14,786	14,794	15,784	15,980	17,049
Siskiyou	11,461	12,371	13,035	13,624	14,365	14,990	15,197
Sonoma	16,783	17,750	18,705	19,768	20,940	21,549	22,156
Sutter	13,378	13,559	14,277	14,565	15,512	16,283	17,147
Tehama	10,663	11,351	11,475	11,836	12,124	12,376	12,717
Trinity	10,949	11,818	12,366	12,870	13,331	13,855	14,384
Tulare	10,969	11,487	12,318	12,866	13,514	14,515	14,248
Tuolumne	12,121	13,034	13,173	13,518	14,042	14,668	15,077
Yuba	9,923	10,116	10,395	10,986	11,606	11,971	12,607

Source: California Department of Finance

### **Highlights of Appendix Table A-13**

Table A-13 shows California personal income tax assessments for major timber-producing counties in 1990.

The table shows:

- California personal income taxes averaged about \$500 per capita in 1990.
- In the top ten timber-producing counties, per capita personal income tax assessments were generally far lower. Personal income tax assessments in these counties averaged \$367 per capita.
- With the exception of Placer and El Dorado counties, assessments per capita were generally less than \$300, with a low of \$174 per capita in Trinity County.

**Appendix Table A-13****Personal Income Tax Assessments in 1990**

County	Population July 1, 1990	Tax Assessed	Tax Assessed Per Capita (Dollars)
Del Norte	24,500	4,843	198
El Dorado	128,200	45,386	354
Humboldt	119,800	33,890	283
Mendocino	81,000	23,405	289
Placer	175,600	92,304	526
Plumas	19,900	5,031	253
Shasta	148,800	46,437	312
Siskiyou	43,800	10,333	236
Trinity	13,100	2,277	174
Tuolumne	49,000	14,518	296
Total Major Timber Producing Counties	759,900	278,874	367
California	29,976,000	14,894,065	497

Source: California Franchise Tax Board, *1991 Annual Report*.



Statement of E. Thomas Tuchmann  
Special Assistant to the Secretary  
U.S. Department of Interior

Before the California Senate Committee  
on  
Natural Resources and Wildlife

August 18, 1993

Mr. Chairman and members of the Committee, thank you for holding this hearing today on the President's Forest plan for northern California and the Pacific Northwest. My name is Tom Tuchmann and I serve as Special Assistant to Secretary Babbitt. In this role I have assisted the Secretary and President in organizing the Forest Conference and subsequent planning effort.

I'd like to briefly talk this morning about context: about past decisions that set the context in which we now operate, and how the President's proposal helps set a context for future forest management decisions.

**Californians Speaking Out**

Before doing so, I'd like to acknowledge the contribution Californian's have made to this plan and how they've helped shape the President's approach to this issue.

The April 2nd Forest Conference in Portland was a moving event. The President, Vice-President, and Cabinet members heard heart-



felt statements from loggers, environmentalists, community activist, clergymen, and others -- many of them Californians.

Fisherman Nat Bingham spoke to the decline of salmon habitat. He said, "If we don't do something right now to protect the remaining habitats, we're going to see listings of salmon that will be in the order of magnitude under the Endangered Species Act that will make the spotted owl situation pale by comparison."

Forester Meca Wawona spoke to value of old growth forest protection. She described northern California forests as "the last of our [nation's] primeval forest heritage" and then went on to say, "We have a chance to go down in history as people who learned from their mistakes and created a new way forward. Let's do the right thing for our grandchildren."

Logger Buzz Eades spoke to losing his lineage in the forest products industry. He said "... I'm afraid of the future that faces my family. I represent thousands and thousand of timber workers just like me, ordinary, everyday, hardworking people who face a fearful future.... Mr. President, my people, my family are forest people. We love the beauty of the forest; we respect it. It's part of what we are."

Siskyou County School Supervisor Frank Tallerico spoke to his county's dependence on federal timber harvesting. He said: " ...

federal timber receipts [from timber harvesting] are very important to us, because that translates into numbers of positions and numbers of teachers, numbers of staff that we are able to provide."

Community activist Nadine Bailey spoke to cooperation. She said "We can solve these problems if we just continue to do what we're doing here today, and that's join together and find a solution that involves the local people."

At the Forest Conference itself, Californians had a significant presence and they had the President's ear. They have continued to play key roles in the development and implementation of this plan.

#### **The Context: Litany of Denials**

I want to talk now of past decisions, and I do so because the context is important. It explains the narrow range of options that are in fact available to the President. I do so because we are again at a point when we are being warned that our present management practices will not sustain us into the future. I do so because it is essential to understanding why the President's proposal is such a clean break from the past.

In studying this issue, one fact defines all others: the history of forest management in the region is one of short-sightedness and deliberate procrastination.

Our government knew it was cutting too much timber: there were countless legal warnings. Judge William Dwyer referred to a "remarkable series of violations of the environmental laws."

While everyone in northern California and the Pacific Northwest may have heard of Judge Dwyer, this is not the work of one Judge. Others have ruled in this matter. Judges Zilly, Frye, Jones, Choy, Schroeder, Nelson, Goodwin, Pregerson, and Marsh. Nine different judges -- enough to field a baseball team. Each one of them -- every single one of them -- ruled that our Federal timber management policies were not in compliance with the law.

There were numerous scientific warnings, as well. This is not the work of one scientist or the "Gang of Four." There were repeated warnings throughout the mid- to late-1980s. There were, in fact, warnings going back decades.

Our government deliberately set out to become boxed in -- to build anger and resentment at the Nation's environmental laws -- with the clear goal of gutting those laws.

This litany of denials -- of ignored warnings and callous delays -- is the context in which you should judge the President's proposal. It is the reason why the range of options for the President was so very small. It is the reason why we are not trying to head off an environmental train wreck -- we are trying to clean up after one. Had this crisis been dealt with earlier, we would come to you with options allowing more timber into the mills and more old growth protection. But this litany of denials makes that impossible.

#### **Setting a New Context**

It is within this context that President Clinton has stepped in to break the gridlock and offer a bold and thoughtful plan.

The plan provides for a sustainable harvest level of 1.2 billion board feet. In addition, \$1.2 billion in new money will be dedicated to help local workers, businesses, and communities create family-wage jobs, offer new economic opportunities and ensure the region's long-term economic health.

It calls for an innovative, new approach to environmental protection based on key water supplies and valuable old growth forests.

A comprehensive set of late successional/old growth reserves will be established to protect old growth ecosystems.

"Adaptive management areas" -- the largest of which is the 400,000 acre AMA outside of Hayfork, CA -- will be situated near forest dependent communities to encourage development and testing of forest management techniques that achieve integrated economic, social, and ecological objectives. The administration will seek to assure that not only communities -- but all interested parties -- are at the table to guide the management of AMAs.

The plan recognizes that federal agencies must work as one if we are to escape the finger pointing and inaction of the past. It establishes various means to improve coordination and make sure federal agencies work together with the states, local communities, and the public to help decide the future of their forests.

The President's plan meets the objectives he set out at the Forest Conference in April.

The plan is ecologically sound. Over 600 scientists and natural resource professionals worked to make sure it reflected the state of the art science and management techniques. The team went beyond protecting currently listed Threatened and Endangered species and developed an integrated plan that will protect the

whole old growth ecosystem -- and its associated flora and fauna -- over time.

The plan is legally responsible because it brings forest management into compliance with existing laws. In this way we ensure certainty in terms of long-term ecological health, and certainty in terms of timber supply. This will help avert any future train wrecks.

The plan is balanced. In relying on science and following the laws, the President is moving to protect 80% of the remaining old growth forests, as well as key watersheds and related forest ecosystems. When presented with a range of options that were within the law, the President chose the one which would allow the most timber to move; that is an obvious effort to help local economies. We are doing everything we can, within the limits of the law, to move timber into the mills.

The plan is fair. We know that the proposed harvest levels are too low to support the kind of industry that existed in the recent past. This finding was not taken for granted and that is why the President is committed to providing assistance to help promote family wage jobs, diversify communities, and promote new opportunities for "jobs-in-the-woods".

This is a complex plan that is on a cutting edge of forestry. It is a very significant achievement.

It is significant because it is honest. We did not expect harvest numbers this low. The fact is, however, that a new and very clear warning has been issued: the timber just isn't there to sustain a higher level of harvest.

It is significant because this Administration refuses to continue the previous practices of denial, flouting the law and squandering. We know this will cause additional injuries, and we deeply regret that. But we also know this plan reflects the best science available at this time. It represents heroic work by hundreds of scientists.

It is significant because it rejects the simple conclusions and recognizes that we need not -- and must not -- choose between jobs and the environment. It recognizes the importance of both; it recognizes that virtually everyone here and everyone in the region cares about both.

It is significant because it is comprehensive and integrated. For the first time, we have a framework in which we can make all other regional forestry decisions. No longer will the Forest Service, on its own, make decisions that will negatively impact a

Fish and Wildlife Service plan. For decades, management decisions have been made in a vacuum. No longer.

In reviewing this plan, I ask that you appreciate its comprehensive approach and that you look at each of its parts in the context of the whole. Like the old growth ecosystem itself, tinkering with the parts can surely cause the entire system to fail.

#### **Improvements Can Be Made**

As good as this plan is, it is not perfect. We made the best judgements we can make within our limited timeframe. The plan was designed for change, anticipates change, and no doubt will need change. We will get better at the management of complex ecosystems, and as we do, we will adjust the details of the plan. Some want permanent immutable reserves -- but that would presume a degree of knowledge that -- as the scientists suggested -- at this time is not there in many instances.

The Clinton Administration is dedicated to implementing the plan in its entirety. We are starting the public comment period now and we look forward to working with the people of California to improve on what we have developed.



Thank you for this opportunity to speak with you today. I would be happy to answer any questions you may have.

STATEMENT OF

DR. RONALD E. STEWART, REGIONAL FORESTER

PACIFIC SOUTHWEST REGION, USDA/FOREST SERVICE

Before the

California Legislature, Senate Committee on Natural Resources and Wildlife

Concerning the "Impact of President Clinton's Forest Plan on California's  
Economy and Environment"

Mr. Chairman and Members of the Committee, I am Dr. Ronald E. Stewart, Regional Forester for the National Forests of California. I am pleased to Join Mr. Tuchmann and Mr. Plenert from the Department of Interior to discuss the implications of the President's Forest Ecosystem Management Plan to the State of California. Mr. Tuchmann presented the plan and a complete overview of the desires of this Administration to implement an ecosystem approach to forest management in consideration of the needs of both people and the environment. I will focus my remarks today on some specific applications and projected impacts of this plan to our state.

I will limit my remarks to three specific areas: 1) the application and projected affects of the "Forest Ecosystem Management Team" (FEMAT) report to the National Forests, 2) our role in delivery of the associated Rural Economic Initiative package and 3) our working relationships with appropriate state and other federal agencies.

This plan was presented to U.S. District Court Judge William Dwyer on July 16th as the preferred alternative of 10 options considered in the Draft Environmental Impact Statement on Management of Habitat for Late-Successional and Old Growth Related Species within the Range of the Northern Spotted Owl. A final plan and decision will not be in place until the end of this year. However, to the extent feasible, the Administration is moving forward to use the strategy to guide planning for future management activities. As changes in the draft EIS document occur as a result of our public comment process, further adjustments will be made accordingly. Today, I formally invite you to participate in this process.

APPLICATION AND EFFECTS OF THE PRESIDENT'S ECOSYSTEM PLAN ON CALIFORNIA:

The Team was instructed to produce management alternatives which would comply with existing law and produce the highest contribution to social and economic well being in the area impacted. They have formulated and assessed 10 management options which are the basis for a solution to the forest issues of the Pacific Northwest. The preferred alternative, "Option 9" recognizes first and foremost that watershed management and the protection of riparian areas are critical elements for sustainable forest management in the region. While prior strategies such as the ISC report and the recovery plan for the northern spotted owl were designed to protect owls, the scientific team recognized that attention to watersheds, both for their importance to water quality and

critical fisheries, is key to effective multiple-resource management in the region.

Both FEMAT and the President's plan recognize resource situations unique to California, and provide forest management prescriptions specific to the state that differ from those for Oregon and Washington. I have established a team of resource specialists to analyze the effects of the plan on the four northern national forests. Although detailed information is not yet available, I would like to review some of the broad implications of the President's plan for the national forests of our state.

#### Land Allocation and Timber Supply

The plan recognizes existing congressionally reserved and administratively withdrawn areas and recommends four other land allocations: 1) Late-Successional Reserves, 2) Riparian areas, 3) Adaptive Management Areas, 4) Forest Matrix. In addition, the plan designates key watersheds because of their contribution to the conservation of salmon and steelhead fisheries. Within these classifications, coniferous forests occupy 918,000 acres in late-successional reserves, 298,000 acres in riparian and key watershed reserves, 124,000 acres in two adaptive management areas, and 527,000 acres in forest matrix.

Timber harvest activities in the designated reserves will be very limited. The bulk of harvest activity would occur within the forest matrix. Within the matrix we would plan our harvest entries on a 180 year rotation and require that at least 15% of the volume of a given harvest unit be left uncut. Adaptive management areas have been established whereby local communities can work collaboratively and creatively on compatible harvest strategies, and also, on actions required to help revitalize their economic stability.

The land allocations in Option 9 recommendations are quite similar to those we have delineated in our land and resource management plans for the four northern California national forests. However, the management prescriptions in Option 9 are new; consequently, our draft forest planning efforts are not entirely consistent with Option 9. The draft EIS provides a comparison between the timber harvest level of 242 million board feet projected in the draft forest plans (Option 7 in the DEIS) and the projected harvest level of 152 million board feet in Option 9. Until our analysis is complete, I cannot clearly describe where those differences occur on a site-specific basis.

The long term implementation of the President's Forest Plan will require revision and modification of the four individual forest plans, although here in California, forest plans for the Northern Spotted Owl forests are largely consistent with Option 9 in their present form. We anticipate that only minor modification of these plans will be required to facilitate implementation.

#### DELIVERY OF THE RURAL ECONOMIC INITIATIVE PACKAGE:

The timber supply from National Forest lands in California has experienced a constant decline for the past 25 years. The reasons for this decline are many, but perhaps the most implicit of all is that the National Forests are managed for a multiple of purposes, and increased human demands upon the lands and resources has resulted in management of the land base for purposes other than

primary timber production. Between 1981 and 1990 the four National Forests within the range of the Northern Spotted Owl sold an average of 624 million board feet per year. The projected sale levels recommended in this plan reduce the level of projected sale to 152 million board feet. The reduction is not simply because a species or two is imperiled and closely protected, it is because the forest habitats upon which these and a host of other species occupy has been modified to the point of no longer providing a functioning forest environment for all species and all human needs; thus our land base to practice forest management has been steadily reduced to accommodate the multiple of human and environmental demands.

California has experienced a general reduction in jobs in the timber industry. The reasons for this reduction include declining public timber supply due to environmental concerns as discussed above, modernization of mills, log exports from private lands, and mergers of corporate timberlands and their operations. These factors have resulted in a major re-structuring of the timber industry in California and contributed to the closing of nearly 50% of the mills in the state during the past 10 years. This in turn has significantly reduced jobs in our rural forest communities.

Stability of timber-related jobs has historically been a roller coaster ride, dependent largely upon national building starts and demand. As an example, unemployment rates in Humboldt County, the state's largest timber producer, have fluctuated from a high of 16.7 percent in the recessionary Year of 1982 to a low of 7.6 percent in 1987 and 1990. Rates in 1992 were at 10.2 percent, compared to the statewide unemployment average of 9.1%. Economists agree that the best way to stabilize employment is to diversify the employment base.

The President's Plan recognizes the serious employment and economic issues involved, and calls for assisting affected communities with technical help and direct financial aid. Of the three working groups the President established in this effort, the "Labor and Community Assistance Working Group" was charged with the development of tools to aid individuals, businesses, and communities affected by changes in Federal and forest land management in the region. Their work identified a 5-year, \$1.2 billion assistance program to assist the people who are affected by reductions in Federal timber supply, to aid in the development of new business, to assist communities in diversifying their economic bases, and promote the development of new jobs in the region.

Following passage of the 1990 Farm Bill, the Forest Service, other USDA agencies and the State of California prepared a Memorandum of Understanding for Rural Economic Assistance to Timber Dependent Communities. This agreement can serve to assist delivery of the President's package through existing state and Federal delivery systems.

We intend to be a major player in assisting the human/community element of this strategy through our state and private forestry program. In the past, we have managed many of our Pacific Coast national forests with emphasis on their timber values, with less recognition of the multitude of other uses, services and resources available to our society and economy. The President's Community Assistance Plan will provide a framework to expand upon these multiple resource and use opportunities.

The Plan designates "Adaptive Management Areas" which provide for flexible experimentation with policies and management. In California, the 298,000 acre Trinity River Watershed has been designated for adaptive management. (Termed the Hayfork Adaptive Management Area in the plan). Many of you have heard of a recent local government/citizens generated initiative proposed plan for The "Trinity Watershed". This plan has been recognized by Vice President Gore as an excellent model for local citizens involvement in National Forest Management. The initiative is a consensus document which calls for protecting resource amenities while providing a sustainable community base. Other components of the Worker and Community Assistance Plan include retraining, diversifying resource based products and services, and restoring forest health through managed harvest prescription. The other adaptive management area proposed for California is the Goose Nest Area of 169,000 acres.

I should note that we must assure the array of communities of interest are included in the design and implementation of Adaptive Management Areas. From loggers, to environmentalists to school board members and county supervisors.

There are other such proposals coming on line, most of which had their roots of origin as locally driven "bio-regional" planning councils encouraged by the statewide "Memorandum of Understanding on Biological Diversity". The Forest Service co-authored and is signatory to the MOU and we are committed to carrying out the intent and purpose of this agreement. The mechanics of the economic initiative package are yet to be finalized, but this memorandum could very well be the locally driven process which can lead to a successful grass-roots model for economic recovery programs as well as consideration for healthy functional ecosystems. President Clinton's plan and desire for local community involvement is not inconsistent with this California model, and it in fact goes beyond and provides the infusion of dollars and technical support needed for success.

I would note that Federal law provides for a continued supply of timber from national forest lands, and as long as current laws prevail, the national forests will provide a level of sustainable supply. The law does not define that level; however, there is no question that supply will be reduced to bring timber sales into compliance with existing law. It is our clear intent that the level of harvest proposed in this plan will provide for that balance which the laws provide, a predictable harvest within the framework of a sustained and functional forest environment. However, it is our intention that the sustainable level which emerges can be relied upon and will provide a solid base as we can move toward more stable and diversified rural economies.

#### WORKING RELATIONSHIPS WITH STATE AND OTHER FEDERAL AGENCIES:

Finally, I would like to discuss working relationships, and the role of the Forest Service with other federal, state and local agencies in carrying out the intent of the plan: The technical and scientific aspect of implementation will require close coordination by all resources agencies, and I believe we have excellent in place working processes with all state and federal agencies concerned, state boards and commissions included. I see some fine tuning of these processes as we work together on implementation of this plan.

Because the Northern Spotted Owl and Marbled Murrelet have been listed under the Endangered Species Act, we will continue to consult with the U.S. Fish and

Wildlife Service any activities impacting habitats within their range. Beyond those species which are listed, close coordination with the State of California Department of Fish and Game will be necessary to monitor species and their habitats which may be at risk. We will work together to take the necessary management actions to preclude listing of future species. Again, there are in place processes, such as the State's Natural Community Conservation Planning efforts which will be useful as one of several planning models in areas of mixed public-private ownerships where concern for species welfare can be considered through coordinated and cooperative resource management planning.

We recognize that California has some of the most progressive forest practice regulations in the nation. We are also very much aware that on every occasion where National Forest policy limits or constrains public timber supply, state regulatory agencies are pressured to follow up with a strengthening of regulations on private lands. It is not the intent of the President's policy to stimulate further state regulatory actions, rather we would hope this plan will help relax additional pressures upon the private forest lands base.

We do recognize, however, the increased pressures to harvest additional timber from private lands is a direct result of the supply limitations from the public lands base. This situation will will create additional challenges for private lands owners and public resources managers alike. Please be assured that we are committed to cooperate with the state to mitigate associated impacts within our authorities, and there may very well be occasion to modify federal standards consistent with recognition of the state imposed regulatory standards. The joint state-federal planning effort for the California Spotted Owl is looking at ways to do this very thing, with the overall objective of preventing the degradation of spotted owl habitat.

#### CONCLUSION:

The President's plan is a courageous step toward ecosystem management of federal lands. Implementing the plan will be part science and part experimentation as we try new approaches to management and apply new methods and techniques.

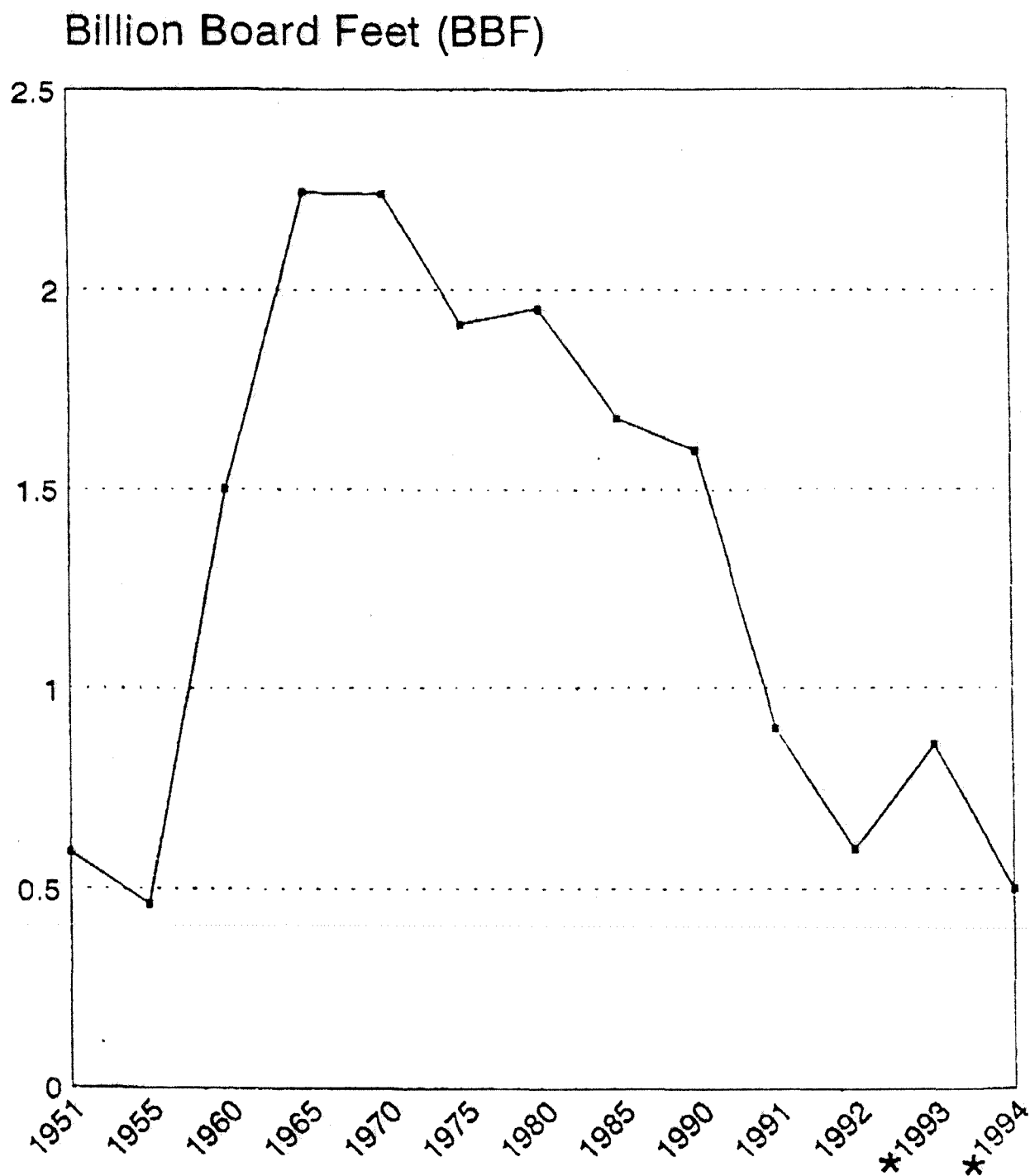
In the implementation of this plan, the Forest Service cannot be totally successful in conducting "Ecosystem Management" across a landscape which is bound by administrative and political boundaries and mixed landownerships. We have to rely on all agencies and interests as full partnerships to see that healthy ecosystems become a reality on both national forests and ecologically significant adjacent lands. This can only happen by working together.

Overall, we hope our current model of coordination with state and other federal agencies will continue and be strengthened where necessary. Today we have a new plan to help resolve the gridlock over national forest management. We intend to do our part and hope that we can work with the State of California, your State agencies, and the public to successfully implement this plan.

That completes my statement and I would be pleased to answer your questions.

# Pacific Southwest Region Timber Sold 1951-1994

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\*Planned for FY 1993 and Estimated for FY 1994

**PACIFIC SOUTHWEST REGION  
TIMBER SALES/HARVESTS**

	<u>SOLD</u>	<u>HARVEST</u>		<u>SOLD</u>	<u>HARVEST</u>
1951	.592	.678	1974	1.899	1.912
1952	.463	.666	1975	1.914	1.494
1953	.609	.640	1976	1.889	1.717
1954	.717	.643	1977	1.590	1.882
1955	1.110	.837	1978	1.940	1.775
1956	1.186	1.056	1979	2.163	1.818
1957	.812	.969	1980	1.953	1.450
1958	1.055	.946	1981	1.830	1.270
1959	1.138	1.293	1982	1.593	.876
1960	1.501	1.505	1983	1.862	1.539
1961	1.072	1.338	1984	1.458	1.658
1962	1.640	1.323	1985	1.680	1.664
1963	1.877	1.436	1986	1.508	1.854
1964	2.370	1.853	1987	1.595	2.011
1965	2.244	1.760	1988	1.958	2.171
1966	2.078	2.058	1989	1.631	1.981
1967	2.098	1.753	1990	1.500	
1968	2.030	2.233	1991	1.022	1.303
1969	1.880	2.151	1992	.784	1.150
1970	2.239	2.019	1993	.859*	
1971	1.775	1.829	1994	.500*	
1972	1.808	2.197			
1973	1.777	2.153			

Planned for FY 1993 and estimated for FY 1994.

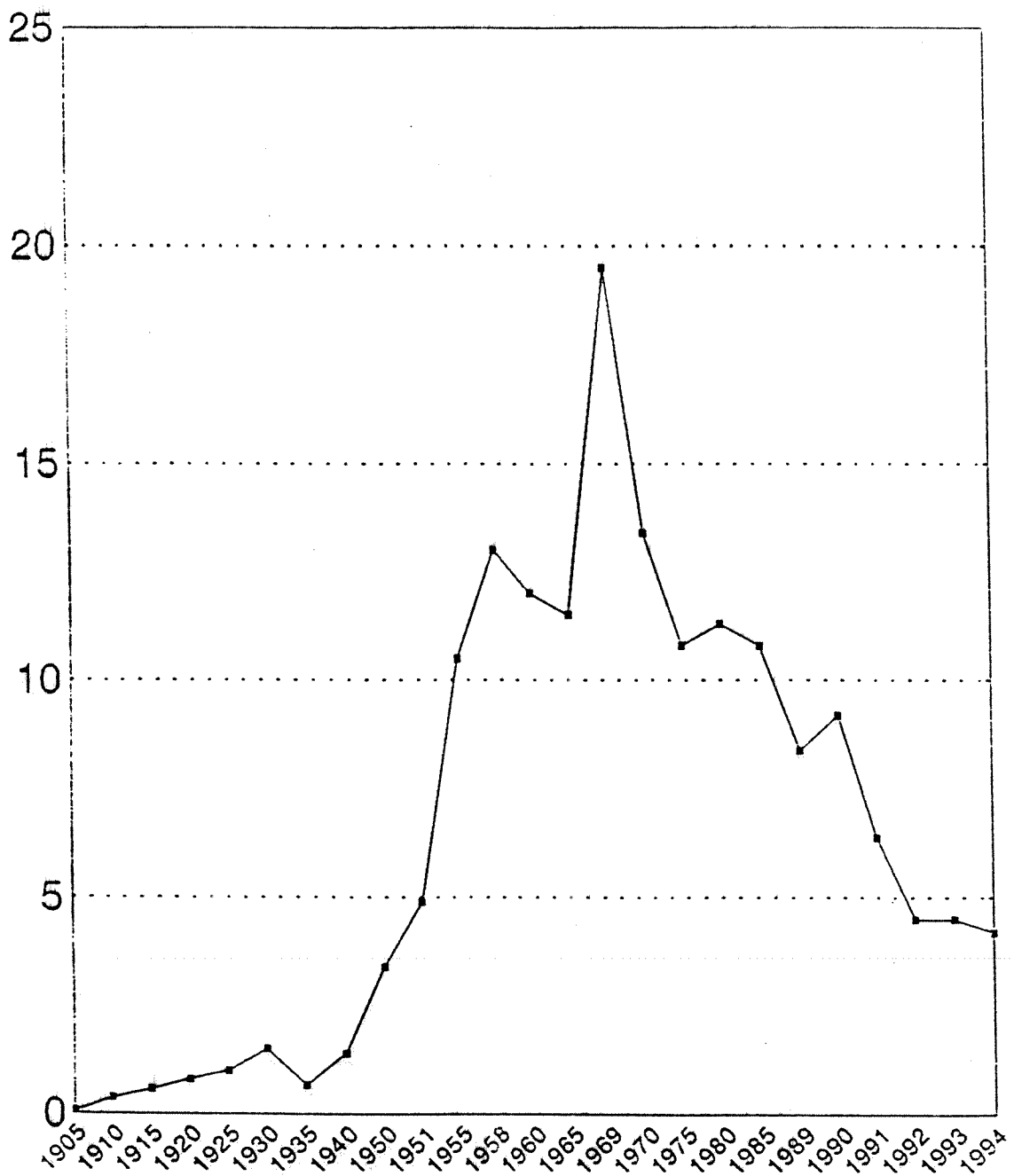


# National Forest System Timber Sales

## 1905-1994

Billion Board Feet

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TESTIMONY OF  
MARVIN PLENERT  
PACIFIC REGIONAL DIRECTOR  
U.S. FISH AND WILDLIFE SERVICE  
BEFORE THE  
CALIFORNIA SENATE COMMITTEE  
ON NATURAL RESOURCES  
AND WILDLIFE  
SACRAMENTO, CALIFORNIA  
AUGUST 18, 1993

Chairman Thompson and members of this committee, good morning. It is a pleasure to appear before you today representing the U.S. Fish and Wildlife Service and its six-state Pacific region to discuss the implications of the recently announced Forest Plan on forest management in California.

I join my other Federal colleagues in welcoming this opportunity to update you on our progress since the Forest Conference in April in helping to devise an innovative approach to forest management in the region that breaks the impasse that for too many years has characterized this issue. While the Federal agencies, under the direction of the Administration, believe the strategy will provide a basis for sound forest ecosystem management, it is important to remember that a final plan is not in place, and that many details have yet to be refined. Thus our ability to address all implications of the Forest Plan are limited by the evolving nature of the issue.

I would like to devote my portion of this presentation before you to addressing the role that the U.S. Fish and Wildlife Service has played, and will continue to play, in support of the Forest Plan. And, of great interest to many of the Californians that you represent. I want to address the opportunities the Forest Plan presents for a more ordered approach to the issue of management of endangered species and timber production on private lands. I will also add a few comments about the cooperative relationships between government and the private sector that my agency has attempted in California, and the opportunities for renewed partnerships among Federal, state, and private interests that I believe the Forest Plan encourages.

From the time of the listing of the northern spotted owl as a threatened species in 1990, there has been the recognition that habitat and climatic conditions are different in California than they are in Oregon and Washington. Trees develop the cover and roosting habitat sought by the owl sooner in California than the other two states. The abundance of prey is different. The soils, water, and generally milder climate, especially in the redwood zones, allow for much shorter rotational cycle for tree maturity. Thus, the history and pattern of timber harvest in northern California evolved along different lines than farther north.

If this presents the case that California is significantly different than its sister states, we acknowledge these differences and agree that the issues of forest management and wildlife conservation in this state may be addressed in different ways.

Owls in certain zones of California appear to have adapted well to the mixed forest landscape and the benefits that the local climate brings. There are many positive signs that a healthy population of northern spotted owls may be stabilizing in northern California. Current data indicate that there are about 1,000 pairs of northern spotted owls in California, of which about 400 are on non-Federal lands.

Some will argue, three years after its listing, that these signs are sufficient to remove the species from the protection of the Federal Endangered Species Act.

Yet we believe that such action, taken at this time, would be premature. Scientists who helped produce the draft recovery plan for the northern spotted owl concluded that the species remains threatened in California due to long-term downward trends in the population.

In short, there are some encouraging signs that the spotted owl may be more secure in California than elsewhere, but those signs need to undergo the test of time and scientific scrutiny before we can begin the process of delisting.

In the interim, what, then, does the Administration's preferred alternative, Option 9, mean for California? How would the plan recognize California's unique forest management situation and capitalize on California's demonstrated willingness to innovate to meet the needs of timber production and species conservation?

The plan would affect all operations of the Fish and Wildlife Service in forest issues in California. Though we do not work from the same basis as the other Federal agencies -- we are not a land management agency in timber country as are the Forest Service and the Bureau of Land Management -- we would be involved in other substantive ways. The comprehensive nature of the President's preferred alternative, by its very essence, would directly involve the Fish and Wildlife Service in forest management planning.

Because of this involvement, and because of the more orderly and comprehensive approach to species management on Federal lands, the Fish and Wildlife Service would be allowed much greater latitude to work cooperatively with private industry and private landowners on such issues as incidental "taking" of listed species, development of habitat conservation plans, and promoting in a pro-active way the conservation of unlisted species. We recognize that what occurs on Federal lands affects what occurs on private lands.

Which brings me to the question of what effect the Forest Plan would have on private lands, and the steps we are considering to bring a measure of regulatory relief to private landowners.

Private lands take on a special significance in California, as you are well aware. There are conservation needs for the owl that are dependent on non-Federal lands.

The California coastal province, extending from the Oregon border to San Francisco Bay, contains 5.5 million acres of land, of which 85 percent is in non-Federal ownership. This province is unique in that it supports over one-third of the state's population of northern spotted owls within mainly managed second-growth timber stands. The California Klamath province consists of about 6 million acres, of which about 26 percent is in non-Federal ownership. The California Cascades province has about 2.5 million acres, nearly 60 percent of which is non-Federal land.

As part of the President's recent announcement of his plan as his preferred alternative, a special rule under Section 4(d) of the Endangered Species Act is envisioned to address private lands and describe the circumstances under which the taking prohibitions of the act may be relieved. As defined by the act, a 4(d) rule must support the conservation of a threatened species. Hopefully, a well-devised 4(d) rule would better clarify what constitutes incidental taking of the northern spotted owl -- an aspect that has been a source of frustration for both private landowners and the Service in the past. It would also describe how the taking provision might be relieved for specified land use activities.

Because the Service, with input from other agencies and the three states, is working expeditiously to develop a draft 4(d) rule, I cannot at this point address all aspects of what the proposed rulemaking would encompass. I can say that it is our intent to assess all contributions presently underway by the private sector and the state toward the conservation of the spotted owl in California and to bring relief, where appropriate.

The Fish and Wildlife Service recognizes the commitment the State of California has made to the wise conservation of its forests. When the owl was first listed, the State of California took serious measures to ensure that private forest harvest plans conformed with adequate protective measures for the species. The program for harvest plan review established by California ensures that each plan submitted under the State Forest Practices Act be reviewed by the California Department of Fish and Game, with oversight from the Fish and Wildlife Service.

Also following listing, the California Board of Forestry directed the Department of Forestry to prepare a habitat conservation plan and Section 10(a) permit application that would cover all private timber harvest permitted by that board. In June 1993, a review draft was submitted by a steering committee composed of various Federal, state, and county agencies, as well as environmental and industry groups.

Under an approved habitat conservation plan, the incidental taking of a listed species can be permitted while a private landowner pursues otherwise lawful activities, such as timber harvest. The criteria for approval of habitat conservation plans are contained in Section 10(a) of the Endangered Species Act. As you can see, a 4(d) rule and a Section 10(a) permit and habitat conservation plans are similar. These two mechanisms can readily be applied together, and we envision the proposed 4(d) rule will encourage this.

Habitat conservation planning in northern California is not without precedent. Last year the Fish and Wildlife Service and a major timber company reached agreement on a plan to guide spotted owl conservation activities on 380,000 acres of the company's holdings in Del Norte and Humboldt counties. This agreement was the first of its kind for spotted owls and indicative of the broader range of opportunities we have before us in California -- and, I might add, reflective of the spirit of innovation that we have seen in California.

I believe the President's Plan -- and a 4(d) rule -- would improve the latitude with which we in the Fish and Wildlife Service and the State of California can innovate, while injecting more order in the supply of timber coming off of private lands.

And that leads me to my final point, to reiterate Mr. Tuchmann's and Mr. Stewart's statements -- the President's Plan encourages and demands closer coordination and cooperation among Federal and state agencies. We are faced with a new approach to forest ecosystem management. One that recognizes that watershed management and protection of riparian areas are key to sustainable forest management in the Pacific Northwest. One that acknowledges the interrelationship of forests, wildlife, and fisheries. One that uses the concept of adaptive management areas as a laboratory for innovating in how we achieve our conservation goals.

All of these aspects of the proposed Forest Plan mandate a closer and more harmonious working relationship among all levels of government. Your hearing today signals California's interest in our progress toward the goal of a more orderly approach to forest management in the region. By our presence, we in the U.S. Fish and Wildlife Service reaffirm our desire to work with the state and with the private landowners of California in determining how best to achieve the goal that the Administration set.

Thank you!

Question: "Do we need a separate analysis for California regarding whether potential delisting is warranted for the northern spotted owl or other listed species?"

Answer: "A piecemeal approach to species conservation questions would not further the goals of a comprehensive forest management plan for the region. We must approach listing and delisting issues in a much broader fashion than in the past, and the President's Plan encourages that approach. The President's Plan calls for an extensive monitoring program which will tell us if delisting by province or subprovince is appropriate for the spotted owl or any other listed species."

COMMENTS ON  
PRESIDENT CLINTON'S FOREST PLAN

Prepared as Background Information  
for the  
CALIFORNIA STATE  
SENATE COMMITTEE  
on  
NATURAL RESOURCES AND WILDLIFE

by  
WILLIAM N. DENNISON, PRESIDENT  
CALIFORNIA FORESTRY ASSOCIATION

August 18, 1993  
Sacramento, California





Comments on the Report of

President Clinton's

FOREST ECOSYSTEM MANAGEMENT ASSESSMENT TEAM

The Forest Ecosystem Management Assessment Team (FEMAT) has produced a massive, but far from exhaustive, report to justify its conclusions that extensive preserves are necessary in the forests of Northern California, Washington, and Oregon. The American Forestry and Paper Association has produced a brief review of some of the shortcomings of the FEMAT report. That summary is attached to this statement as Exhibit A.

My assignment today is to discuss the impacts on timber and related industries. That cannot be done in a vacuum, however. A review of the effects on resources and the environment is necessary in order to put the other impacts into proper perspective.

Preservation, Not Conservation

The FEMAT's recommendations, if adopted, would place 74% of the lands in the national forests of northern California, i.e. the Klamath, Six Rivers, Shasta-Trinity, and Mendocino National Forests, in preserves which would eliminate or seriously curtail management options. Besides 1.4 million acres of existing wilderness, wild and scenic river, and other similar withdrawals, and 0.6 million acres of existing administrative withdrawals which prohibit effective management activities, the FEMAT recommendations establish old growth and riparian area reserves of 2.2 million acres and adaptive management study areas of 0.3 million acres. This leaves only 1.5 million of the total 5.9 million acres of federal land available for management activities. (See Exhibit B) (Figures do not add due to rounding.) The report refers to these as "matrix" lands.

This is not ecosystem management!

True ecosystem management provides for a range of positive programs to be practiced across the landscape in such a way that benefits will accrue to all the resources of those lands while at the same time providing protection for the basic resources and

for the productivity of the area. Preservation fails to do that, especially in the modern fire suppression era.

On August 2, 1993 three House Subcommittees held a hearing jointly to review the proposed FEMAT option 9. Mr. Jim Lyons, USDA Assistant Secretary for Natural Resources and the Environment, provided one of the opening statements. He conceded that the FEMAT review is not science and that its report is not "science in the traditional sense." The scientists, we are told, did what they were asked to do - in essence, to support a preformed conclusion. This is their departure from "science in the traditional sense," i.e. they abandoned the traditional scientific process which requires a review of all evidence and the development of conclusions from that evidence.

#### Old Growth, Not Ecosystem Emphasis

The team's charge, which it accepted without scientific question, was to develop a set of recommendations that would enhance and protect habitat for old-growth-dependent species, or those species believed to be old-growth-dependent. As a result, the team totally ignored the welfare of those many species which require and/or prefer early successional habitat, including many big game and upland bird species.

A true ecosystem approach would look at the needs of all the creatures of the forest and attempt to develop a management pattern that would best accomodate all their needs. The FEMAT report makes no effort to do so.

#### Alternatives Not Developed

Furthermore, the team decided at the outset that it would concentrate on a system of preserves and, as a result, failed to develop and display any other management alternative. In doing so, it violated the terms of the National Environmental Policy Act which requires planners to consider alternatives to the proposed action. The team, instead, considered only varying degrees of a single proposed action.

#### Lack of Scientific Documentation

The team itself complained throughout the document of the lack of scientific evidence to support its conclusions. Even the team's estimate of the original extent of old growth forests in the region was based on subjective opinion. On-going research is beginning to indicate that they erred seriously on the high side, especially with respect to the California forests which experienced frequent fires (every six to fifteen years) in pre-settlement days.

The team recommends setting aside nearly 700,000 acres in riparian preserves in the Northern California forests (exhibit B). Much of the discussion justifying that recommendation

addresses habitat for salmonid species. The recommendation, if accepted, would make inaccessible even more acres of the so-called "matrix" lands because of the access problems it would create. (Exhibit C presents three examples of riparian preserve patterns that demonstrate the difficulty of access to areas adjacent to such preserves.) The team then readily admits that, "The assessment of habitat on federal lands does not directly correspond to population viability of the affected species. This is due, in part, to impacts or cumulative effects from nonfederal habitat sectors where the species might spend a portion of their life cycles. Furthermore, with anadromous fish, there is limited science available to establish direct relationships between land management actions and population viability due in part to other impacts such as predation and artificial propagation and the difficulty of translating these impacts into population numbers." (emphasis added). In other words, unless the primary causes of fish stock depletion are addressed and corrected, efforts to improve habitat will have little effect.

#### Fire History Misinterpreted

The team "assumed" that the average regional presettlement natural fire frequency was about 250 years, and from that made some erroneous assumptions regarding presettlement old-growth occurrence in the forests of California. Recent and on-going studies of tree rings and other forest features indicate an actual fire frequency of six to fifteen years. As a result, the composition of presettlement forests was significantly different from the popular notion of a blanket of old growth from horizon to horizon. In fact, researchers are now beginning to believe that, instead of the 60 to 70 percent old growth composition theorized by the FEMAT, the true old growth composition of presettlement forests was closer to 20 percent, similar to that which exists today. Although many of the results of this type of research were available to the team, team members apparently chose to ignore it.

These erroneous assumptions regarding the presettlement contributions of old growth to ecosystem function lead to some further dangerously erroneous assumptions as to the efficacy of the old growth component in the modern ecosystem.

#### Misleading Economic Base Period

In its economic analysis, the team looked at two different base periods: 1) a three-year period from 1990 through 1992, during which time the impacts of the owl listing were already being felt, and 2) a ten-year period from 1980 through 1989, a period which included the most devastating depression this nation has experienced since the 1920's. Neither period displays the true contribution of the wood products industry to the nation's economy. As a result, the historic harvests in the Northern California forests are understated by a factor of 20 to 45 per cent, depending on which base period one uses to make the

comparison, and employment trends are misstated.

#### Overcutting Allegations Untrue

Allegations of overcutting made by representatives of the Clinton Administration when introducing the report are not borne out by the forest inventory data (See exhibit D). The gross growth of more than one billion board feet annually on the unreserved lands (lands available and suitable for timber management) of the four national forests is more than enough to supply the market demands. In fact, the net growth, i.e. gross growth minus mortality, has been more than adequate to meet the higher levels of demand. Harvest levels from 1985 through 1989 averaged 742 million board feet - 11 million board feet below the net growth on the unreserved lands alone! Allegations of overcutting have no basis in fact. With more attention paid to timber management itself, mortality could be significantly reduced and, as a result, net growth increased. Instead, the team proposes less attention to timber management.

#### Jobs Impact Understated

The team apparently failed to consider the impacts of its recommendations on all of the potentially-affected employment sectors. It obviously failed to analyze the impacts on indirect and induced jobs. It apparently failed to include jobs in the transportation sector and government jobs related to timber sales and timber sale support. Furthermore, by using a 1990 - 1992 base period, it failed to consider the full impact of the spotted owl listing but looked only at the incremental impacts from its own proposed programs.

From 1987 through 1990, nine wood products manufacturing facilities closed in Northern California. Since the listing of the owl as a threatened species in July of 1990, an additional 33 facilities have closed. (See Exhibit E). Other mills are on the endangered list.

CFA has estimated that the final impact on the job market, from initial listing to implementation of the FEMAT recommendations, would range from 12,000 to 16,000 jobs as a result of the Northern California cut-backs alone.

The negative job impact will not be limited to the northern spotted owl area, however. For example, Paul Robino, President of the Home Builders Association of Delaware, has estimated that 18,000 jobs are at risk nationally in residential construction and forest products and other building materials industries. (See exhibit F).

During the August 2, 1993 hearing referred to above, Dr. Brian Greber, Associate Professor of Forest Resource Economics at the College of Forestry at Oregon State University and team leader of the FEMAT Economic Assessment Group, conceded that a

scenario of equal validity could be developed which more closely reflected the job loss projections which the industry/labor team have developed.

#### Increasing Secondary Manufacture

The secondary manufacture of wood products is an outgrowth of the primary manufacture. The team makes a strong point that increased secondary manufacture will replace some of the jobs lost as a result of the cut-backs in primary manufacture. It is ludicrous to expect to increase the raw material for secondary manufacture, a raw material that is the result of the primary manufacturing process, while at the same time proposing to cut back the volume of the primary manufactured component.

#### Alternative Supplies

The FEMAT and others have frequently pointed to both Canada and the south as alternative sources of timber supply. It should be noted that for the first time in many years, the harvest in the south is exceeding the growth. There is no excess from which to draw. A combination of demand and environmental pressures is having the same effect in Canada. There is little or no excess upon which to draw. Thus, the argument that we can make up our losses at those two sources is simply not true.

Other sources of supply, e.g. Siberia and South America, present a different set of problems. The pure economic difficulties of reaching that far for a raw material that exists in abundance here at home make such a proposal impractical. The cost of the product, the difficulties in dealing with foreign governments, the negative impact on local economies, the negative impact on the nation's balance of trade all mitigate against any serious consideration of these areas as significant sources of alternative supply.

The most logical alternative source of supply exists in our ability to increase production on our home forests. This can, and should, be done without negative impact to the ecosystems involved. The FEMAT failed to consider this alternative.

#### An Ecosystem Management Example

Mr. Marvin Plenert, Regional Director of the U.S. Fish and Wildlife Service, commenting on a recent project in the Ashland, Oregon watershed, said:

"The conditions [before the project] were exemplary of overstocking of forest species and a dangerous level of "fuel" on the ground for the encouragement of fires. --  
-----The major management tools used in deciding the amount of harvest were: a) what would the forest have looked like without timber harvest and without fire abatement, and b) what are the objectives for a healthy

ecosystem, including listed species (e.g. spotted owl)?  
-----[a] major factor was the avoidance of clear cuts  
as the harvest prescription. ----- removal of selected  
tree harvest was accomplished throughout the Forest,  
including areas near owl nests. The result was that  
owls seemed to cope with the "light touch" of activity  
very easily, even while on the nest, while nearly 10  
million board feet of timber was removed. We do not  
believe that this activity has created any threat to  
the survival or recovery of the owl; indeed, we believe  
the Forest habitat has been improved by creating a  
multi-storied canopy with the remaining debris for  
forage habitat".

and

"Many in the public ----- do not believe the forests  
have been managed properly and do not have trust in the  
Federal agencies to insure ecosystem diversity".

and

"When holistic management is done properly, there is no  
real need for protected areas, as all areas could  
receive both conservation and harvest with the overall  
ecosystem in mind. ---- this approach could eliminate  
the need to list species under the Endangered Species  
Act because the threats of extinction from habitat  
degradation will have been significantly eliminated.

"We have always taken the position that good forest  
management is also good wildlife management. When the  
habitat reflects natural, or near natural, conditions,  
the species should be provided for. This is the goal of  
the Fish and Wildlife Service in the northwest forest  
issue".

The Ashland Watershed project and other in-place examples of  
ecosystem management were available for the FEMAT team's review.  
That the team did not even refer to them is one more indication  
that the report is designed to support a pre-formed conclusion.

#### Paralysis by Analysis

Forest Service land management and project planning are  
currently bogged down in a lengthy and cumbersome process that  
has kept some forests busy preparing repetitive plans that have  
never seen the light of day. The National Forest Management Act,  
passed in 1976, requires the preparation of individual national  
forest land management plans. After literally millions of dollars  
and seventeen years of planning, the four forests which are the  
subject of this hearing still have not produced an approved plan.  
The FEMAT would add another massive layer of watershed planning  
to the existing failed process. It is past time to start spending

our tax dollars in the national forests on meaningful work on the ground rather than on the production of endless volumes destined to gather dust on a dark shelf in the back office.

#### Private Lands

There is no doubt, in spite of the FEMAT's charter to review federal lands, that it intends that private lands should come under some additional regulation in order to meet its goals. The report contains numerous references to the perceived need for additional land base beyond that available on the federal lands in order to meet a species' needs. One of the most direct pleas for additional private land regulation is found in this quote, "If measures are not taken to improve management practices on state and private lands, options for federal land management may become more limited." pg. V-61

Once again the team has ignored a large body of scientific evidence pointing to the positive habitat contributions being made by private timberlands under current management regimes. Government managers, if they would, could learn a lot from these on-going private programs.

#### Objectives Summarized

The FEMAT expressed the concern that, "There is a need to make land-management-resource policies predictable, coordinated, and realistic in both the short- and long-term." Unfortunately, its recommendations failed to address that concern on at least two of the three points. The policies espoused by the FEMAT will certainly provide predictable results. That they are either coordinated or realistic is highly questionable.

CFA's review of the report is attached as Exhibit G.

#### Alternative Approach

CFA will be preparing and presenting an alternative in the form of federal legislation that will specify a true ecosystem management approach to management of federal lands in California. It will address not only the concerns of the FEMAT but also the practical needs of forest managers in their efforts to formulate an implementable program on the ground. We stand ready, willing, and able to work with all parties concerned about this issue, including the State of California, to develop a useable product for working forest managers. Our staff includes professional foresters, wildlife biologists, forest engineers, communicators, and policy experts who can provide a wealth of background, experience, and education to enhance the effort.

Thank you for this opportunity to present our views.

\* \* \* \* \*





SUMMARY  
OF  
COMMENTS ON  
PRESIDENT CLINTON'S FOREST PLAN

Prepared for Presentation to  
SENATE COMMITTEE  
on  
NATURAL RESOURCES AND WILDLIFE

by  
WILLIAM N. DENNISON, PRESIDENT  
CALIFORNIA FORESTRY ASSOCIATION

August 18, 1993  
Sacramento, California



Mr. Chairman, Committee Members, Ladies and Gentlemen. I am Bill Dennison, Professional Licensed Forester and President of the California Forestry Association, which is a non-profit trade association that represents the interests of those who own industrial timberland in California, harvest timber, manufacture various kinds of wood products, operate manufacturing (e.g. mills) and remanufacturing plants, or who engage in various combinations of those activities. I am also a third-generation logger, raised in Northern California where most of my family and many of my friends still reside.

The Forest Ecosystem Management Team (FEMAT) which I will refer to as "the team" was assigned the job by President Clinton of developing a recommendation to stop the so-called "grid-lock", as you have heard from the previous presentors. I am here to tell you today that the proposal commonly referred to as Option #9, which so many rural families have waited to hear has proven to be a cruel hoax, which if implemented, will negatively and permanently change the lives of thousands of people and the future of many communities throughout northern California, Oregon and Washington. In addition, the process could very well be used administratively for addressing similar natural resource issues throughout our nation. That should not be acceptable to our citizens or local, state and federal government representatives. Please let me explain the problems with Option 9 by using the California area, which I know best.

### CALIFORNIA IS UNIQUE

The team failed to individually assess California's conditions and facts.

Every scientific report regarding the northern spotted owl has concluded that California is unique and warrants individual analysis for several reasons. First, California's owl habitat is obviously different. Based on pacific northwest studies, owls could only survive and thrive in old-growth forests. Scientists thus estimated the numbers of owls based on the hypothesis that they would not be found in the second-growth forests on private lands. They were wrong and since then, our studies in cooperation with the California department of fish and game have found more owls in northern California alone, than had been estimated by the USF&WS in all three states. Thus, while federal scientists have been defining spotted owl habitat across the range as 30-inch diameter trees and larger with 60 to 80% canopy closure, federal scientists in California defined owl habitat as 11-inch diameter trees and larger with only 40% canopy closure.

Other unique factors that were not considered by the team in developing Option #9 is that California has been recognized for its well-spread distribution of owls, historical use of selective harvesting and small clearcuts, and the early role of forest fires.

You have been provided a map which displays the distribution of known owl territories on private and public land in northern California. Notice the uniform distribution of known owls across the entire landscape. That was a major objective of the teams' report. We already have achieved the distribution.

Large clearcuts have been noted as a problem in some parts of the northern spotted owl habitat. Not so in California, where historically they have averaged only 17 acres and the sales affecting spotted owl habitat in 1991 averaged just 13.5 acres. Sixty-five percent of the harvested acres involved methods other than clearcut. That is one of the reasons that we have the good owl distribution in California.

California's fire history is also unique. It is an interesting statistic that 10% of all wild fires occurring nationally within the jurisdiction of the U.S. Forest service have occurred in California and 60% of the wildfires in California have been in the range of the northern spotted owl. This high fire incidence provides good reasons why we must maintain healthy forests with road access to minimize the wildfire size and potential destruction to the forests and communities. However, the team did not apparently consider healthy forests a high priority. Rather they have chosen to place 74% of the national forests of northern California in preserves. This will leave only 1.5 million acres of the total 5.9 million acres of federal land available for management activities. This is not ecosystem management.

### **PRESERVATION IS NOT ECOSYSTEM MANAGEMENT**

True ecosystem management provides for a range of positive programs to be practiced across the landscape in such a way that benefits will accrue to all the resources of those lands while at the same time providing protection for the basic resources and for the productivity of the land.

The team ignored its basic objective. According to its report, it was to "take an ecosystem approach to forest management. . ." (pg 5-1). However, the Draft Supplemental Environmental Impact Statement (DSEIS) states that each alternative ". . . consists of combinations of land allocations managed primarily to protect and enhance habitat for late-successional and old-growth related species." (pg. 2-1) They narrowed their management focus and did not follow their goal.

There are other unique differences that have not been considered which are in our written statement. The important points are that the impacts from the team proposals will result in:

- \* Extreme social and economic hardship for the families and communities areas in question.
- \* Destruction of the health of the forests and increased safety hazards due to wildfire for the very same rural families and communities being economically impacted by the team's proposal.
- \* Wide ranging loss of private property rights, since it is not the teams intent that preserving millions of acres of public land will solve their perceived problems.

## CALIFORNIA'S HURTING ECONOMY

I do not need to remind you that our State's economy is hurting. Those employed in the forest resources and related industries do not expect to have jobs at the expense of the environment, nor is it necessary. However, they do expect that the final proposals must seriously consider economics and a full array of reasonable options.

You all understand what the military base closures have meant to the social-economic burdens of families in Sacramento, the Bay area and Southern California. Option 9 does the same thing to the rural communities of Northern California.

The California Employment Development Department (EDD) reports 110,000 Californians were employed in the production of wood and paper in 1990. Over 20,000 have lost their job since the listing of the northern spotted owl.

The EDD also reports nearly three-quarters of a million people were employed in 1990 in wood related businesses such as furniture and fixtures, plumbing and heating and building contractors. In a single year, 110,000 people in those categories lost their jobs. Well, the team's proposal brings more bad news to California workers.

This is because Option 9 will permanently reduce the volume harvested from national forests of northern California by over 75%. As shown in the chart provided, those four forests are growing enough volume to build 117,000 houses per year forever. In 1988, these areas were providing 54,000 houses per year. The team's proposal will only permit the production of about 13,000 homes per year from this same area.

Senator Thompson, in your district alone over 5,000 jobs will be directly affected, and a total of at least 15,000 jobs more will be permanently lost just in northern California.

In summary, we are not over-cutting the national forests in California, if the full land-base is made available to sound practices. That's good news. The bad news is that the team's proposal will not permit us to participate in meeting the future housing demands that surely will occur if housing is to lead our state out of the recession as noted by President Clinton during speaker Brown's economic summit in Los Angeles earlier this year.

The team attempts to offset job loss by increasing secondary manufacturing facilities and encouraging other forest resource markets. These assumptions fail to recognize that secondary manufacturing cannot exist without primary manufacturing facilities. For example, one primary manufacturing facility, the timber mill, provides sugar pine wood panels, the secondary manufacturing facility, which in this example, is a furniture manufacturer, cannot produce the furniture if they don't have the wood.

The alternative resource markets cited, which are mushroom gathering and fern picking will not pay the high salaries that are being lost. A mill worker's salary averages \$30,000 to \$40,000 per year. Someone who gathers mushrooms will be lucky to make minimum wage.

How do you support communities and families by incurring such a tremendous loss in wages?

Automation of mills has been cited by environmentalists as one of the major factors attributable to job loss. A survey of 460 mills (planning improvements) in the United States and Canada revealed that the number one objective was to increase product value. The second ranking objective was to increase material utilization which requires improved automation. Reduction in labor cost was an objective for less than one-quarter of the projects. Other reasons were to reduce energy consumption, accomplish environmental regulation compliance and increase mill capacity although only 46% of the mills reported current operations are at 90% capacity or above.

Mill improvements are necessary to compete in a global economy, improve material utilization and comply with environmental regulations. When these objectives are met, employment per product may decrease, but employment per tree remains at or exceeds current levels. There has never been a mill closure due to automation, but many due to supply of raw material.

Have you heard what is happening as companies dependent on federal timber wait for a sound proposal from the administration and supply continues to diminish?

The uncertainty is driving up the value of timber and companies are being forced to look for other sources of raw material. One company is importing cottonwood from the state of Washington for plywood, looking at potential logs in Colorado and importing logs from Chile.

The point is, the demand for wood is not controlled by the forest resource industry, but by the people of our nation and the world. That demand will not go away, supply will come from sources that may not have adequate environmental protection, won't provide local jobs to sustain our rural culture and economy, will cost the public more money and probably will still come under attack from environmentalists. This is the result of misguided policy decisions . . . Like Option 9.

### **HEALTH OF THE FORESTS IGNORED**

The team's report will promote wide spread environmental degradation of forest lands. A major concern in California forests has always been excess forest growth. Nature grows more trees in California than the land can sustain. Six years of drought has attested to the unhealthy state of our forests, where more trees have died on public land than on private land due to the differences in land management practices. The photo provided to you is of the Tahoe Basin and a good example of what is happening in areas of poorly managed national forests.

We have a report of 13 years of study in what originally was an unhealthy forest. After

thinning, tree mortality was reduced 89 to 100%, depending on the level of thinning, while the original, untouched portion lost 25 trees per acre. This excessive mortality degrades wildlife habitat, creates health and safety hazards to forest users and threatens complete destruction from wildfire.

Forest thinnings could minimize the scenes such as the photo before you and produce green healthy forests and valuable forest products. This practice can also minimize the need to list species as threatened or endangered under the Endangered Species Act, according to the letter from the Fish and Wildlife Service, which we have provided to the committee.

Mr. Chairman, the team should be asked, at a minimum, why they chose to ignore such scientifically proven projects which have demonstrated on the ground improvements to wildlife and habitat and instead chose to do nothing in millions of acres of land to help enhance the natural life cycle of our forests by improving habitat and preventing catastrophic fires. It is a particularly important question because at the same time the team ignored rural economic needs and the needs of our nation.

It is also important that the team misread our state's fire history and subsequently misrepresented the importance of old-growth forests.

It is true that Native Americans used fire to control forest growth. The team thus, has urged the use of fire to control forest growth today, apparently failing to recognize the changes of the past 150 years. California now has strict air resource standards, which severely limit burning and we have an unprecedented need for forest products that cries out for full utilization of our forests.

The team's assumptions led them to provide a plan which had built-in provisions for old-growth preserves.

The DSEIS which resulted from the team's review is clearly predicated on the notion that old-growth was the historic condition of our forests. They state "Assuming that the average regional natural fire rotation was about 250 years, . . . then 60-70% of the forest area of the region was typically dominated by . . . old-growth forests. (pg. 32-34)

Further, the DSEIS states that "There is no data from which to estimate the average low (amount of old-growth). Consequently, this value was estimated based on subjective opinions of ecosystem experts. They hypothesized that the average low amounts might be about 40% . . ." (emphasis added)

There are data available, and there is a wealth of information in photographs such as we have here today which shows that at least in California, the team is wrong. If you have time, please look at these photos which show owl habitat today and how naturally barren the areas were in the mid-1800's.



There are other examples where the team failed to even use the best available science which in itself is often lacking in important areas necessary to obtaining a sound decision.

We believe President Clinton had good intentions when he called the April 2 Forest Summit. The team even expressed a concern that "There is a need to make land management resource policies predictable, coordinated and realistic in both the short and long-term. Their recommendations will surely provide predictable results; most of them socially and economically negative. They fall very short in the area of meaningful coordination and realism.

Our goal is to seek your support in three areas:

- Support of interim federal legislation which will provide sufficiency language for meaningful 1993-95 timber sale program from the four northern California forests, Oregon and Washington, while the pluses and minuses of Option 9 are properly evaluated.
- Support of healthy forest legislation which CFA will be submitting to Congress this fall.
- A meaningful, well-designed review of California's wildlife habitat, land use history and potential which will provide balanced production of commodities and amenities.
- Assurance that Option 9 and future proposals properly weigh the habitat contributions toward wildlife, fisheries and recreation provided by private landowners without adding more restrictions to private property rights.

In conclusion, we cannot support Option 9. In short, it will devastate northern California families, communities and businesses. It will be detrimental to the health of our forests. I will welcome questions and thank you for permitting me to present our views.

## FOREST HEALTH IN CALIFORNIA

In 1978-1979, eastside pine plots were established on the Lassen National Forest to analyze the effects of thinning on pest and deceased-caused tree mortality. The stands chosen were pole-sized ponderosa pine mixed with white fir and incense-cedar medium to low sites, ranging in age from 70 to 90 years. Four levels of stocking density were established; 40, 55, 70, and 100 percent of normal basal area. Thirteen years after thinning, the treatments have reduced mortality by 89 to 100 percent. Mortality was due to the mountain pine beetle and root rot.

### COMMERCIAL TREE MORTALITY (Trees per Acre)

<u>YEAR</u>	<u>40%</u>	<u>55%</u>	<u>70%</u>	<u>100%</u>
1980	0.0	0.2	0.2	2.4
1981	0.0	0.0	0.7	2.4
1982	0.0	0.5	0.3	3.6
1983	0.0	0.1	0.8	4.1
1984	0.0	0.0	0.0	1.0
1985	0.0	0.2	0.0	.6
1986	0.0	0.0	0.0	1.3
1987	0.0	0.0	0.0	1.4
1988	0.0	0.0	0.0	0.0
1989	0.0	0.4	0.0	2.6
1990	0.0	0.0	0.0	2.6
1991	0.0	0.0	0.0	1.8
1992	0.0	0.2	0.0	1.3
Total	0.0	1.6	2.0	25.1
mean	0.0	0.1	0.2	1.9
Range	0.0	0 - .5	0 - .8	0 - 4.1

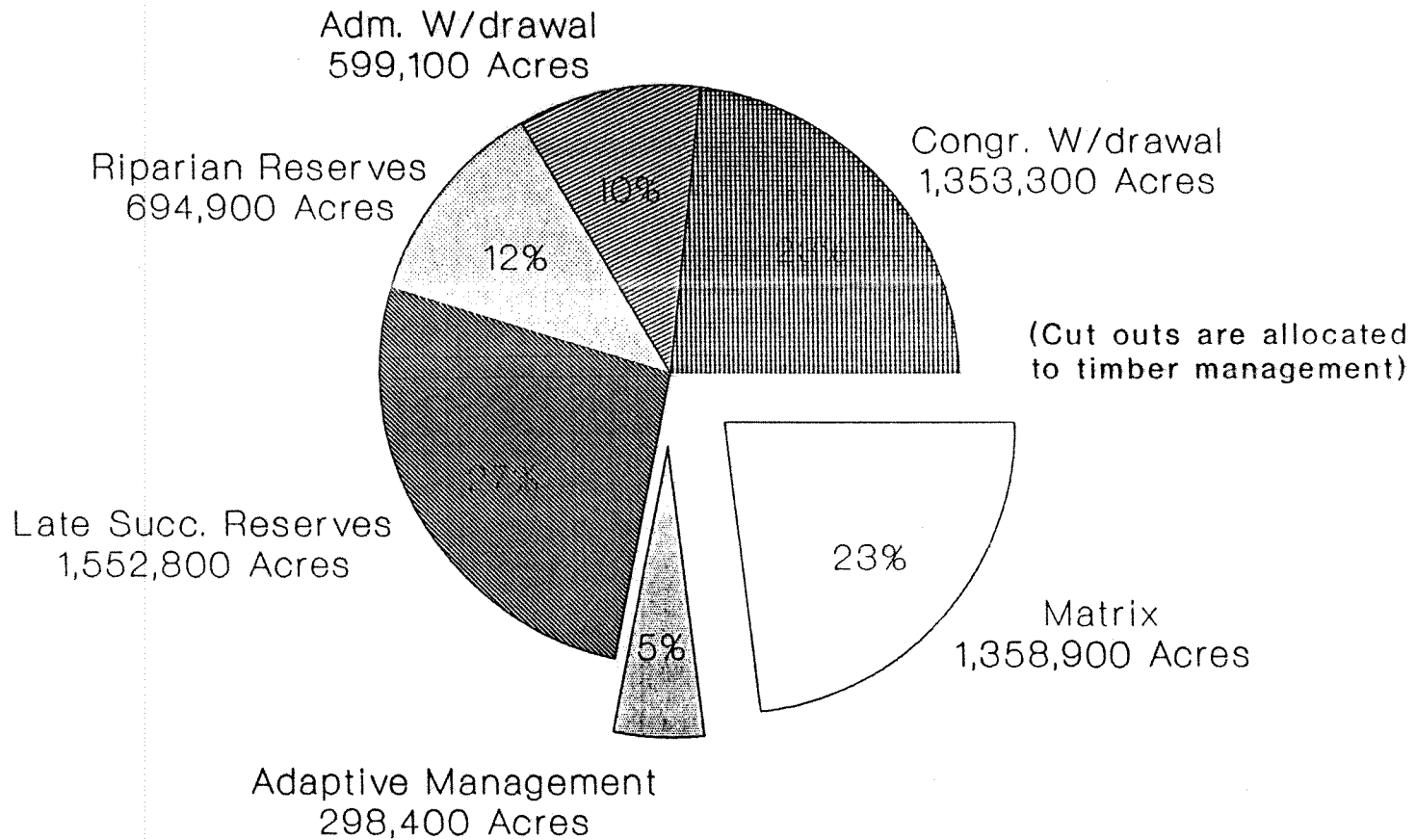
Percent Mortality Reduction			
100%	95%	89%	—

Thinning also profoundly affects tree growth. Average stand diameter increased 2 inches in the 40% stands and only 0.1 inch in the unthinned stands. Through thinning, stands of small trees can more rapidly be converted to stands of larger trees, conducive to late-successional dependent species .

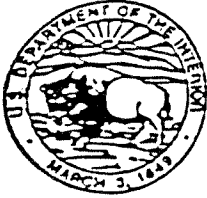
Historical patterns of wildfire intensity can be maintained through thinning while expanded reserves will exacerbate burn intensity. Historically, approximately 12,000 acres of moderate intensity and 4,000 acres of high intensity fires have occurred annually in the Klamath National Forest. Option 12c of the Gang of Four report would decrease moderate intensity fires to less than 9,000 acres and increase high intensity fires to 7,000 acres annually. Option 12c is a more moderate management approach than the Presidents Option 9. Effects of low and moderate intensity fires can be simulated through forest thinning while providing forest product commodities for sustainable economies.

California Forestry Association  
August 13, 1993

# Option 9 Land Allocation California



California Forestry Association 8/93



# United States Department of the Interior

FISH AND WILDLIFE SERVICE

911 N. E. 11th Avenue

Portland, Oregon 97232-4181



APR 23 1993

Honorable Robert F. Smith  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Smith:

We were pleased to receive your letter of April 8, regarding alternative forest practices in northern spotted owl habitat. We, too, are excited about the possibility of having logging proceed in a manner consistent with conservation of listed species, and the Ashland/Applegate projects are examples of how this can occur.

We will attempt to answer your questions with a note towards positive actions that can be taken to loosen the gridlock now before us.

1) What were the conditions or constraints that enabled logging to occur in spotted owl habitat in the Ashland watershed and does that logging present any threat to the survival or perpetuation of the northern spotted owl, in your opinion?

Response- The conditions of the Ashland watershed were exemplary of overstocking of forest species and a dangerous level of "fuel" on the ground for the encouragement of fires. The Ashland watershed is primarily managed for the water supply of the City of Ashland, but also is used extensively for recreational nature observation. The major management tools used in deciding the amount of harvest were: a) what would the forest have looked like without timber harvest and without fire abatement, and b) what are the objectives for a healthy ecosystem, including listed species (e.g. spotted owl)? The Forest's fire management specialist was deeply involved in the planning of the timber harvest, as well as the controlled burns to reduce fuel levels. The other major factor was the avoidance of clear cuts as the harvest prescription. Helicopter removal of selected tree harvest was accomplished throughout the Forest, including areas near owl nests. The result was that owls seemed to cope with the "light touch" of activity very easily, even while on the nest, while nearly 10 million board feet of timber was removed. We do not believe that this activity has created any threat to the survival or recovery of the owl; indeed, we believe the Forest habitat has been improved by creating a multi-storied canopy with the remaining debris for forage habitat.

2) If logging can indeed be conducted on an ecologically sound basis--without threatening the spotted owl--on that scale, would it be possible to conduct similar logging on a larger experimental area, such as the Rogue River National Forest?

Response- In our view, the larger the landscape under consideration, the more options for management to occur. It should be understood, however, that single ownership management often creates situations of conflicting practices. As such, it is extremely important to have the cooperation of all landowners in the landscape in order to cooperatively ensure that all forested areas receive equal opportunity for harvest and equal responsibility for conservation. In larger management units, such as the Rogue River, timber harvest could be managed to ensure that areas harvested in one area of the landscape are supported by habitat in another area of the landscape. Through this approach over time, the whole landscape could receive selective harvest treatments while new trees come on line to replace their function as older habitat. This is precisely the approach under planning for the Applegate watershed adjacent to the Ashland watershed. Following the example of the Ashland project, the Applegate project has brought in Federal, State, and private landowners to plan the ecologically sensitive manner in which logging can continue without degrading the quality of the environment. We believe this is an attainable goal and have supported this effort. We would also support a large scale effort on the Rogue River National Forest and, hopefully, adjacent landowners.

3) If Pacific Northwest forests were to be managed on an ecosystem basis, rather than the species-by-species struggles of late, would it be possible and/or necessary to prescribe similar management within other land use designations where timber harvest is currently prohibited?

Response- We interpret your question to revolve around wilderness, National Parks, and Habitat Conservation Areas under the Interagency Scientific Committee (ISC), or their Designated Conservation Area replacement under the draft Recovery Plan for the northern spotted owl. Since wilderness and National Park areas are guided by specific legislation, we will focus on the need for "set-asides" for the northern spotted owl. Many of these areas have been identified to protect the remnants of old growth forests and to provide for new habitat to be created within the units. We agree that species-by-species management will not bring about holistic solutions and also believe the primary obstacle to progressing to landscape management is a lack of trust. Many in the public interested in maintaining the ecological integrity of the northwest forests do not believe the forests have been managed properly and do not have trust in the Federal agencies to ensure ecosystem diversity. Conversely, many others (including private landowners) do not believe that they will be able to see their investments in the forest industry mature for their children. As a result, some harvests are occurring at a rotational cycle as young as 35 years to avoid the possibility of creating habitat that might be regulated.

If these problems in trust could be overcome, there would only be the need for "set asides" as the anchor areas from which to manage the landscape, and then only until the surrounding landscape becomes healthy. When holistic management is done properly, there is no real need for protected areas, as all areas could receive both conservation and harvest with the overall ecosystem

Honorable Robert F. Smith

3

in mind. In addition, this approach could eliminate the need to list species under the Endangered Species Act because the threats of extinction from habitat degradation will have been significantly eliminated.

We have always taken the position that good forest management is also good wildlife management. When the habitat reflects natural, or near natural, conditions, the species should be provided for. This is the goal of the Fish and Wildlife Service in the northwest forest issue.

We appreciate your continued interest in resolving these conflicts and moving toward healthy ecosystems and sustained timber harvest. If we can be of further assistance, please do not hesitate to contact me.

Sincerely,



MARVIN L. FLEMER  
Regional Director

THE CALIFORNIA FOREST HEALTH ACT OF 1993  
(Synopsis)

**Objective:** Demonstrate the economic and resource benefits of ecosystem management, including positive returns to the US Treasury, favorable water supplies, livestock range improvement, reduction in wildfire risk, improved forest health, diverse wildlife habitat, high outputs of multiple resources, stable rural communities and economic viability for thousands of Americans.

**Overview:** This Act establishes a long-term demonstration of ecosystem management on Forest Service lands in California. The region-wide ecosystem demonstration will:

1. enhance the condition of the renewable forest resources,
2. Create a desired forest condition which will:
  - a. balance a mosaic of forest seral stages with indigenous species' needs,
  - b. minimize wildfire risk,
  - c. provide healthy forests naturally resistant to epidemic insect and disease,
  - d. maintain community stability and economic well-being,
3. concentrate on forest conditions and project outputs based upon attainment of specific ecosystem conditions,
4. incorporate vegetative management techniques into the prescribed treatments,
5. emphasize goals and objectives rather than standards and guidelines,
6. refrain from allocating or categorizing tracts of land for specific pre-selected management emphases other than existing congressional withdrawals,
7. consider the habitat needs of all species across a broad landscape,
8. apply across the unreserved land base,
9. provide maximum on-the-ground management decision flexibility,
10. be economically, scientifically, and socially acceptable through public involvement processes,
11. stabilize the number of acres treated per year, and
12. develop flexibility through adaptive management.

Ecosystem management will be phased in over a specified period of time, adding contiguous areas systematically. Research, monitoring, and adaptive management will be required components of the plans. Budgeting and accounting will be by acres treated, prioritized through the planning process. Projects will be multi-resource or all-resource activities.

California Forestry Association  
August 11, 1993

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# FOREST LANDOWNERS OF CALIFORNIA

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980 9TH STREET, SUITE 1600  
SACRAMENTO, CA 95814

(916) 972-0273

## FOREST LANDOWNERS OF CALIFORNIA

Statement to Senate Committee on Natural Resources and Wildlife  
August 18, 1993

I am Fred Landenberger, First Vice President of Forest Landowners of California.

Our Family Forest is in Humboldt County. I am also a Registered Professional Forester.

Our Family Forest is held in our Family Trust for the benefit of our children and grandchildren. Our children have all grown up with fond memories of the property, and our grandchildren are now enjoying it.

The Family Forests of California comprise 4,000,000 acres in 50,000 ownerships. They contain more timber than all of the large industrial ownerships combined. They maintain a stable timber base important to the economic and environmental livelihood of the State.

These Family Forests need a diversified manufacturing base for stable markets for our timber. Imposition of the Clinton Forest Plan will cause severe restrictions on federal timber supply, and in turn, markets for our timber. There will be fewer mills to purchase our timber.



Statement to Senate Committee  
on Natural Resources and Wildlife  
August 18, 1993  
Page 2

We already have high costs of state regulation of our timber in California. If there is no market for our timber this will discourage prudent and responsible management of our forest properties and will encourage conversion of these properties to other uses. We have a renewable resource in our timber. We are now growing more than we are harvesting. There is a demand for our timber. People use it every day.

Local economies are becoming devastated by increasing environmental restrictions and severe reduction in federal timber supplies. We would like to see more government policies which will promote and enhance improved science-based forest practices that enhance and ensure long-term productivity of private forest lands.

We have some serious concerns over the treatment of our forest problems in the favored Option 9. This Option seems to have been developed for the forest conditions of western Washington and Oregon. Our conditions in California are much different. The climate is different. The timber stands are different. The fire hazard is much worse due to markedly different precipitation patterns.

We are concerned over the evident decreasing level of fire protection being applied to federal lands. Our private lands intermingle with federal lands in many

Statement to Senate Committee  
on Natural Resources and Wildlife  
August 18, 1993  
Page 3

areas; there is considerable risk of spread of fire from federal lands to private ownerships and resulting damage and liability. Burned private lands will lose wildlife habitat and aesthetic value in addition to product value.

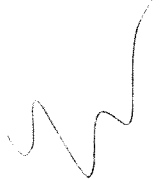
In addition, the implementation of the Endangered Species Act has had a greater impact on California private lands due to the higher percentage of private timberland. We have the most stringent state forest practice act in the country, and now have many restrictions due to Spotted Owl and Marbled Murrelet habitat. In our opinion, the restrictions based on these species have not been preceded by adequate scientific evidence.

In summary, the restrictions on federal timber supplies from the Clinton plan will severely impact the forest products manufacturing base we need in California to provide adequate markets for our forest products which are increasing in volume and diversity.



**IMPACT OF THE CLINTON ADMINISTRATION'S TIMBER PLAN ON  
CALIFORNIA'S PRIVATE FOREST LANDS**

Presented to the  
**Committee on Natural Resources and Wildlife**  
**California State Senate**



by  
**Jim Brown**  
on behalf of the  
**Forest Resources Council**

State Capitol  
Sacramento, California

August 18, 1993

## IMPACT OF THE CLINTON ADMINISTRATION'S TIMBER PLAN ON CALIFORNIA'S PRIVATE FOREST LANDS

### INTRODUCTION AND BACKGROUND

Good morning Mr. Chairman and Members of the Committee, I am Jim Brown, Vice President of Arcata Redwood Company, a subsidiary of Simpson Timber Company. Today, I am representing the Forest Resources Council (FRC), a consortium of companies formed to strengthen the voice of private forest land owners and the allied industries which process and market forest products in California. In addition to Simpson Timber Company and Arcata Redwood Company, other FRC founding members include Fruit Growers Supply Company and Soper-Wheeler Company. The Council's efforts are focused on maintaining and enhancing the ability of private forest land owners to manage their forests in a highly productive and sustainable manner.

The Clinton Administration's forest plan is intended, as we understand it, to offer a sustainable harvest of federal timber, provide economic assistance for displaced workers and their communities, adopt new approaches to environmental protection, establish a comprehensive system of old growth reserves and improve coordination among federal agencies responsible for federal land management and protection. The plan is largely intended to break a gridlock that has occurred from the filing of lawsuits by environmental groups over protection of the northern spotted owl. These lawsuits have essentially halted the sale of federal timber throughout the range of the owl, an area spanning from northern California to the Canadian border.

Our preliminary analysis of the plan indicates that it will substantially reduce timber sales from national forests and Bureau of Land Management lands from a historic average of approximately 5.2 billion board feet per year to 1.2 billion board feet per year, a 75 percent reduction. This drop is likely to result in the permanent loss of some 85,000 direct and indirect jobs. It is important to note that these job losses are on top of almost 14,000 direct job losses that have occurred in the industry on the West Coast and Idaho since 1990, where more than 140 mills have closed or curtailed operations.

The plan is one of 10 options among 48 alternative strategies that were developed by a team of scientists and incorporated into the *Supplemental Environmental Impact Statement on Management of Habitat for Late-Successional and Old-Growth Forest Related Species within the Range of the Northern Spotted Owl* (SEIS). The selected alternative, Option 9, is based in large part on the findings in Appendix A of the SEIS, which is entitled *Forest Ecosystem Management: An Ecological, Economic, and Social Assessment*. This is commonly referred to as the FEMAT report. When I reference the "plan," I will be referring to these documents.

Although the member companies of FRC do not rely on federal timber sales for their livelihood, we are inextricably linked to the communities and the competitive markets

that do depend on national forest timber sales. Our mills and lands are adjacent to and sometimes interspersed in federal lands that formerly supplied logs to nearby mills. Since we share many common boundaries with federal lands, matters of access over those lands to our forests, cooperative wild fire prevention and control, and potential extension of federal environmental regulatory policies to private timber lands are all important issues to us.

### PLAN IMPLICATIONS

Rather than duplicate testimony provided by our allied forest-related organizations, my comments will focus on what we see as indirect implications of the plan for private forest lands.

I purposefully use the term "indirect" because only the State of California currently has the authority to regulate forests on private lands where production of timber products is also guided by long-term forest management and investment practices. As you might guess, the prospect of yet another set of duplicative, overlapping regulatory requirements, be they federal, state or local, is not welcome.

Our preliminary analysis of the plan yielded seven points of concern. I will discuss each point in turn and conclude with FRC's recommendations.

**1. Drafters of the plan all but ignored California's existing and extensive statutes and regulations governing environmental issues on the state's private forest lands.**

- California is well recognized for having the most rigorous set of forest practice rules in the nation. This was true even before the most recent and more restrictive rules were proposed by the state Board of Forestry.
- The plan does not recognize the existing benefits that private lands afford wildlife in California. As an example, growth of spotted owl populations on private forest lands along California's North Coast was overlooked.

**2. The prescriptions recommended in the plan appear to be based more on opinion than on scientific research supported by data.**

- The plan takes great liberty in its presumption that there exists a significantly large number of species that are dependent upon late successional forests. Unfortunately, no data is included to support such findings.
- Apparently, the plan was drafted under the assumption that all habitat contributions would be made on federal lands and the condition of private lands would be immaterial. Quite to the contrary, particularly in California, research has shown that significant populations of spotted owls exist in managed young growth forest habitats.

- The plan attributes fish stock survival to reductions in forest stream habitat, while studies in Oregon and Washington have shown that this habitat is a minor component of an anadromous fish biology. Other non forest impacts, such as those related to ocean habitat, urbanization and water diversion are much more significant. In addition, studies in the Klamath area show large amounts of unused spawning habitats. The more prevalent problem is the lack of sufficient numbers of returning fish to fully use the existing habitats.

**3. Throughout the plan, reference is made to private lands, which implies that these prescriptions should be applied to private property. If the plan's proposed prescriptions are applied to private lands, harvests will be reduced thus eliminating the opportunity for these lands to help make up some of the production shortfall from non-producing federal lands. The plan itself envisions that private forests will make up some of that shortfall.**

- The effect of applying the proposed federal riparian zone prescriptions on private lands will be to severely reduce the amount of sustainable harvests available from those lands.

- The imposition of 300 foot buffers around all fish bearing streams on private lands would more than triple the amount of land taken out of production.

- Road use permits, already difficult to get, would be hard if not impossible to obtain in the reserve areas. Access to private ownership via new road construction would probably be stopped in any of the reserves, including riparian, and extremely limited in the matrix.

**4. The plan calls for the elimination of forest management operations in what are called "key watersheds" until a comprehensive plan is prepared. Any effort to extend such a policy to California's private lands would be inappropriate.**

- California's forest practices rules are the most restrictive in the United States and they can be relied upon to provide adequate protection until the results of further studies show other protection is appropriate.

- The strategy to defer management in these key watersheds, until more data is collected, under scores the judgment that many of the plan's sensitive determinations were based on "expert" opinion rather than scientific fact.

- Private landowners, dependent upon a predictable supply of forest products from their land would find it most difficult not to harvest, for some protracted period of time, while data is collected to refute the opinions of those who wrote the plan.

- Before any federal prescription is extended to private lands, field data should be collected and evaluated using accepted scientific methods to verify that a problem does exist.

**5. The plan sends mixed messages on the role of private lands as part of the threatened and endangered species recovery effort.**

- The plan was designed to provide a strategy, which does not require any support from private lands to protect threatened and endangered habitats. Yet it appears that private lands are being asked to shoulder some of that responsibility. For example, the plan, in Appendix A on page V-61, states: "To succeed, the federal Aquatic Conservation Strategy should be accompanied by companion strategies for nonfederal lands."

- The plan, on page 3 & 4-38 of the SEIS, goes on to say:

The majority of species inhabiting late-successional forests in the Pacific Northwest are not restricted to habitat on Federal lands. Nonfederal lands are an integral part of any strategy that seeks to address the overall landscape as an ecosystem. Therefore, this interrelationship will require close cooperation between state agencies, tribes, private landowners, and Federal agencies.

Contrary to the opinion on which the plan is based, private lands should not be required to provide any of the reserves described in the plan. A balance of successional stages is required across the landscape to provide a wide variety of habitats for all forest species. Since the federal forests will provide a preponderance of older forest habitats, it would be inappropriate for private lands to further tip the balance in favor of this habitat type.

- It is also appropriate here to re-emphasize that plan drafters apparently did not take into account existing and on-going work, on the part of private forest lands, to establish and enhance habitat for threatened and endangered species. The successful effort on California's North Coast to maintain the spotted owl population is a good example.

**6. The potential for increased fire danger to private lands and other non-federal lands, such as state parks, is clearly underestimated in the plan.**

- The proposed preserve, matrix, and silvicultural strategies will lead to greatly increased fire risk on federal land. This coupled with lower state and federal budgets for fire fighting will lead to greater risk of catastrophic fires similar to the Fountain Fire. Such wildfires can easily spread to adjacent private and other non-federal lands. The consequences are obvious especially in mixed checkerboard ownerships where federal land will result in a greater fire hazard to life and property.

- Even in the matrix areas, where limited management is allowed, the exceedingly long rotation age standards will cause an increase of fuel for wildfires. Further, long term build up of fuel will bring about very high densities of burnable material that will result in more stand-destroying fires on both federal and private lands. By permitting forest management to occur, fuel loads can be reduced, thereby decreasing risk. The



Yellowstone National Park fires of 1988, which consumed over 1 million acres of timberland, will seem small in comparison to the massive wildfires likely to occur if this plan is implemented.

**7. The plan, if implemented, will substantially reduce timber supply off federal lands and increase the demand on the state's already regulated private lands.**

- The plan contemplates that private lands will make up much of the shortfall resulting from reduced production on federal lands. This assumption does not take into account the more restrictive rules recently adopted by the state Board of Forestry, which will further reduce harvest levels on private lands.
- The price for forest products is set by the balance of supply and demand. Any further reduction of timber harvesting will simply drive up the prices consumers pay for wood-based products, including housing.
- The plan suggests that price increases may benefit private landowners as a result of supply shortages. But, what it does not say is that these increases will be short-lived because of marketplace constraints. Specifically, as supplies drop, more mills will close and the market will finally disappear. An even greater effect on supply in the long term is likely to be the reluctance of private owners to reinvest in forestry if the added prescriptive measures are applied to private lands.
- A substantial reduction in North American timber production will mean increased importation of wood products from other countries, where environmental protections may not be as stringent.
- It is estimated that even if private forest lands increase their harvests, which is not likely in California, available supply will still shrink by an estimated seven to 17 percent below the 1990-92 level.

**CONCLUSIONS AND RECOMMENDATIONS**

Before I begin with specific recommendations, some concluding comments are in order.

One major weakness we see is the plan's uneven and inconsistent treatment of private lands. First, it treats them one way by suggesting that they should also be subject to the same timber harvest restrictions as federal lands. This judgment was apparently made without taking into account past and present wildlife and wildlife habitat contributions made by private lands. But second, to make matters even more confusing, the plan says that these very same private lands can increase timber harvest to help offset lost production from federal lands.

The plan suggests rather strongly that because of different management practices on private lands than those envisioned for federal lands, there is doubt about whether certain species of wildlife will be able to persist. The plan goes on to offer more

stringent guidelines for managing private lands. However, no recognition was given for the vast amount of wildlife and habitat available on private lands. Failure to recognize these contributions is evidence that the analysis did not use an ecosystem approach, as the drafters indicated.

Based on an assessment of the draft plan and the process used to prepare it, FRC makes the following recommendations:

**1. California public policy makers should resist adoption of any state or federal policy that automatically subjects private forest lands to prescriptions, such those governing late successional stage habitats, without adequate factual and scientific justification.**

**2. The Clinton Administration should reexamine the proposed plan and amend it to accomplish the following:**

- Acknowledge California's exiting forest management practices, specifically the provisions which contribute to the protection and enhancement of its unique forest ecosystems, and then exempt this state from the plan.**
- Re-evaluate plan prescriptions and separate those based on sound science from those grounded on untested theories or "opinions." Policy proposals not based on good science should be eliminated from the plan or deferred pending further study.**

That concludes my testimony on behalf of the Forest Resources Council. I extend my sincere thanks to the Committee and the Chairman for the opportunity to present our views. I would be pleased to try and answer any questions that the Committee might have.

\* \* \* \* \*



**Testimony of David Ford**  
**Before**  
**California Senate Committee**  
**On**  
**Natural Resources and Wildlife**

**On Behalf Of**  
**Western Forest Industries Association**

**Impacts of President Clinton's Forest Plan**  
**on the Small Business Sawmills**  
**in**  
**California**

**August 18, 1993**  
**Sacramento, CA**



I. INTRODUCTION

Good morning, I am David Ford, President of Western Forest Industries Association. Thank you for the opportunity to testify before the Senate Committee on Natural Resources and Wildlife. I am here on behalf of the small independent solid wood products manufacturers, who depend upon federal lands for their basic supply of logs. Although our association represents seventy companies in twelve western and upper midwestern states, I will focus my testimony on our California members, and those companies which have purchased timber volumes from the four Northern California National Forests affected by the President's Forest Plan. I request that both my written and oral testimony be made part of the official record of this hearing.

II. WESTERN FOREST INDUSTRIES ASSOCIATION AND ITS CALIFORNIA MEMBERS

Established in 1947, Western Forest Industries Association provides a forum for independent forest products manufacturers to be collectively and cooperatively represented before government and the public, for the purpose of maintaining a stable and economic supply of timber from public and private lands, and to ensure that public policy does not discriminate against independent business. As such, we are extremely interested in decisions relating to the amount or type of timber offered from public lands and regulations that govern private lands. WFIA represents companies throughout the timber counties of California.

Our members are exclusively small independent business men and women, who, to varying degrees, depend upon the sale of public timber from national forests, Bureau of Land Management and state lands for their survival. We represent mills as far south as Terra Bella, - Sierra Forest Products, as well as sawmills on the Northcoast like Harwood Manufacturing in Branscomb. Our members, like Schmidbauer Lumber in Eureka and Hi-Ridge Lumber in Yreka are extremely dependent upon timber offered off the four national forests in California which contain Northern Spotted Owl habitat. We have members in the Sierra's and central valley who also depend upon timber sold from federal lands. These mills include Big Valley Lumber in Beiber, and Collins Pine Co. in Chester, P&M Cedar Products in Anderson, Mount Shasta, Pioneer and Stockton, and Wetsel-Oviat in Folsom.

Most of WFIA's members are small family-owned mills. They are the major employer in the numerous small rural communities in which they exist. These family mills have weathered two and three generations worth of economic ups and downs in this country, including the Great Depress. They are companies that found ways to survive and to keep people in their local communities gainfully employed, even in the worst of times. These are companies, which given any chance, will remain in these small towns as good corporate citizens for generations to come. It is the owners of these small independent mills who provide the family wage jobs that these communities must have in order to survive. But to survive, they must have wood to put through their manufacturing facilities.

Of principle concern to WFIA is creating and maintaining healthy, diverse, and productive

public and private forest lands. Healthy growing forests create the opportunity to capture sustainable growth for manufacturing into affordable housing and other recyclable products. We support sustainable harvests from public forests lands.

The President's Forest Plan will result in drastic reductions from historic levels in the sales of timber from federal forests. This prospect raises the question of how best to sell this limited quantity of timber so as to minimize adverse effects on employment, community stability, and investment in new processing technologies. Small family owned companies are the ones most dependent on federal timber sales, and therefore, are at greatest risk as a result of these reductions. Policies must be reviewed and modified to assure small business will be able to survive through these changing times.

WFIA supports and its members depend on the Small Business Administration's federal timber sale set-aside program. The SBA timber sale set-aside program was developed and implemented in 1971 as a mechanism to guarantee that small independent sawmills would receive a fair proportion of timber sold from federal lands. The set-aside program guarantees that a percent of the Forest Service sale program is offered to small independent purchasers. The SBA share is computed every five years based on historic purchase and harvest records.

While President Clinton recognized a need to address this issue in his July press release, we find nothing in the Draft Environmental Statement or the 1500 page companion Forest Ecosystem Management (FEMAT) report which addresses this very important issue. It is critically



important for our members, their employees, and the small rural communities which depend on these jobs, that this Committee raise the small business issue with the Clinton Administration.

I will focus my testimony on the issue of survival of the small independent solid wood manufacturers in California. Like everyone involved, the overall plan impacts our members because the timber harvest levels on the four national forests will be drastically reduced. This reduction will have negative impacts on those mills which depend on the SBA timber sale set-aside program for protection. When the four northern forests offered 750 million board feet per year prior to 1988, the SBA set-aside program guaranteed between 190 and 225 million board feet per year to the small mills in the area. Under the Clinton Plan we will be lucky to see these forests even offer 225 million board feet of timber per year. Under the current SBA program, less than 45 million would be targeted to small business. That is not even enough volume to keep one of the existing small business manufacturers in business.

Being small business, many of our members do not have alternative sources to fill their log demands. Unlike many of the larger companies, our members do not have vast holdings of private industrial forest lands and must depend on that volume which reaches the open market from the non-industrial private land owners. Demand for the limited supplies of timber volume to be sold from the Northern California forests will impact more than just those mills on the affected forests. For example, lumber mills in Oregon and Washington will be forced to look to California forests for wood to survive. Mills located near these four forests will look to other

California forests for their supplies. Thus, small mills in all regions of the state will face new and increased competition from both the large "big business" mills within the state, but also will very likely face competition from other large out of state manufacturers.

III. THE HISTORY OF THE SBA PROGRAM IN CALIFORNIA -- WHY OUR MEMBERS MUST NOW ASK FOR ADDITIONAL PROTECTION

In 1992 WFIA contracted with the forestry consulting firm of Mason, Bruce, & Girard Inc. to examine the history of the SBA program in California to help our members understand how best to proceed. The results of this study were very telling. The report shows a very real problem exists which must be dealt with in the most aggressive manner possible.

In 1962 there were 258 small independent sawmills in California which accounted for 78% of the installed sawmill capacity in the state. In 1992, Mason, Bruce, and Girard found only 25 small independent sawmills in California, which accounted for 31% of the installed capacity in the state. At the same time, the number of large business mills did not change significantly, although their share of the log market did. In 1962 there were 28 large business mills which represented only 22 percent of the total installed capacity. In 1992 big business controlled some 36 mills and fully 69% of the installed capacity. This trend continues even today. Since the Mason, Bruce and Girard report was completed in December of 1992, five additional SBA mills have either been purchased by big business or have simply gone out of business.

Nationally, the sawmill business is the most diverse of any industry. Unlike the automobile manufacturers, or steel manufacturers, there are literally thousands of small independent manufacturers in the sawmill business. Many of these are family owned and most are key businesses in their communities.

Throughout the history of lumber manufacturing in this country, it has been the small independent manufacturers who have taken risks and developed the new technology. Whether this is due to the lack of bureaucracy, or to the need to be aggressive in order to survive, it has been the small independent firms which have led the way.

Typically, the larger companies have chosen to wait for new technology to be fully developed before risking investments. And this makes sense, as most stock holders don't understand or appreciate failed technological experimentation.

Although many people think of the timber industry as monolithic in nature and made up of three or four large multi-nationals, we are not monolithic and have a greater diversity of company types and sizes than given credit. With the correct incentive, small business in California could expand rather than be driven into extinction.

There is clear public value in maintaining a competitive forest products industry. Competition created by a diverse industry assures that both the public and the non-industrial private landowners will receive the highest price for the wood offered to the market place. This

provides a healthy return on investment and encourages responsible forest management practices. Also, maintaining competitive prices encourages technological innovation to ensure higher and more valuable recoveries from each log processed.

#### What went Wrong in California and How the Clinton Forest Plan will Endanger the Small Independent Sawmills in the State

Over the years a number of very large business owners in California began to purchase major land holdings, which reduced the amount of open market timber available to the small business mills. At about the same time as the land consolidation was occurring, environmental pressures to stop harvesting of federal lands increased. Through law suits and appeals of federal land management decisions, public interest groups have all but stopped the sale of timber from the four northern forests in California. Federal sales on other California forests have also been interrupted and delayed.

Other timber volume was delayed or held off the market due to the development of new state regulations related to the practice of forestry on both industrial and non-industrial private lands in California. As all three major sources of timber were constricted, it put the large companies in a much more competitive position. Those with large fee land holdings saw the net worth of their land holdings increase exponentially. As the value of the large companies' land holdings increased, so did their ability to obtain loans from the banking establishment. Thus, these companies: (1) were able to purchase more and more private land holdings; and (2) gained the

ability to outbid even the most competitive small business operators for virtually any timber volume offered in the state.

The Clinton plan, with its severe reductions in the availability of federal timber, will only increase the pressure on the small independent landowners to sell to large corporations. Many private non-industrial landowners feel a dual pressure to liquidate their land holdings. On one hand they face increasingly stringent state forestry practices that force the landowner to hire increasingly sophisticated and costly environmental specialists, and on the other, they fear the new state regulations may preclude them from ever harvesting their investment. This pressure is compounded by increasing land values caused by decreasing federal timber supply. Thus, the urge to sell to the large corporations has increased significantly over time, and will continue to increase until the federal lands again become a steady supplier of timber.

The small independent sawmill operators, which WFIA represents, have been able to survive the past several years due to SBA set-aside sales they have purchased in the past and by being very aggressive in finding small non-industrial landowners who were willing to sell timber. If something is not done to ensure SBA mills receive similar amounts of timber, as they were able to purchase in the mid-1980's, California could find itself home to three or four extremely large timber corporations. This consolidation of manufacturing strength will put increased pressure on the small non-industrial forest landowners to liquidate their holdings.

A state in which 40 short years ago had nearly three hundred forest products companies will be

reduced to a state with only a handful of large companies who will have little need to compete for the timber they manufacture. Prices for logs will be set not by the open market, but by the large mills need to stock their log yard. Large corporate giants will control how, when and where timber will be managed in California. And ultimately, it will be stockholders, not local small business owners, who will decide whether or not a manufacturing facility will remain open in the small dependent communities of Northern California.

VI. WFIA WORKED VERY HARD TO FACILITATE A MEANINGFUL FOREST PLAN

The process of developing the Clinton Forest Plan was long and difficult for both the Administration and for the forest products industry, particularly those small business operators represented by WFIA. From the very beginning, we concluded that WFIA and its members would not be able to significantly influence the harvest levels chosen by the Clinton Administration, or for that matter, where the timber might be harvested. Thus, we chose to focus on six basic issues we believed to be critically important to the successful implementation of any forest plan, no matter what the final volume outcome.

1. A NEW PARADIGM -- COMMUNITY BASED PARTNERSHIPS

We began by suggesting that a new paradigm be implemented that allowed for local community leaders, representing a wide array of views, to come together with federal agency personnel to develop a common vision of what the forest should look like in the future. We observed a

number of efforts underway in Oregon and California and found them to hold more promise for developing long-term stable forest plans than any other existing or theoretical forest planning methodology. The Applegate project in Oregon, the Quincy Library Group in Quincy, California and the Hayfork Group in Hayfork, California, all found ways to bring opposing groups to the table and are finding ways to address each others concerns while at the same time finding ways to insure the future stability of the communities involved.

We urged the Clinton Administration to find ways to encourage these types of Community Based Partnerships. It is our belief that these groups hold the best hope for breaking the continued grid-lock which stops all land management on our forests. It was, and is, our expectation that these groups would fully comply with existing law and regulation to ensure complete protection of endangered species and other natural resources which demand similar protection.

The key to the success of these groups is a full commitment by the land management agencies to be active partners. Through consensus, they have shown that local people, with a knowledge of local conditions, can find ways to both manage the land and to protect the resources we all value. It is their concern for the environment, along with concern for the economic viability of their town and their neighbors, that allows them to find acceptable compromises to seemingly intractable differences.

## 2. PROTECT DEPENDENT COMMUNITIES

Additionally, we discussed the importance of those communities who are fully, or nearly fully

dependent upon the sale of federal timber for their survival. In discussing this issue, we stressed that some dependent communities are home to large corporate operations which deserve as much protection as the smallest dependent small business operation. We asked that the Administration find ways to allocate whatever timber was going to be available to those communities which had the least options. Clearly a purchaser which has access to large private land holdings has options that a purchaser who is totally dependent on federal timber does not have if the federal timber supplies are shut-off.

### 3. ECOSYSTEM MANAGEMENT

We stressed that the Clinton plan should embrace a management system that gets away from overlaying single species protection. We stressed less intensive management on more acres. For far too long our federal land management strategy has been to meet each individual species' and user groups' need before addressing what the land management plan could produce. Thus, existing federal land set-asides frequently have the ability of fulfilling the needs of multiple species and/or user groups, but the agencies insist on setting aside additional acreage every time a new demand is made. The result is an ever shrinking land base being asked to meet ever increasing demands.

The demand for wood products in this country is growing a steady two percent each year. The setting aside of additional protective areas, without assessing if existing areas can meet the needs of several different species and user groups will result in none of the species or user groups being fully satisfied. By finding the commonality between species and user group gives land



managers a better opportunity to meet the demands placed upon the land.

#### 4. VALUE-ADDED MANUFACTURING

WFIA urged the Clinton team to find ways to encourage value-added manufacturing of solid wood products. We believe each tree that gets harvested should be manufactured into the product that returns the most to society. Thus, when small pieces of what used to be considered scrap wood can be manufactured in to a larger useable piece, then society gains. When a company can install a co-generation plant which operates on wood waste, then society gains. We asked the Administration to find ways to encourage value added manufacturing, including secondary manufacturing of wood products. At the same time we warned the Administration that the local economic infrastructure can not survive on secondary manufacturing alone. Primary manufacturers must be present for secondary manufacturers to survive. Given the demand for affordable housing, the highest and best use of some lumber will continue to be structural wood.

#### 5. ADAPTIVE MANAGEMENT

Late in the process, the FEMAT team began to discuss the concept of adaptive management areas where land managers could experiment with different land management strategies to meet the overall plan objectives. As part of the adaptive management concept, the Administration included language which encourages the local public to participate with agency land managers and scientists to develop overall plans. While not perfect, we see this concept as a step in the right direction.

## 6. FINANCIAL RELIEF TO SMALL BUSINESS

Finally, WFIA, understanding the pressures which would be brought to bear on its California, Oregon and Washington members, pointed out the financial strain placed on small business in their effort to compete for public timber sales. Currently the federal government has both policy and contractual requirements that require substantial up front cash payments in order to purchase a timber sale. Additionally, the government requires substantial mid-point and interim payments. The government currently allows an individual company to purchase payment and performance bonds to cover the up front financial requirements of the timber sale.

Over the last ten years bonding has become increasingly difficult to obtain with only the most financially sound companies having the ability to bond. Thus, the large business mills have an advantage in obtaining bonding. The advantage being that bonding only costs a few cents on every dollars worth of bond value.

For those unable to get bonding, the up-front costs cause a considerable burden. A small company who is unable to get bonding has two choices. First is to make the payments in cash, which is particularly stressful to companies who typically suffer month to month cash flow problems anyway. And second is to ask their banker for an irrevocable letter of credit to cover the up front costs. Such letters require a purchaser to have deposited either an equal amount of money in the bank, or to sign over to the bank a considerable amount of equity. The net effect is a continued cash-flow nightmare for the small business owner.

Understanding these pressures, we requested that the Administration examine this problem and see if something could be done to ease the strain the small business purchasers would experience if and when timber sale were offered on the market.

V. FOREST PLAN CONCERNS, OPPORTUNITIES, AND NEEDS

Although we've only had a short time to review the entire plan, and have many questions, it is clear that the plan, if implemented, will create sever problems for many of the small independent sawmill businesses in California, Oregon, and Washington. Like others in the forest industry, we are extremely concerned about the overall harvest levels authorized in the plan.

The total capacity of small business lumber mills, that purchase off the four northern California forests, is approximately 1.2 billion board feet. Large business mills in the same area have a capacity of 3.1 billion board feet. In the past nearly 750 million board feet of timber was sold by the federal government off these forests. The balance came from private lands. Unless alternative sources of timber can be found to make up for the loss of federal timber, a large number of mills are going to go out of business. Clearly, given my previous testimony, I am very concerned that the small independent sawmill owners will not be given a fair chance at survival. Without some additional protection, we believe the small business segment of the forest products industry will cease to exist on these forests.

To the credit of the Clinton Administration, they have acknowledged the need to address the

small business dilemma and have indicated they would deal with the issue prior to the beginning of FY 1994. I expect this will occur in a timely manner so that the final EIS can reflect the accommodations made to protect the small independent sawmill owners in California.

Additionally, we are concerned, given the short time period allowed for the development of the plan, that on the ground land management specialists will find it difficult, if not impossible to implement. Typically, we have seen that planned outputs fall short of the goal when the ground managers were not actively involved in the development of the plan. Given our conversations with Forest Service land management specialists, we are already hearing concerns that they cannot implement the plan as drafted. We will urge the Clinton Team to work with land managers to ensure that standards, guidelines, and production goals are all met.

We remain concerned that the plan does not foster ecosystem management in a manner in which more acres are managed less intensively. This becomes a particular concern in the case of managing after a catastrophic fire or insect event. Forest health concerns must be addressed on every acre, not just on those acres which have been identified as being able to produce wood products. Our understanding of the plan leads us to believe that the Clinton Plan relies heavily on additional land set-asides to meet the demands of species which are dependent upon forests in a late serial stage. By setting aside additional large acreage of land for the protection of late serial flora and fauna we are concerned that management flexibility has been taken from the on-the-ground managers whose number one goal should be to maintain overall forest health.

The Clinton Forest Plan has a very clear vision for the desired future condition of the forest. It will emphasize the maintenance of a forest in the later serial stage of development. At the same time planners that worked on the plan, indicate that they desire old growth conditions similar to pre-settlement conditions in these forests. There is very real evidence that fire was a primary part of the forest environment in our west coast forests, particularly the California coastal forests. If this evidence proves to be true, the desired future condition articulated in the Clinton plan may prove very difficult to realize. We hope government officials will build in enough flexibility to deal with frequent fires if in fact they are the natural course of events.

Having been a proponent of Community Based Partnerships we would have liked to see more opportunity for the development of such groups articulated in the Clinton Forest Plan. By limiting the concept to 10 Adaptive Management Areas we fear that local participation in the development of on the ground compromise will diminish. Additionally, we fear the Adaptive Management Area plans will be so tightly controlled by Agency scientists that local groups will find it difficult, if not impossibly frustrating to participate. On the other hand, the inclusion of these Adoptive Management Areas shows great promise for increased local participation in the federal agency decision making process. To a large extent, this concept mimics President Clinton's desire to re-invigorate democracy at the local level. The combination of Adaptive Management Areas with Community Based Partnerships would fulfill this goal. We hope this concept will be enlarged in the final plan, and that these public groups be allowed as much freedom as possible to find ways to both meet existing laws and regulations, while also finding ways to enhance the stability of the local communities which depend upon the national forests

for their survival.

**VI. WFIA RECOMMENDATIONS FOR THE FINAL PLAN**

**A. Protection of Small Dependent Communities Must be Assured**

Those communities which depend upon a solid wood manufacturing facility for most of its economic well being deserve additional consideration. Although the Clinton Plan and the President's early press releases indicated a strong commitment to retraining and to development of alternative infrastructure, the best way to diversify the economies of these small timber dependent towns is to protect the existing revenue generators, while encouraging new business in the towns. Accommodations must be made in the final plan for communities where sawmills have no other source of timber volume. We pledge to work with the Administration to find equitable accommodations for these communities.

**B. Value Added Manufacturing of Wood Products Must Be Encouraged**

The Clinton Administration, through the various agencies should use grants, loans, and other economic incentives to encourage as much added value manufacturing of wood products as possible. Not only will this result in a more efficient use of the natural resource, it will foster additional jobs which can be maintained in the small rural communities of the west. The Clinton plan should recognize companies that have already emphasized value added manufacturing such as co-generation plants, cut-stock plants, and efforts to more fully utilize wood waste such as bark and sawdust.

**C. Adaptive Management Areas and the Community Based Partnerships Should be Expanded**

We urge the Clinton Administration to develop criteria and guidelines to allow any community that wants to participate in a Community Based Partnership the ability to designate an Adaptive Management Area and develop, in conjunction with federal land management agency officials, an Adaptive Management Plan. We hope that the agencies will fully encourage flexibility and experimentation within the adaptive management areas. These Adaptive Management Areas hold the key to greater understanding of ecosystem management, as well as the potential to foster the locally controlled democracy the President campaigned for in the last election.

**D. Special Financial Assistance Should be Made Available for Existing Small Business Manufacturers in California**

As part of the economic assistance package, the government should make available low interest government guaranteed loans which could be used either to cover the up front costs of purchasing federal timber sales, or to invest in value added manufacturing of wood products. The small independent wood products manufacturers have traditionally been responsible for innovations within the sawmill business. The severe reductions in total federal volumes to be offered will likely result in the closure of most small business mills, unless the playing field is leveled and the small independents are afforded access to capital to: (1) ensure they have the ability to compete for the limited amount of timber which will be sold; and (2) have the ability to modernize and diversify their operations.

VII. WHAT THE CALIFORNIA SENATE CAN DO TO HELP SMALL BUSINESS  
IN CALIFORNIA

Western Forest Industries Association requests that your Committee communicate its desire to have the final EIS for the Clinton Forest Plan modified to ensure the survival of the small independent sawmill operator in the State of California. Additionally, we urge you to communicate to this Committee your concerns about the deficiencies we have identified in our testimony. It is our hope that the hearing record, along with your concerns will be forwarded to the President and the Forest Plan Implementation team, so that deficiencies in the plan can be corrected in the final EIS.

Further, we believe this Committee should communicate a strong desire to have additional local control incorporated in the management of the Adaptive Management Areas. Allowing those most likely affected to have a larger say in the process will mean less controversy and better on-the-ground management. Active participation by the federal agencies at the local level is critical to the success of the Adaptive Management process.

Finally, we strongly encourage this Committee to examine the implications of this and other federal land management initiatives, in concert with efforts to update State Forest practices rules.

Public land policy cannot be developed in a vacuum. The implications and lessons learned in the Clinton Northwest Forest Plan, must be compared with those learned in other land management strategies such as the CASPO report on the management the California Spotted



Owl. Then, this Committee should draw conclusions as to what the combined plan's effect will be on the economy of the State and the communities involved. Thus, we urge you to assure your actions do not further adversely impact the few remaining small businesses forest products manufacturers in the state.

I appreciate that I have been given the opportunity to testify before this Committee, and will be happy to answer any questions you might have.

## **SMALL BUSINESS BRIEFING PAPER**

### **The Decline of Small Forest Products Businesses In California**

#### **Executive Summary**

Nationally, the forest products industry is a very diverse amalgamation of companies from the smallest mom and pop sawmills to the largest integrated pulp and paper mills in the world. Collectively, the forest products industry comprises 7 percent of the nation's gross national product. Today, the entire forest products industry is threatened due to supply availability constraints on public and private lands, with the greatest impact to small business mills dependent on public timber supplies.

Over time our nation's forest products industry has dramatically changed. The most significant of changes is the decline in the number of small businesses, in part, due to the concentration of large multi-national businesses. This concentration is continuing today, with California a prime example of this trend.

The federal government has assisted in the protection of small business over much of this century by enacting laws and regulations such as anti-trust statutes and the Small Business Act of 1958. The small business timber sale set-aside program has its roots in the Small Business Act. This program was created to ensure that small business receives its "fair proportion" of the total federal timber sale offerings over time. The current program, established in 1971, is based on agreements between the SBA, USDA, and USDI, and does nothing more than allow small business preferential bidding, if required, to assure small business the opportunity to obtain its historical share of federal timber sold. Small business is defined as a company with 500 or less employees.

The current small business timber sale set-aside program was established to slow the consolidation of the forest products industry in the western United States. In 1958, small business bought 75% of the public timber offered for sale. By the years 1966-1970, small business purchases has plunged to 44%, a 41% drop in only a few years. Since 1971, the small business program has successfully slowed the erosion of small business.

Today, small business faces a host of new threats as compared to decades past. These threats include financial credit limitations due to banking reform, federal timber supply constraints, and a variety of federal, state and local regulations affecting manufacturing and employment.

#### **The California Situation**

Small forest products businesses are especially at risk in California due to the continued industry consolidation of private industrial forestland and manufacturing facilities, and the severe constraints of federal timber supply.

California Timberland Ownership

The overall productive forest land designated as capable, available and suitable for timber management has declined over the last three decades (graph 1). The most notable reduction is in the public land component, while the most notable increase is in the large business sector. The reduction in available public lands is primarily due to administrative land set-asides established in the forest land and resource management plans, and Congressional wilderness, and wild and scenic designations. In recent years, large business has purchased significant acreage previously owned by non-manufacturers. In particular, one large manufacturer has consolidated significant acreage in the northern part of the state, reducing the availability of private logs entering the open market.

Small Business Decline -- graph 2&3

The number of small businesses in California has dramatically declined over time. In 1962, there were 258 small forest products companies as compared to 28 large businesses (graph 2). At the end of 1992, only 25 small forest products companies existed as compared to 36 large businesses. The production of small business versus large business has flip flopped -- in 1962 small business maintained 78% of the manufacturing capacity, whereas today, small business is capable of manufacturing 31% of the production in California (graph 3).

Timber Harvested in California

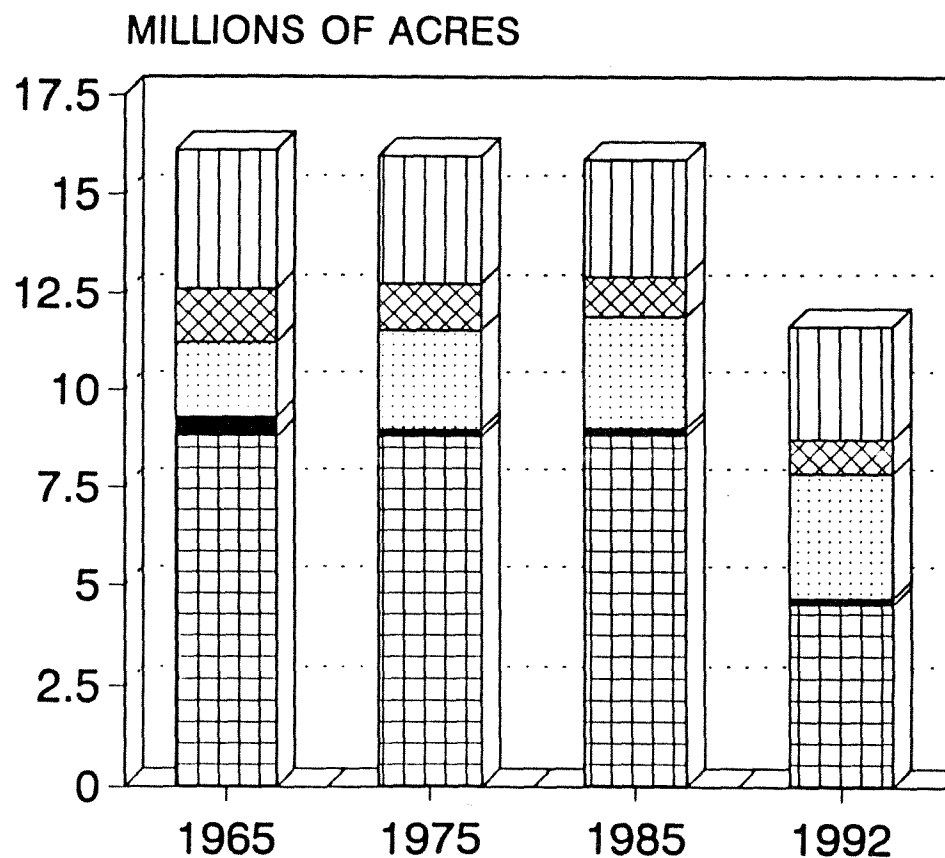
The total volume harvested on all ownerships has declined over the past three decades (graph 4). The dip in harvest levels in the earlier 1980s is due to the most severe recession faced by the forest products industry in this century. Harvest from the California's public lands is declining (graph 5). And harvest levels will decline further as volume under contract expires (graph 6) while volume sold remains under harvest levels (graph 7).

Public Volume Sold in California

Total volume sold continues to decline for a variety of reasons, including appeals, litigation, court injunctions and the now the implementation of the recently released California Spotted Owl report (graph 8). The amount of volume set-aside exclusively for small business has declined, however not disproportional to open sales (graph 9). Finally, the amount of volume purchased in open competition by small business is declining (graph 10).

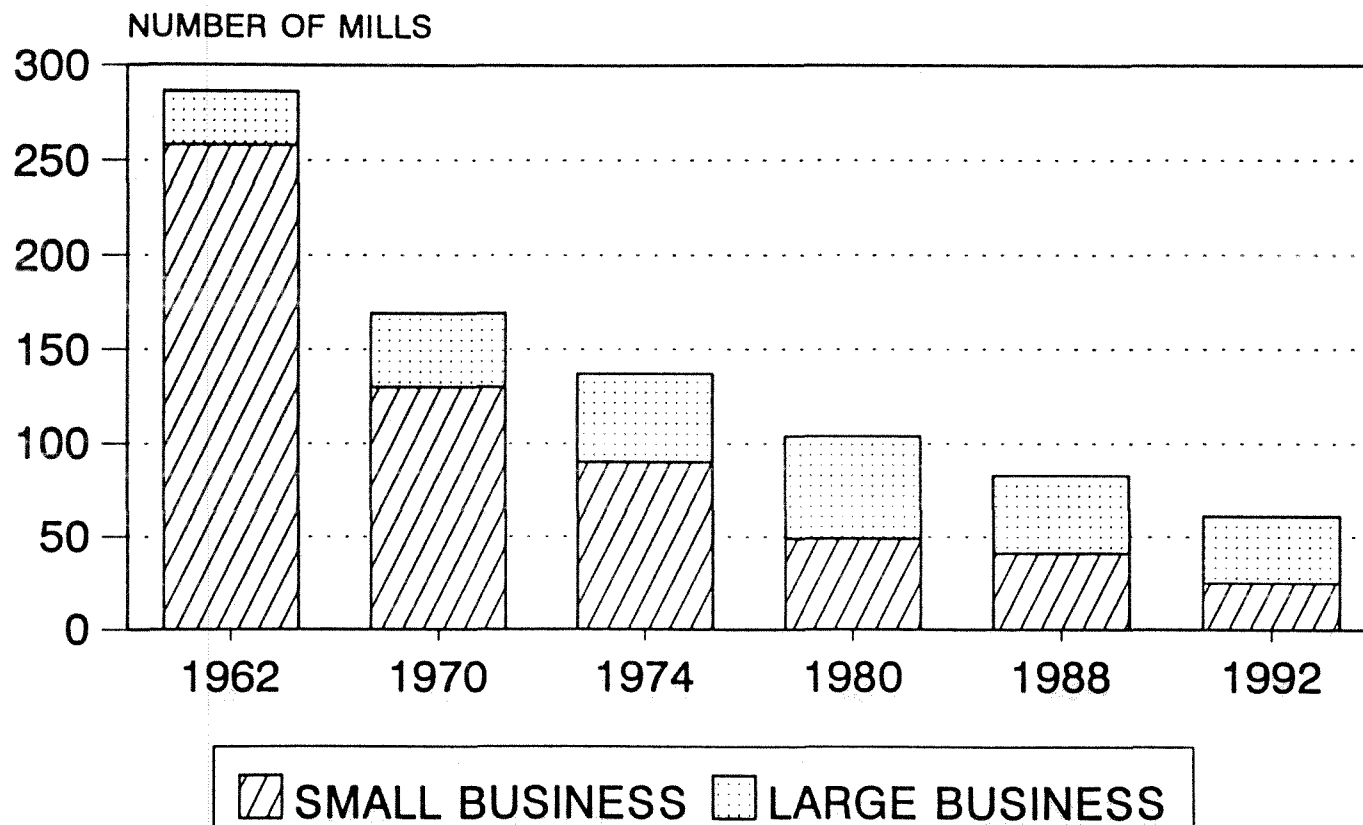
**For more information, contact Western Forest Industries Association at (503)-224-5455.**

# PRODUCTIVE FOREST LAND OWNERSHIP IN CALIFORNIA - CHANGES OVER TIME



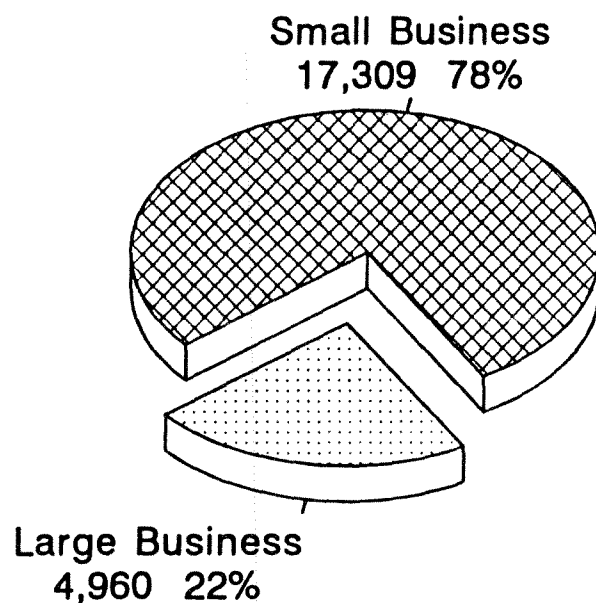
PRODUCTIVE FOREST LAND IS CAPABLE, AVAILABLE AND SUITABLE FOR TIMBER MANAGEMENT  
 SOURCE: NUMEROUS BOLSINGER PUBLICATIONS & CFA  
 LEGISLATION AND POLICY HAVE REDUCED PRODUCTIVE PUBLIC FOREST LAND

# CHANGES IN NUMBER OF CALIFORNIA SAWMILLS OVER TIME SMALL BUSINESS VS. LARGE BUSINESS

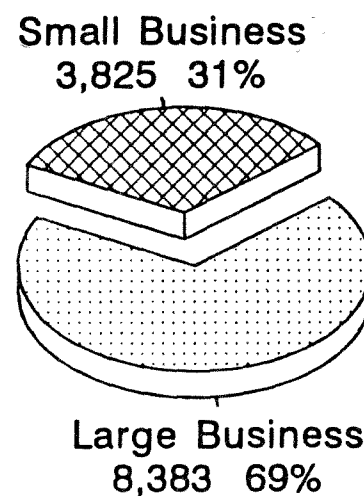


CURRENT AS OF 12/16/92  
SOURCE: NUMEROUS INDUSTRY PUBLICATIONS

# CHANGES IN INSTALLED CAPACITY OVER TIME SMALL BUSINESS vs LARGE BUSINESS SAWMILLS IN CALIFORNIA (8 Hr. SHIFT BASIS)



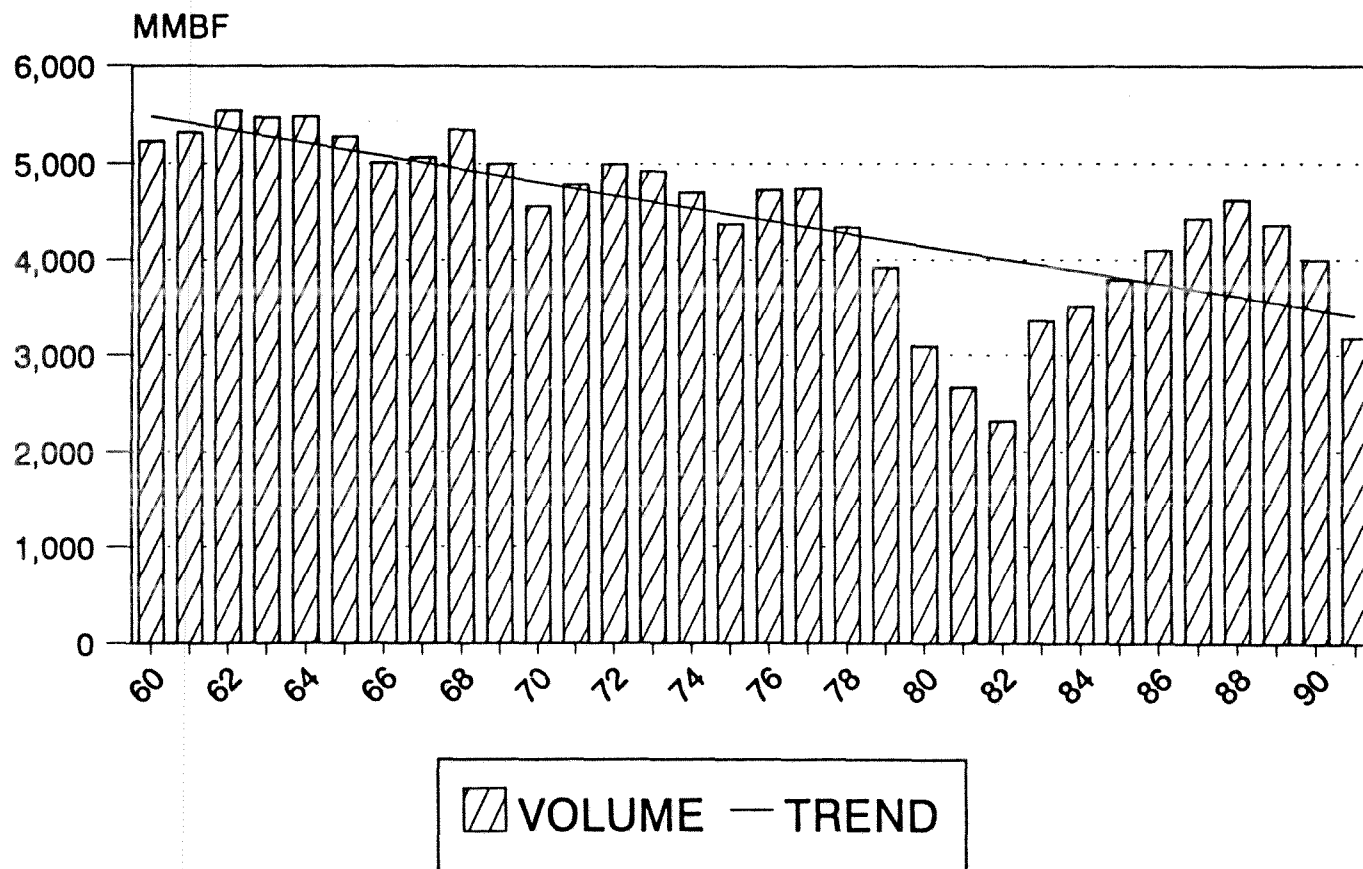
1962 DAILY PRODUCTION - 22,269



1992 DAILY PRODUCTION - 12,208

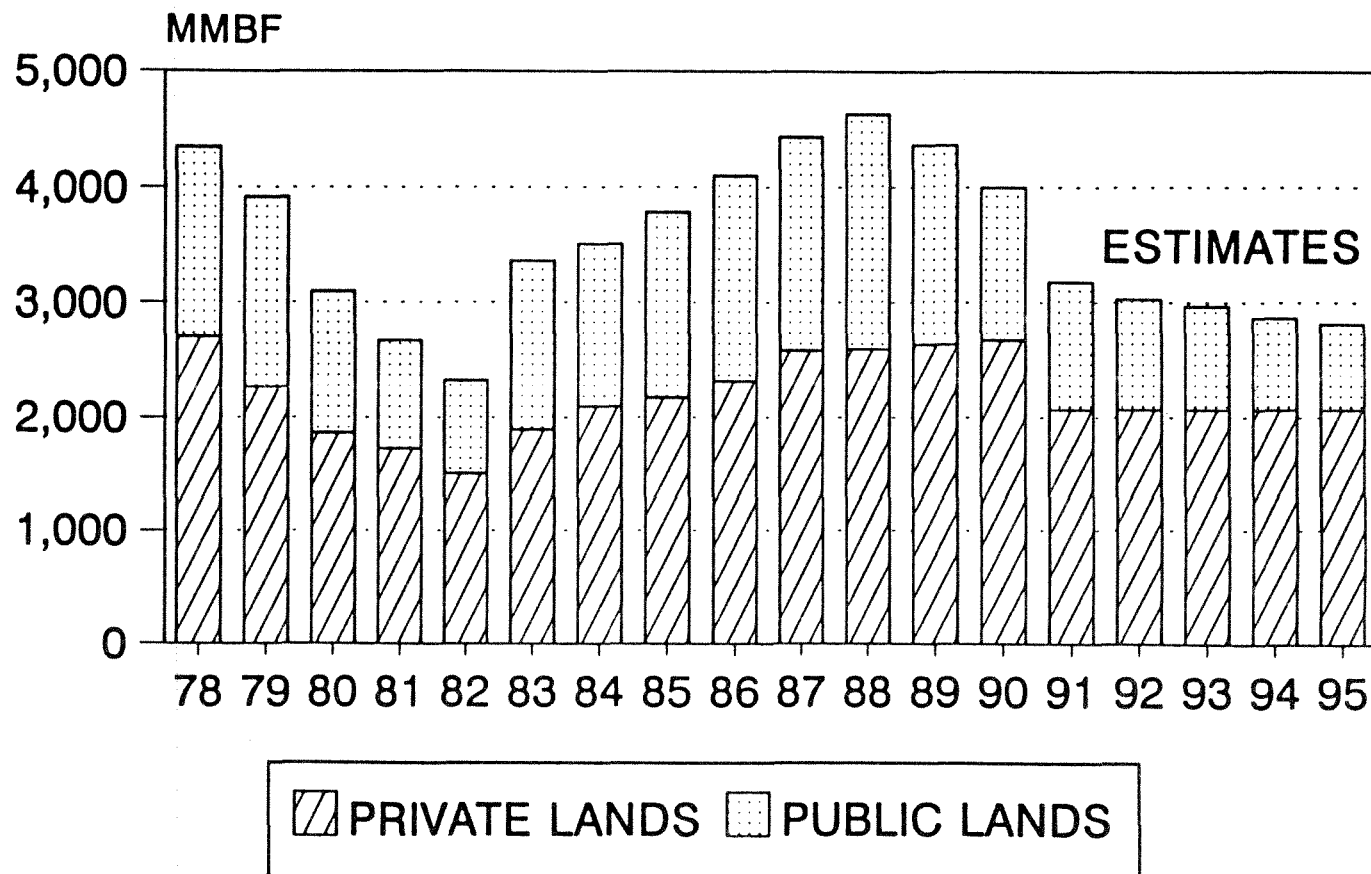
DAILY PRODUCTION (MBF)  
SOURCE: NUMEROUS INDUSTRY PUBLICATIONS

# TIMBER VOLUME HARVESTED IN CALIFORNIA BY ALL OWNERSHIPS 1960 - 1991



SOURCES: CA. STATE BOARD OF EQUALIZATION &  
USFS RESOURCE BULLETINS PNW - 131 THROUGH 135

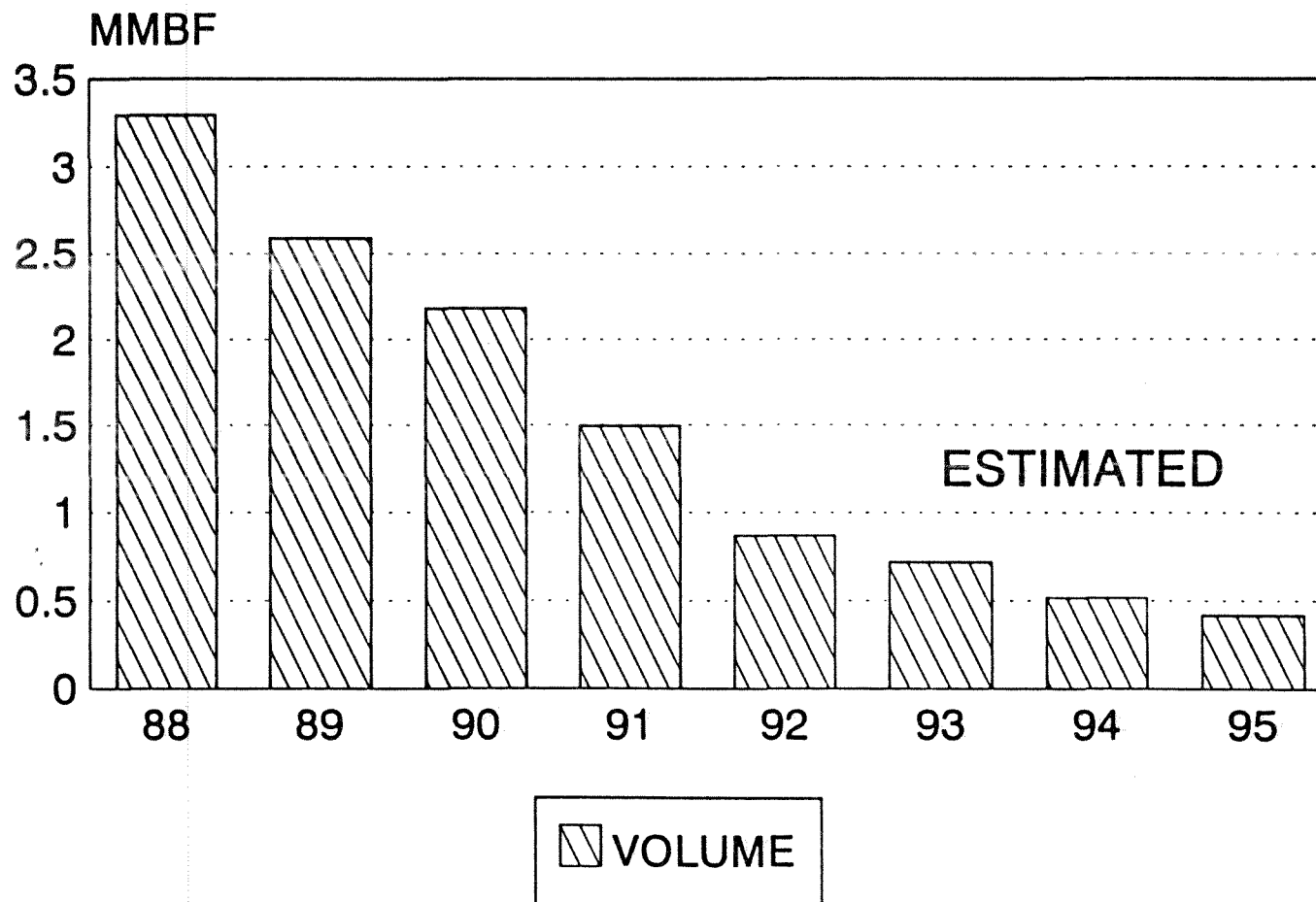
# TIMBER VOLUME HARVESTED IN CALIFORNIA BY PUBLIC & PRIVATE OWNERSHIPS 1978 - 1995



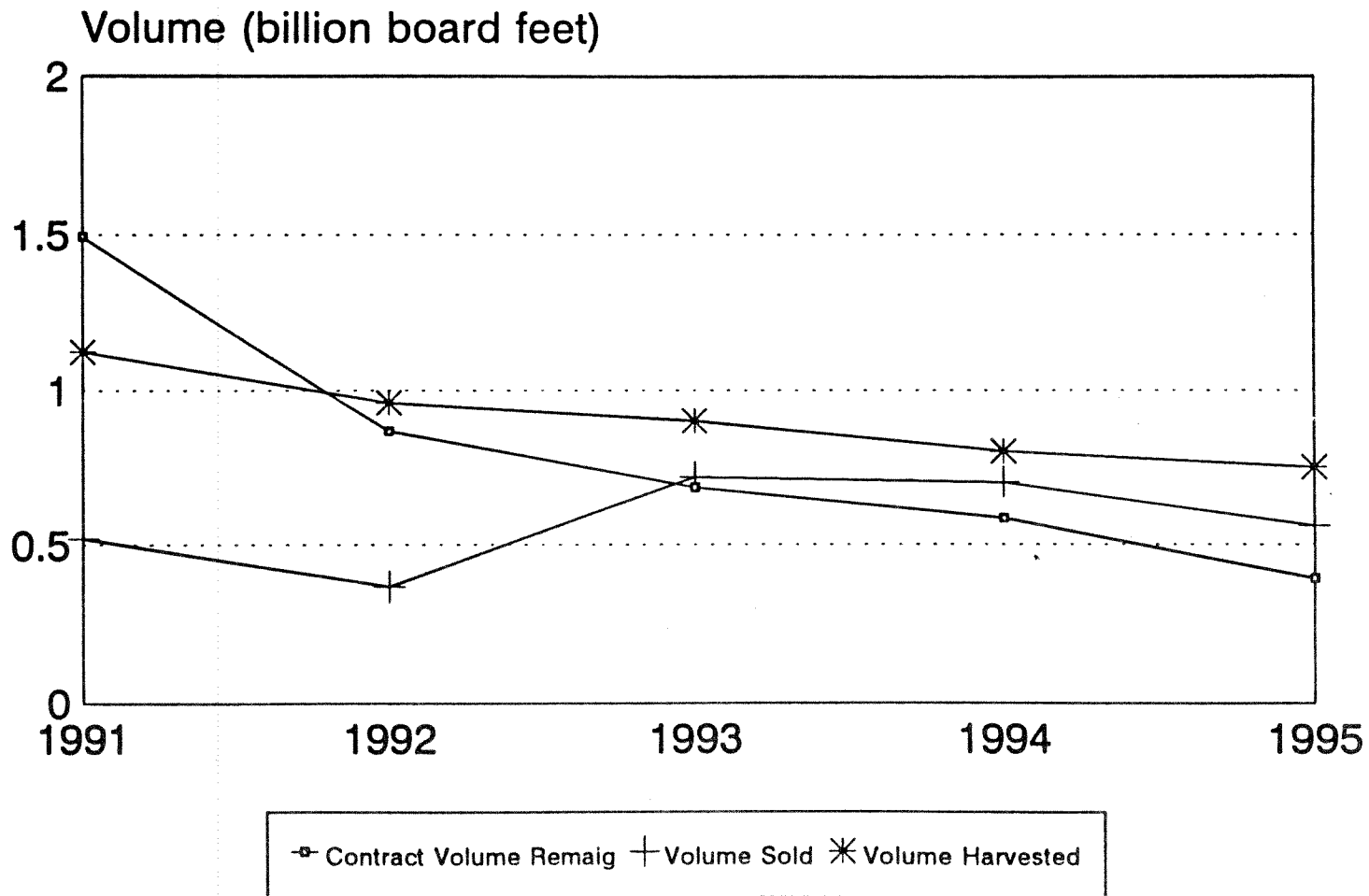
SOURCES: CA. STATE BOARD OF EQUALIZATION  
MASON, BRUCE & GIRARD ESTIMATES FOR 1992 THROUGH 1995



# VOLUME REMAINING UNDER CONTRACT IN REGION 5 AT THE END OF FISCAL YEARS 1988 - 1995

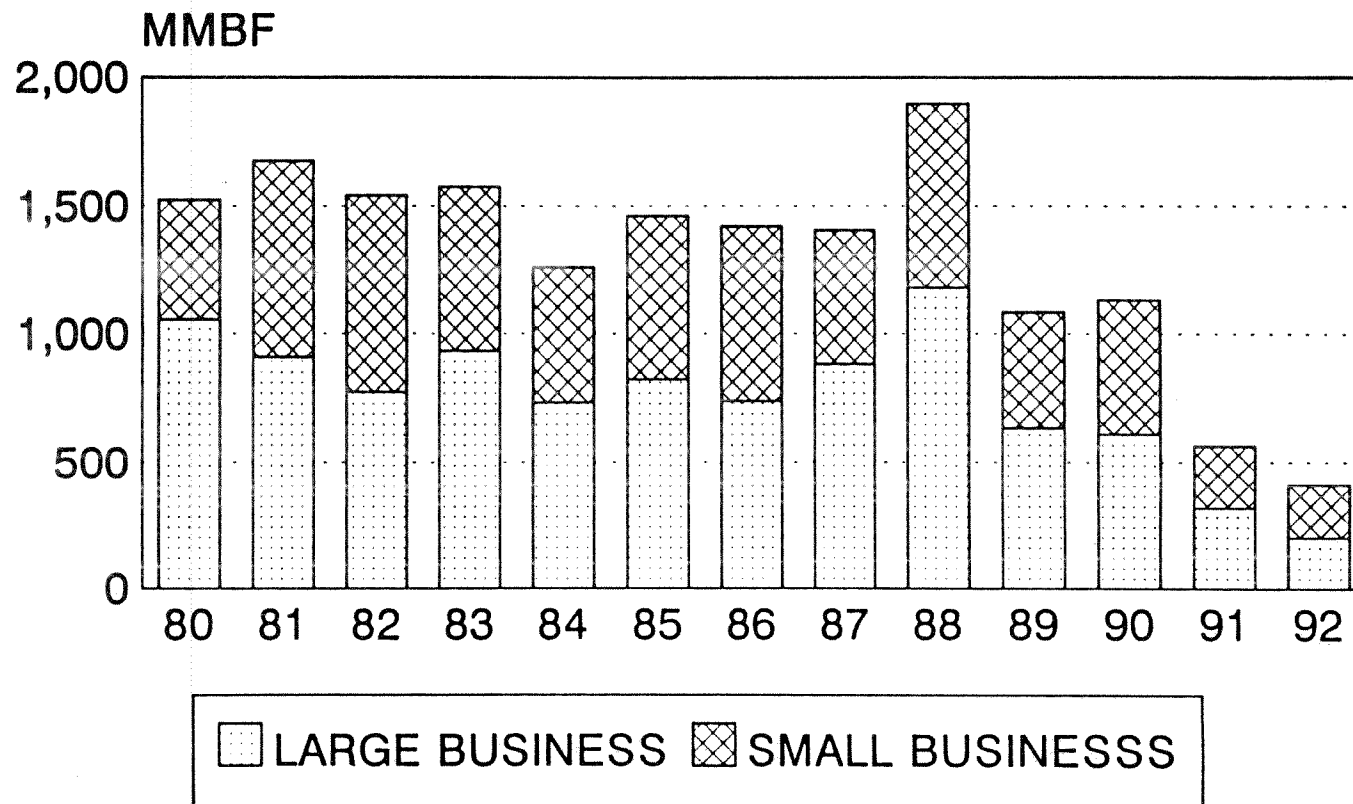


## Volume Remaining Under Contract U.S.F.S. Region 5



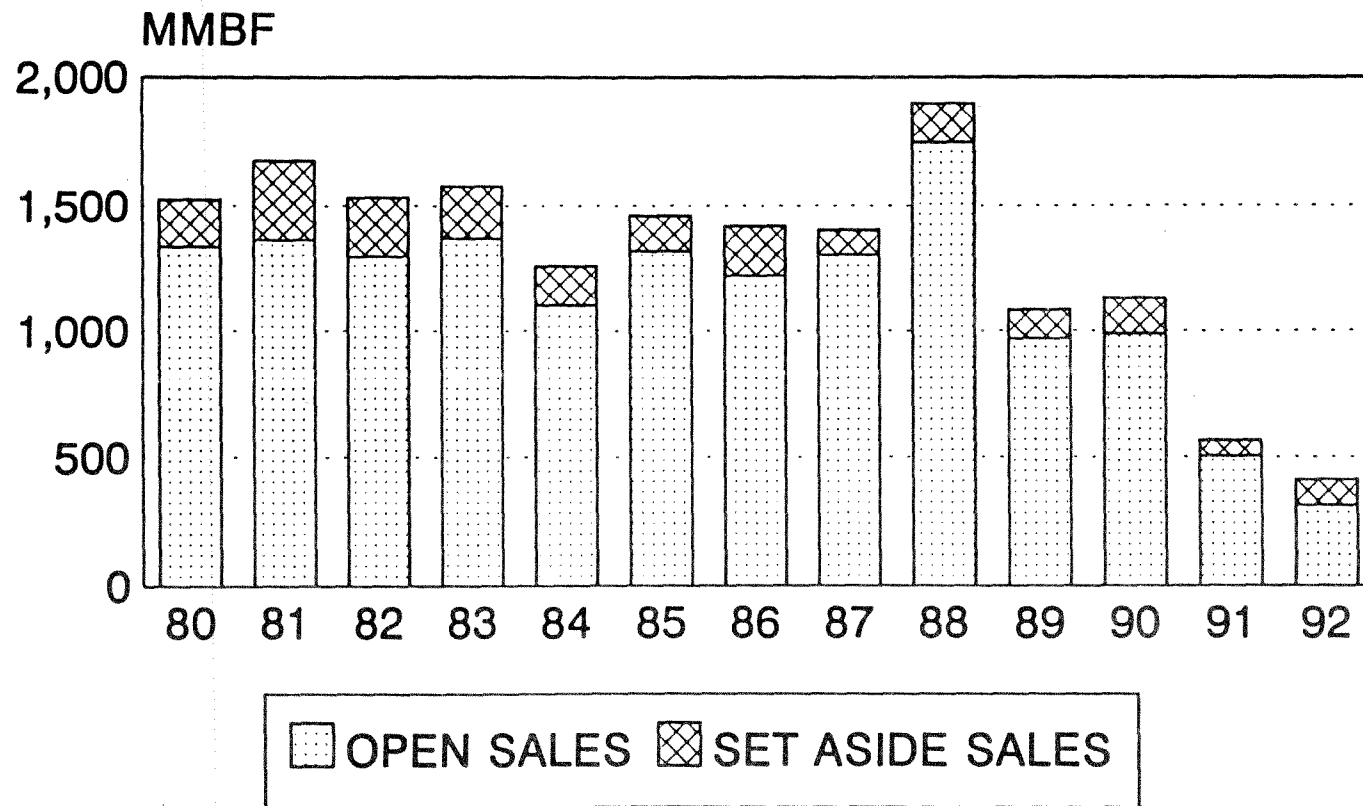
Source: Timber Data for 1991-1992; Mason, Bruce & Girard Estimate 1993-1995

# TOTAL SMALL BUSINESS VOLUME VS. TOTAL U.S.F.S.SALES VOLUME IN CALIFORNIA 1980 - 1992



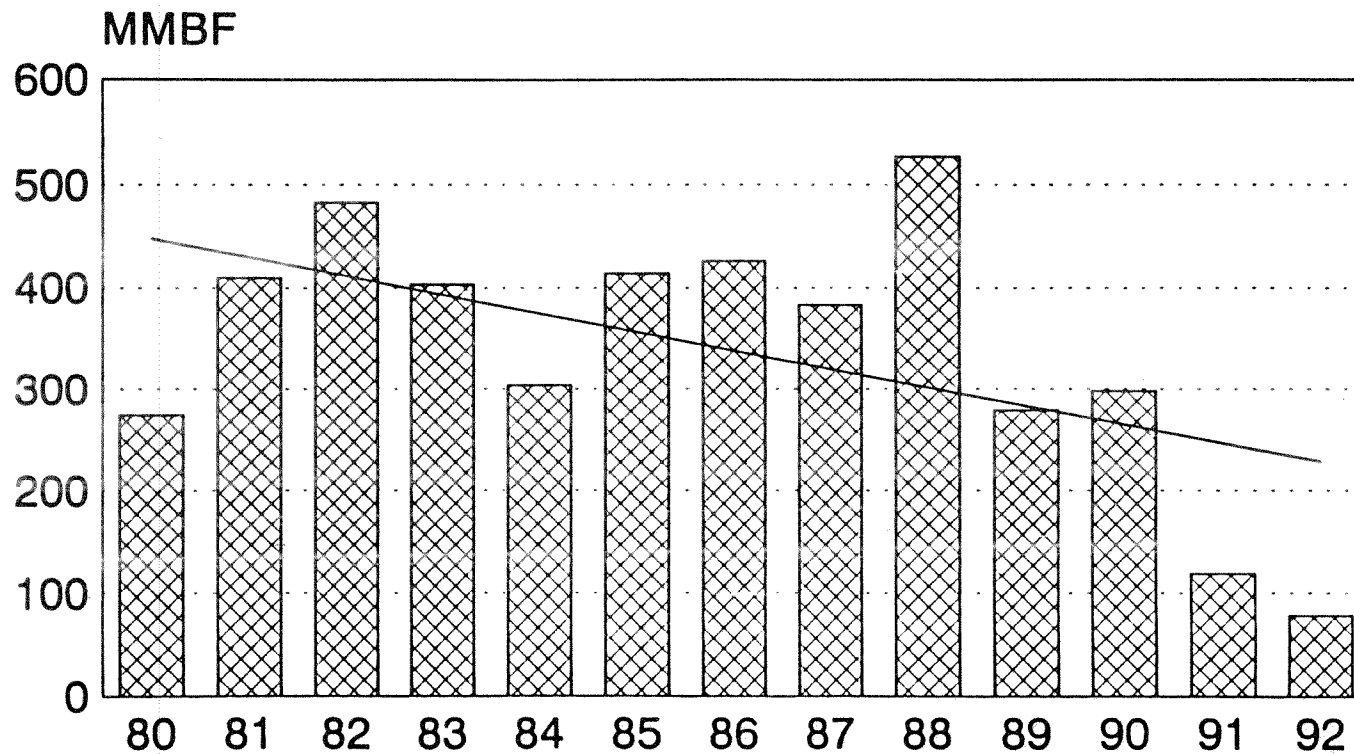
SOURCE: TIMBER DATA COMPANY &  
U.S. FOREST SERVICE  
1992 4th QTR. IS ESTIMATED

# U.S.F.S. SET ASIDE SALES VOLUME VS. TOTAL SALES VOLUME IN CALIFORNIA 1980 - 1992



SOURCE: TIMBER DATA COMPANY &  
U.S. FOREST SERVICE  
1992 4th QTR IS ESTIMATED

## U.S.F.S. OPEN SALES TIMBER VOLUME PURCHASED BY SMALL BUSINESS IN CALIFORNIA 1980 - 1992



SOURCE: TIMBER DATA COMPANY &  
U.S. FOREST SERVICE  
1992 4th QTR IS ESTIMATED

TESTIMONY OF TED RABERN, STAFF REPRESENTATIVE FOR  
THE WESTERN COUNCIL OF INDUSTRIAL WORKERS (WCIW)  
ON BEHALF OF  
THE WCIW AND THE INTERNATIONAL WOODWORKERS OF AMERICA, U.S.  
REGARDING THE IMPACT OF OPTION 9 FEDERAL FOREST PLAN  
ON CALIFORNIA

HEARING BEFORE  
THE SENATE COMMITTEE ON NATURAL RESOURCES AND WILDLIFE  
OF THE  
CALIFORNIA STATE SENATE  
August 18, 1993

Good morning. My name is Ted Rabern and I am a staff representative for the Western Council of Industrial Workers (WCIW). The Western Council is based in Portland, OR and is the industrial arm of the United Brotherhood of Carpenters and Joiners of America. The Western Council represents members in eight western states, including California.

I would like to thank you, Mr. Chairman, and the Senate Natural Resources and Wildlife Committee for this opportunity to testify today on behalf of the 30,000 members of the Western Council and the 35,000 members of the International Woodworkers of America, U.S. The Western Council and IWA members are directly affected by the President's federal forest management plan, known as "Option 9."

I have been a member of the WCIW for 16 years and have served as a staff representative for 2 years. It is sad that in the few years I have served as representative, we have lost about half of our membership in Northern California due to mill closures. In central California we have lost 20% of our membership. Although one out of five jobs have been lost in central California, this statistic doesn't begin to reflect many members who now work shorter shifts due to the decreased amount of timber available.

Unfortunately, the IWA, their members and their families have experienced similarly bleak times.

I am here today because the members of our unions and hundreds of thousands of other working men and women throughout the country, and particularly in California, are facing an increasingly uncertain future.

Since 1980 more than 54 sawmills and panel mills have shut down, eliminating more than 5,200 forest products jobs.

During the past few years, administrative appeals and judicial injunctions to protect threatened species, such as the northern spotted owl, have virtually shut down timber harvesting on federal lands in western states. Because western forests are primarily owned by the federal government, locking up the federal forests has drastically affected the timber supply, forcing many mills to shut down permanently.

The dwindling timber supply has had far-reaching effects throughout the country. Thousands of forest products workers have lost their jobs. Prices for lumber have skyrocketed increasing the cost of building an average new home by \$5,000, pricing many first-time home buyers out of the market. The price for wood and wood products has continued to be highly unstable.

In California, the impact has been dramatic. Since last year -- in California alone -- 8 mills have shut down, forcing 865 people to the unemployment line. The more than 110,000 forest products workers in California who have not yet been laid off face the uncertainty of losing their jobs daily.

Enacting the President's federal forest management plan provides one certainty for California forest products workers that we can't afford -- the certainty that we and the forest products industry in California will have no future.

We cannot afford the certain economic hardship Option 9 will bring to our members and our families, especially in California, where state budget problems and base closings have already driven the state economy and social fabric on a downward spiral.

Organized labor is strongly opposed to the President's federal forest plan because it fails to fairly balance protection for the environment with protection for our already unstable economy.

The President's plan is not based on fact, science or good sense. It is a preservation plan grounded in opinion.

The report prepared by the Forest Ecosystem Management Assessment Team (FEMAT), which developed Option 9, used very little science to develop a reasonable plan. In place of science and fact, the Assessment Team relied on professional opinion. In many cases, this opinion is supported only by references based on documents developed from opinion -- not facts or science.

Possibly the most disturbing flaw in the President's federal forest management plan is the severe underestimation of job loss.

The Assessment Team did not fully account for the total social and economic losses that would be incurred from the recommended reduction in timber harvesting in California, Oregon and Washington.

The Assessment Team said as a result of the Option 9 plan only 6,000 jobs would be lost. This estimate is misleading because the estimate only includes direct jobs. The Option 9 plan would actually result in the loss of at least one indirect job for every direct job lost. These job losses also fail to reflect decreasing employment in private harvests.

We estimate the real job loss to be upwards of 85,000 jobs throughout the three-state region. The economic package offered with Option 9 will in no way begin to meet the desperate economic needs created by implementation of Option 9.

The social and economic repercussions of this plan are immense. Therefore, on behalf of the Western Council and IWA, I urge the Committee and the Senate to consider developing alternatives that more fairly protect California's natural resources, while protecting jobs, families and communities.

We also are urging Congress to consider developing legislation that is more balanced than the President's Option 9. We have to remember that people count too.

Thank you.

I will be happy to answer any questions you may have.





Statement of Daniel Taylor, Western Regional Representative

National Audubon Society

On President Clinton's Forest Plan

California State Senate  
Natural Resources Committee

August 18, 1993

Chairman Thompson and members of the committee, I am Dan Taylor, Western Regional Representative of the National Audubon Society. The Western Region includes California, Oregon, Washington, and Nevada. Protection of ancient forests and its associated wildlife, the subject of our discussions today, ranks among the top five conservation priorities of Audubon nationwide, and at the highest level of priority for Audubon, and its 98 local chapters in this region.

Developing an ecologically effective, socially responsible, and politically durable solution to the crucial problems of forest policy is the toughest land management challenge facing us in this part of the world. Over the past 10 years, my professional responsibilities have been dominated by the debate over forest policy. I, as much as probably anyone in this room understand how tough it is to craft a vision for forest reform and get it implemented.

The costs of "doing the right thing" to reverse the well-documented ecological decline taking place in our western forests, and place our local communities on a sustainable economic path have been very high. And these costs only grow higher especially as options become limited due to procrastination in dealing with the underlying issues. Our forest policy leadership has provided an object lesson in both delay and denial in its management of forest lands, both public and private, in the western United States. Flagrant violation of the law by the agencies and the previous administrations avoided opportunities to resolve this situation and created a policy train wreck instead.

The plan we are discussing today represents a possible change in that, and we are grateful to see it happening.

We do not arrive at today's hearing free from the decisions and the indecisions of the past. Yet while we must face the limitations these actions have created, we are not bound to repeat the same mistakes. To escape the policy gridlock that we are now in, and to smooth the transition to a new relationship to our forests that we desperately need, a strong dose of political leadership is essential.

I will summarize Audubon's position based on our current level of analysis of President Clinton's Forest Plan. Please understand that our analysis at this time is preliminary. Many of our forest

conservation leaders on the ground throughout the region have yet to receive all of the maps and material necessary to make a fully informed comment. Because of the importance of public comment in this process, the delays which have taken place in getting the information out, and the vast amount of information included in the analysis, it would be wise to extend the official comment period beyond October 28.

Much of my comments are based on the results of National Audubon's Adopt-a-Forest program--a program that encouraged and trained citizens to be responsible participants in public forest management, and produced the most credible old-growth inventory maps in forests of the three Pacific states.

Because my region includes the entire geographical reach of this plan, some of my comments pertain as well to areas beyond California. I understand the committee's desire to focus on California, but forest ecology does not respect political boundaries nor property lines. What effects marbled murrelets in Oregon has an impact on wildlife policy in California. A spotted owl or a fisher does not know if its nest tree or den is on public land or private property. There is an interdependence here that must be respected if this plan, or any plan has any hope of success.

The National Audubon Society commends President Clinton for his courage and leadership in attempting to deal with an issue that his predecessors had either simply ducked, or tried to resolve at the expense of our magnificent forests and their rich wildlife. Whatever else we might say about the plan, the President had courage, he attempted to base it on science, and he correctly emphasized once again -- as he did during the election campaign -- that a healthy environment and a healthy economy go together.

While we are happy that the President has taken a significant step towards resolving this contentious issue, we are very concerned that the alternative chosen will not give adequate protection to the magnificent and fast-vanishing ancient forest ecosystems of the Pacific Northwest and California. Of all the ten options presented to him, the President has selected one which provides for too much logging of the surviving native forests and not enough protection for wildlife and fish. That is not acceptable, it is not scientific, and we are going to work very hard in the next few months to persuade the Administration that there are better ways to provide jobs for rural timber communities than by liquidating much of the last remaining late successional and old growth forests.

What is good, and not good about the President's plan?

What is good about Option 9:

**The emphasis on ecosystems and science.** This is a welcome change. Even though Option 9 was prepared a the last minute to produce more timber than most of the other options, it still incorporates basic principles of ecosystem management according to the best scientific knowledge. It properly moves toward an ecosystem approach and away from the single species emphasis of earlier efforts that focused only on the spotted owl and ignored the hundreds of other species and values of these forests. If this plan survives the political challenges which are ahead, it will take us a long step away from the timber-first mentality that has dominated our forests for too long, and could serve as a model for other important ecosystems. That is why the timber industry is going nuts right now.

**Its commitment to uphold existing laws.** President Clinton has said repeatedly that he would stay within existing laws, and this plan upholds that principle. Even though it provides the most amount of logging the timber industry could get and not break the law, Its proponents claim that it does not violate the Endangered Species Act or the National Forest Management Act. The

President has also pledged he will not support suspension or weakening of citizens' right to challenge suspect federal actions in court.

**What is inside the Reserve boundaries.** Generally, the reserves include most of the important forest areas scientists and others have advocated for protection for many years. Areas like the forests of West Waldo, Opal Creek, the Breitenbush, and Tenmile Creek in Oregon, the forests around Mt. Baker, Canyon Creek, Pratt River and Siouxon in Washington, the forests of the South Fork Trinity, Dillon Creek and Grider Peak in California. If we can fix some of the key omissions from the reserve systems, the Whitechuck River Valley in Washington and the Shasta Costa and other areas surrounding the Kalmiopsis Wilderness in Oregon, we have the making of a truly viable old growth reserve system.

What is not good.

**Logging in Reserves.** The public reading about this new plan might think that because there is a 6 million acre "reserve system" the ancient forests inside it would actually be protected. Unfortunately that is not the case. About 55% of these reserves are actually late successional forests. The remaining areas are clearcuts, young plantations, and young forests. When you read the fine print of the reserve criteria, you can see that it has loopholes big enough to drive a logging truck through. Both salvage logging and commercial thinning operations would be allowed in much of the reserve system. Thus, we don't have real reserves, and we fear that some authorities within the Forest Service will seize every opportunity, as they have in the past, to log off these areas first, rather than last. The fact is, scientific opinion is nearly unanimous on the subject that if we really want to protect the rare and endangered wildlife and ancient forest ecosystem, probably no more of this last ten percent of our ancient forest should be cut at all.

**Logging on the Matrix Lands.** Existing regulations on federal lands require that 50% of the landscape be composed of trees 11 inches in diameter and 40 years of age in order to insure dispersal habitat for the northern spotted owl (the so-called 50-11-4- rule). Option 9 abandons this principle in favor of proposed riparian reserves that are meant to provide necessary connectivity between old growth reserves. There are serious questions about the scientific credibility of this decision. In the past, biologists have rejected the notion that riparian buffers alone can provide effective dispersal corridors for owls and other wide-ranging species. Abandonment of the 50-11-40 rule increased the cut on the matrix lands by about 200 million board feet.

**Species Viability Standards.** They are not high enough to give proper assurance that fish and wildlife species found in ancient and late successional forests will survive. This is most troublesome issue here is anadromous fish which Mr. Bingham will cover in greater detail. When a species like the coho salmon is given slightly better than a toss of the coin chance of survival because of habitat conditions, protections are inadequate. Yet even these low levels of fish viability are dependent on so far non-existent appropriations for watershed restoration. This is a dramatic example of the political-economic-ecological challenge inherent in this issue.

**Adaptive Management Areas.** The concept of Adaptive Management Areas is one with merit, but we are deeply concerned that the criteria for guiding management in these areas is incomplete, and could be abused. To Audubon, adaptive management means:

- defining a mix of objectives for a landscape, before any actions take place;
- implementing actions to reach these objectives;
- determining success and failure in reaching objectives; and
- adjusting actions to get closer to the target.

It is fine to have strong and effective local voices involved in determining a vision for these landscapes, but these are lands of national interest. If Adaptive Management Areas become de facto local control zones, where activities occur in haphazard fashion with no direction and clear purpose, the system will not meet its purpose of promoting innovative resource management methods, and the national interest in these lands will suffer.

## General Comments

There is a clear need to improve forest regulations on private lands in California, and better integrate these protections with those on the public lands. Private forest lands in California are in many cases the most productive forest lands in the state. They are also critically important in maintaining well distributed wildlife populations across the California landscape. Without adequate protections for forest ecosystems on private lands in this state, no public land forest protection strategy can succeed. Yet protections on private lands must also be sensitive to the financial purposes and property rights considerations inherent in growing trees for logging on private lands. What is needed is an appropriate balance, which does not exist today. The contentious debate over this issue both at the ballot box and in these chambers remains unresolved. Existing state regulations have not kept pace with our increased knowledge of how forests function. We say this to urge this committee to try again in addressing this problem and to warn the Administration that all is not well with private forest lands in this state.

We are deeply disappointed that several members of Congress, particularly House Speaker Thomas Foley, have attacked the plan because it didn't allow enough timber to be cut. Our analysis shows that the amount of cutting allowed under the plan - 1.2 billion board feet - is still more than is actually sustainable, if environmental laws are to be followed. We hope that by his statements, Speaker Foley is not signaling that he is going to make an effort in the Congress to overturn these important environmental laws.

This is, and has always been an intense debate. The President's plan is experiencing the same level of argument and disagreement that other proposals which have attempted to change our relationship to the forest to better fit ecological realities. This debate can have either positive or negative impacts:

The positive impacts will dominate if human need and environmental protection converge on a path toward sustainable development—that is, living our lives and shaping our economy in ways that do not mortgage the future.

The destructive effects will hold sway if delay and denial so stymie progress that the problems plaguing local timber communities remain open sores even as the environmental challenges compound.

We need economic development consistent with environmental protection, not in conflict, because in the long run, no economy can be sustained once it transgresses environmental limits.

To sum up, while we praise the President for his courage, and warmly applaud his emphasis on science and ecosystems, while we support his economic program and his willingness to take on the big timber exporters by eliminating export subsidies, the plan is flawed from an environmental standpoint. We are committed to working with the Administration during the comment period, in trying to make the plan better and more environmentally acceptable. We sincerely hope and expect to see significant improvements in the final EIS and Record of Decision.

Thank you.



**ANCIENT FOREST PROTECTION AND OPTION NINE**

**A**

**STATEMENT FOR THE HEARING**

**of the**

**Senate Committee on Natural Resources and Wildlife,  
on the "Impact of President Clinton's Forest Plan  
On California's Economy and Environment,  
Senator Mike Thompson, Chairman.  
California Legislature**

**August 18, 1993**

**by**

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The Northcoast Environmental Center is the largest regional conservation organization between San Francisco and Portland. The Center and its member groups have been directly involved in Forest Service land management issues for more than 20 years, particularly those involving the so-called owl forests of Northwestern California.

The forests of the region's rugged Klamath-Siskiyou Mountains are ecologically diverse and unique and contain more than 20 species of conifers, including coast redwoods. Among the rare tree species are coast redwood, Brewer's spruce, Port-Orford-cedar, pacific yew and sugar pine.

In addition to the northern spotted owl, and the marbled murrelet, these coniferous forests comprise crucial habitat for hundreds of vertebrate species, rare plants and thousands of little studied invertebrates. The ancient forests contain more biomass than any other on Earth and as such store more carbon than any other terrestrial ecosystem. A primary attribute of these forests is high quality water, as undisturbed forests of this type function like a sponge, intercepting precipitation, absorbing it and regulating its release while preventing the over land flow of water and erosion. The waters of the region's ancient forests historically supported abundant runs of anadromous fish, such as salmon, steelhead and sturgeon--these fisheries made the development of elaborate indigenous Indian cultures possible. Globally, forests such as these have a moderating influence on climate and are important regionally with a strong influence on microclimate.

After more than a century of extensive logging, all of these unique forest attributes are in serious decline or jeopardy, and the time has come to check the ecological deterioration with in the region. President Clinton's post-forest conference Option Nine ecosystem management proposal compromises this crucial goal in an effort to give something to everyone. While the approach envisioned by Option Nine is a laudible departure from the Forest Service's past management by road building and clearcutting, the two major questions that must be asked are 1) whether or not the program can be successfully implemented and 2) whether the plan is legal.

Since 1976 the Forest Service has been required by the National Forest Management Act (NFMA) to care for its lands in a way that integrates the multiple resources and uses of the forests into a whole long-term plan under which activities provide for the viability of native vertebrate species well distributed across the landscape. Option Nine, according to the appendices that accompany the plan could cause as many as 100 species to decline in their distribution across the landscape. This admission puts environmental groups under pressure to resist the plan.

Further pressure to resist the adoption of Option Nine comes from the fact that there is very little trust that the Forest Service or the Congress will follow through to implement the details of the plan. The degree to which environmental groups can support Option Nine is based entirely on the administration's ability to



ensure that the plan will be fully implemented. History is not on the administration's side in this regard. As noted above NFMA requires that viable populations of native vertebrates be maintained well distributed across their natural range. This is not happening. NFMA also requires that monitoring of Forest Service activities takes place in order to ensure that forest plan activities are meeting plan goals. Monitoring is generally lacking, while prior to the federal court injunctions against timber sales, funding for timber sale and forest road building programs was always robust.

Funding for elements of the Option Nine plan that have been proposed by the President are already in doubt. A key element to the success of the Option Nine plan is watershed restoration. The House Interior Appropriations Subcommittee attempted to reprogram \$35 million for fiscal year 1994 for below cost timber sales to watershed restoration only to see that effort blocked in the Senate by Senator Robert Byrd (D-WV). Byrd noted that while the Forest Service was cutting staffing at the district level to reflect lower levels of timber sales that the staff in the Washington Office of the agency had actually increased.

While this issue will be further debated in the House/Senate Conference on the FY 94 Interior funding measure, and it may be favorably resolved it tweaks the institutional memory of environmental groups that have fought for more than two decades to get agency compliance with various environmental statutes.

## SEE THE SALMON FOR THE OWLS

Watershed restoration must be given highest priority because of the tremendous legacy of damage that exists in the forests of the Pacific Northwest. While much of the focus of the current forest reform debate is centered on the northern spotted owl, it is now clear that owl is simply an indicator of a severely damaged forest ecosystem, one that includes many runs of salmon and steelhead that are also in jeopardy. Simply drawing lines around stands of ancient trees will not address the fisheries crisis that is already with us--commercial fishers on the North Coast haven't had a normal salmon season for several years.

The Clinton forest plan process has provided more insight to the magnitude of the fisheries crisis. Fisheries experts tell us through the Forest Ecosystem Management Report (FEMAT) that 100 stocks of native salmon and steelhead are now extinct and that another 214 stocks are in serious decline. A serious factor in the decline of these fisheries is the distribution of roads across the landscape.

FEMAT tells us that there are 4,300 miles of perennial fish bearing streams on the four northwestern California "owl forests" while there are 20,000 miles of roads. These forest roads, which are mostly unpaved and infrequently maintained, are the primary contributor of sediment to the salmon and steelhead streams of California's northwest. This is the first time that any agency has published even a partial estimate for road miles, AND this road mileage figure is only for the National Forests. A discussion with a staff member of the North Coast Regional Water Quality Control Board in Santa Rosa reveals that no comparable road data exists for

lands outside of the National Forest ownerships, but that the numbers are probably greater than those for the National Forest lands. If this is true then a very conservative estimate road impacts on the landscape can be constructed by doubling the Forest Service road numbers for northwestern California. An estimate of 40,000 road miles can be multiplied by 6 to determine that the roads cover about 240,000 acres of the terrane and by 2.2727 to estimate that those roads include more than 90,000 stream crossings or culverts.

Without full fiscal support for the watershed restoration component of the Option Nine forest plan, selective road decommissioning and adequate maintenance of the remaining roads, the viability analysis for native salmon stocks goes from medium-high to medium. A medium viability rating is essentially 50/50!

## COOPERATION IS REQUIRED TO END FRAGMENTATION

The general pattern of land use and development in the West is a result of the social and cultural history of the United States. In the Klamath-Siskiyou region, as in other parts of the West, mining claims, homesteads, land frauds and railroad land grants have balkanized the once "seamless" ecological process on the land into geometrical (as opposed to ecological) units of management intensity. The result of this process has been ecosystem fragmentation. The processes of fragmentation and increasingly intensive management create erosion and a reduction in biological diversity. This means that species are becoming extinct or are threatened with extinction. Scientists working with the FEMAT process reported that scores of species of mollusks associated with ancient forests are in decline and the Oregon Natural Resources Council (ONRC) filed a petition to list 83 species of mollusks as protected under the Endangered Species Act on August 16. ONRC's petition represents more than just symbolic concerns for the Option Nine forest plan, but rather a belief that it will not reverse forest fragmentation.

Stopping and reversing human caused fragmentation can be attempted by 1) new regulations, 2) "zoning", or 3) a combination of regulations and zoning.

The problem with the regulation of "natural resources" is that "Regulations fail to provide incentives to individuals to provide socially desirable resources, particularly those of a 'public good' nature. Regulations offer incentives to transfer wealth between client groups rather than provide environmental benefits."

Zoning is one approach to forest management that might reduce conflict if applied on a biological basis, but the fragmented pattern of land ownership and regulatory authorities could make zoning a great and cumbersome challenge to achieve and leave communities in the West festering with uncertainty for years to come.

An improvement to Option Nine would be to study opportunity for land exchange in the northern spotted owl region to enhance ecological restoration and reduce timber management conflicts. The current pattern of ownership and regulatory authority make these objectives elusive.

In the future, a combination of regulation and zoning could reduce conflict and increase certainty for those interests caught up in the ancient forest crisis. Positive incentives for land exchange could help to create a more ideal regulatory atmosphere where the regulations that govern best regulate the least.

## AN APPROACH TO TRANSITION

Historically, World War II is the greatest causative factor in the ancient forest crisis. The war caused a radical shift in population to the Western United States and completed its industrialization in less than a decade. Following the war the GI Bill provided low interest housing loans to veterans, which in turn created a timber boom in timbered regions of the West. Some of the counties of northwestern California doubled in population between 1940 and 1950. Peak employment in the industry in Humboldt County, where the Northcoast Environmental Center is located, came in 1955. Since that time timber employment has been in decline. The areas of "urban influence" in the West have continued to expand, bringing, in many cases, economic diversification to formerly timber dependent communities. Timber companies with timberlands have converted more labor intensive old-growth mills to more highly automated and less labor dependent second-growth operations, and the jobs continue to decline.

True to the idea advanced by Marshall McLuhan that we (Americans) rush into the future with our eyes fixed on the rearview mirror, many politicians, opinion leaders, journalists and others continue to characterize the policy debates over land use and forest policy as being an urban-rural conflict. The implication is that some urban masses who are sadly misinformed, or well meaning but misguided at best, are forcing the true producers of wealth in rural America to suffer under the yolk of totally ridiculous rules and regulations. This view fails to account for another more likely historical analysis--the suburbanization of the West.

What is really driving much of the environmental policy changes in the West is the movement for almost three decades now of increasing numbers of people into what was once the domain of the logger, miner and rancher. These new settlers are seeing what has happened on the landscape and are demanding that changes take place to protect and restore what is now their home too. Frequently these new settlers have no means of support other than creating their own small business or bringing their work with them.

Today even timber workers, ironically, often include new settlers who are not intellectually bound by the old concept that human domination of the landscape is always the best or right thing to do. Few classes of workers in the United States have been shown more compassion than timber workers. Where other industries have been summarily closed with tens of thousands of job losses (steel mills, auto assembly plants and defense plants) the timber industry has been able to sustain the angst of many thousands of timber workers because it is to its benefit to log and mill as many old-growth trees as possible. The abundant economic mitigations of the Redwood National Park expansion law of 1978 are a good example.

The regionwide landscape restoration program could help to provide significant transitional employment, but as mentioned above those funds are anything but certain. One of the most positive aspects of the expansion of Redwood National Park in 1978 was that funds were authorized and appropriated to rehabilitate landscape damage from past logging.

Ancient Forest Reserve areas will need to have less than .8 miles of open road per square mile of land to provide suitable habitat for large wildlife species and roadbed restoration work will benefit salmon and steelhead fisheries in the long term. Ancient Forest Reserves under the Clinton Plan could be subject to thinning and salvage logging, a concept opposed by many forest conservation groups because of a long history of abuse of discretion on the part of the federal land management agencies.

For the first time in my memory the status quo (injunctions) brings some benefit to the federal forest environment. Without trust and cooperation between the industry, community and environmental interests to make forest policy work for sustainability, it's probably best if the affected national forests just continue to rest.

## Appendix

### FOREST ECONOMISTS PREDICTED BIG TIMBER'S DECLINE

Cut levels on the western forests have been too high for too long. The annual timber sale levels have been kept up for political considerations for decades, thus creating the crisis that we face today. The decline of the Western timber industry was predicted as long as thirty years ago, according to a review of studies made over the past 40 years (enclosed). Written by foresters and forest economists, the reports point to the high levels of logging that took place during the 1950s as being the primary cause of the drop in timber outputs in the 1980s and 1990s.

Ancient forest logging and lumber production on California's North Coast peaked between 1953 and 1959, when annual production at mills reached as high as 3.35 billion board feet and averaged in excess of 3.1 billion feet. Almost 22 billion feet of timber were logged away in just seven years, mainly from private lands--and not the national forests.

This history was not unique to California's North Coast, and was paralleled in western Oregon and Washington. During the post World War II housing boom period, very little timber was cut from the region's national forests. In fact many national forest lands were considered marginal for intensive timber production or so environmentally fragile as to be off-limits to development.

After the build-up in the numbers of mills, all handling high levels of logs from private lands, political pressure also built up to log on all national forest lands because the supply of private old-growth began to dwindle sharply in the early 1960s.

The largely increased national forest logging triggered a largely increased flow of in-lieu-of-tax transfer payments to local governments, based on 25 to 50 percent of the gross receipts from public forest logging within county boundaries.

In the most lucrative case, Lane County in western Oregon, for example, received more than \$45 million in in-lieu payments in fiscal year 1988. Humboldt County received only \$2 million in that same year, but Trinity and Siskiyou Counties averaged \$7 million each.

The linkage of this convenient transfer of public wealth to local governments has made government, at all levels, a primary advocate for logging on public forests, an advocacy, not surprisingly, strongly supported by the timber industry. The ultimate result is that the federal timber agencies skewed their policies and practices so far outside the boundaries of the law that the federal courts shut them down.

## **Various Quotes on the Fate of the Western Timber Industry 1952 -- 1993**

Compiled by Tim McKay, at Northcoast Environmental Center

879 9th Street, Arcata CA 95521

Page 1/8

"There's no getting around it, we overcut. We were over optimistic, thinking the volume would be available from the national forests. At some point, you do a day of reckoning." William Windes, Louisiana-Pacific Public Relations...

... the Bee continues: "Louisiana-Pacific has closed 11 sawmills in Northern California since 1980, leaving four running at reduced shifts. In January, it announced plans to build five new plants in Venezuela making new particle board products culled from fast-growing Caribbean pines. And in 1989, it bought [built] a mill in El Sauzal, Mexico, to dry and process redwood lumber cut in Eureka." (A10)

*The Sacramento Bee*, February 21, 1993

"It is clear that the region's timber-related employment continues in broad decline, and that it will not be reversed by logging spotted owl habitat. Public debate and policy needs to now focus on how to protect and manage the forest ecosystems in the region, while helping individuals and communities come to grips with the continuing economic changes."

"...Timber supply studies from as long ago as 1963 predicted a downturn in timber harvest levels and employment in the Pacific Northwest as old-growth forests became depleted in the early 1990s, recovering several decades later when second-growth forests reached harvestable size."

Sampson, Neil, executive vice president of the American Forestry Association, "*The Northern Spotted Owl and Timber Jobs*" release on study of same. March 8, 1992

"Although concern about and interest in the global role and fate of forests are currently great, the existing level of knowledge about forests is inadequate to develop sound forest-management policies. Current knowledge and patterns of research will not result in sufficiently accurate predictions of the potentially harmful influences on forests, including forest-management practices that lack a sound basis in biological knowledge." (1)

*Forestry Research A Mandate For Change*, National Research Council, 1990.

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Page 2/8

"The following general conclusions can be drawn from the study:

1. Output of softwood timber from the North Coast's private timberlands will decline substantially in the next 10 to 15 years.
2. The decline will be centered in Humboldt--Del Norte Counties.
3. No reordering of cutting priorities among the different sawtimber stands will have significant impact on the prospective falldown in output.
4. Output will decline in both Douglas-fir and redwood stands.
5. There are not sufficient sawtimber stocks to maintain recent levels of output until new stands, regenerated since the mid-1950's reach merchantable sawtimber size.
- "6. Forest industry timberlands will show substantial decreases in output within 10 years; on other private timberlands, output can be maintained throughout the study period, assuming availability for harvest of all of all of these lands.
7. Output from public lands within and adjoining the region is not likely to offset declines in the private sector."

***Prospects for Sawtimber Output in California's North Coast 1975-2000***, Daniel D. Oswald, 1978, Pacific Northwest Forest and Range Experiment Station.

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879 9th Street, Arcata CA 95521

Page 3/8

"[A] significant decline in harvest could occur in western Oregon between now and the year 2000 (vii) Declines in harvest would be expected as soon as 1985 in some timbersheds: in others, declines would come in the 1990's. For western Oregon as a whole, this projection indicates a decline of 22 percent by the year 2000. (viii)

"Our projections of timber-dependent employment in Oregon showed declines ranging from 3 to 25 percent by the year 2000, depending on the harvest projection. Assumed increases in the productivity of logging and timber-processing activities caused reductions to occur despite significant harvest increases of some projections." (ix)

"Published reports have raised the specter of declining timber harvests in some parts of Oregon (U.S. Forest Service 1969; Gedney et al. 1975). This has caused concern by many about the future of the forest industries and the economic well-being of the state." (1)

"The marginal land was assumed to enter timber-growing administrative units at the rate of 30 percent per decade over the next three decades. Thus, the National Forests were assumed to have overcome by 2005 the economic or technical limitations of their marginal lands such that 90 percent of it would be restored to the timber-growing capacity attributable to the site class and location of the land." (14)

"The minimum age for commercial harvest in western Oregon is assumed to be 25 years; the minimum diameter for commercial harvest in eastern Oregon is assumed to be 5 inches dbh." (15) In answer to the question as to whether the levels of cut on western Oregon public and private forests between 1968 -- 1973 (1.4 billion cubic feet) can be sustained: "Under these conditions, the current harvest cannot be maintained over the next 30 years. The harvest can be maintained through about 1985, after which the inventories of merchantable growing stock for some administrative units will fall..." (18)

Regarding the "south coast" Oregon timbershed: "The total timbershed harvest can be maintained until about 1995 under present policies and actions, but could fall as much as 35 percent after 1995 because of a decline in Forest Industry harvest." (37) "If one chooses to believe that current policies and actions will persist, then declines in harvests are forecast within the next 30 years for western Oregon as a whole...Management intensification will do little to ameliorate the declines, although it will provide for greater availability after the year 2000." (43)



## **Various Quotes on the Fate of the Western Timber Industry 1952 -- 1993**

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879 9th Street, Arcata CA 95521

Page 4/8

RE: Eastern Oregon; "Thus these projections might be viewed as reasonable based on our rather limited knowledge at this time, but the foundation for them could have defects. They should be regarded as preliminary estimates, subject to possible change as we learn more about the dynamics of forest growth in eastern Oregon and the management goals of those who controls the forests of that region...The current annual harvest for eastern Oregon based on average experience for 1968 -- 1973 is 390 million cubic feet. There was no projection for which this amount could not be maintained indefinitely. In fact, based on the projections, more than the current volume likely could be harvested in the future." (44)

(selected) "CONCLUSIONS"

"Intensifying timber management in western Oregon is not likely to result in an increase of more than 4-6 percent in the ability to harvest in western as a whole over the next 30 years...These analyses make evident that some adjustments are inevitable. These adjustments could take several forms: shifts in timber-marketing patterns; shifts in policies and actions in the management of timber. Problems will occur, but feasible solutions appear to be within reach. If anything is limiting with regard to the future of Oregon's forests, it is man himself." (60)

### **AND OF SPECIAL INTEREST TO FOREST SUMMITTEERS...**

"A medium-sized conference room would suffice for a meeting of people who develop and revise policies and supervise actions on at least 75 percent of the productive forest land in Oregon." (60)

***Timber for Oregons Tommorrow: An analysis of Reasonably Possible Occurances***, Beuter, John, K. Norman Johnson and H. Lynn Scheurman, Oregon State University, January 1976.

**Various Quotes on the Fate of the Western Timber Industry 1952 -- 1993**

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879 9th Street, Arcata CA 95521

Page 5/8

"California's forest industries have experienced many changes in the 1960s, in an extension of the patterns of change that emerged following World War II and continued through the 1950s. The underlying causes of these changes are numerous and complex. They include changes in market demand for wood products, changes in the availability and the nature of raw material, and contribution of technology..." (4)

"The 216 sawmills that were active in California in 1968 represent a reduction of about 27 percent from the number in 1962 and more than 68 percent from 1956. The decreasing number of mills during the recent decades has been chiefly of smaller mills. Between 1956 and 1968 the number of small mills decreased by almost 58 percent, while large mills dropped a little more than 44 percent..." (15)

***California Timber Industries 1968 Mill Characteristics and Wood Supply***, Brian Barrette, Donald Gedney and Daniel Oswald, 1970 Pacific Northwest Forest and Range Experiment Station.

## **Various Quotes on the Fate of the Western Timber Industry 1952 -- 1992**

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879 9th Street, Arcata CA 95521

Page 6/8

"When redwood alone was the basis of the timber products industry of the region, the local economy waxed or waned with the redwood lumber market." (1)

"...With the rapid depletion of the available whitewoods in short-term ownership, and the consequent reduction in the number of more or less transient operators, redwood is again becoming the mainstay of the economy, but it will never again be its sole support." (2)

"In the 30's and 40's, after several years of depressed lumber markets and with little evidence that timber-growing would ever be as profitable as ranching, considerable effort was put into converting cutover redwood lands to pasture by repeated burning and seeding to grass." (5/6)

"The rate of redwood cutting rose steadily...to...about 520 MMBF annually for the period from 1905 to 1929. During the Depression, World War II, and "strike" years, from 1930 through 1946, it dropped to a low of 135 MMBF (in 1932) and averaged only 349 MMBF for the period. From 1947 through 1958 it rose rapidly, to a peak of 1,085 MMBF; and since has declined to about 850 MMBF." (7)

"Obviously, as the urban population expands, there is a proportionate increase in the diversion of forest lands to uses other than timber growing. (24)

"This flow, towards recreational and residential ownership, is particularly strong in southern Mendocino County." (27)

The 1958 USFS "Timber Resources Review" is cited as: "The T.R.R. states that there is sufficient standing timber, plus what will be grown, to supply either the medium or lower projection of demand to the year 2000. It sees no timber famine in the offing, but does predict some shortages, particularly in preferred softwood species after 1975." (32)

"Per-capita consumption of wood has not kept pace with the forecasts." (33)

"...lumber production [for the whole U.S.] has diminished from 46 billion board feet in 1907 to 33 billion feet in 1962." (34)

"It is becoming increasingly evident to the western forest products industry that it has made most of its profits in recent years from the liquidation of old-growth timber which has appreciated in value steadily over the years. As manufacturing profits have declined, the annual return as a percentage of the current market value

## **Various Quotes on the Fate of the Western Timber Industry 1952 -- 1993**

Compiled by Tim McKay, at Northcoast Environmental Center

879 9th Street, Arcata CA 95521

page 7/8

of the total timber holding has in a great many cases been too low either to please stockholders, encourage equity financing, or permit the accumulation of earnings for re-investment in the kinds of plants necessary to improve the profit picture." (36)

"A common dilemma of large operator-ownerships is that they must somehow liquidate excessive old-growth timber inventories in order to improve earnings and finance construction of intergrated plants; but that the more expensive plants, in turn, require the kind of raw material supply security that comes--in part at least--from the ownership of large supplies of mature timber.

"Another complicating feature is that the sale of logs from accelerated timber liquidation often results in depression of local log market prices, on the one hand, and prolonging the life of competitors in the lumber market on the other." (37)

"The heavy liquidation during the past two decades has resulted in elimination of nearly all of the old-growth timber in small, speculative, or short term ownership.

"The liquidation of intermingled whitewoods during the past two decades has resulted in an even greater reduction of the white wood inventory...The pulp,plywood, and other more efficient and complex processes will take an increasingly large proportion of the redwood timber hereafter..." (46)

***The Effect of Commerical Operations on the Future of the Coast Redwood Forest***, John Gleason Miles, consulting forester...prepared for the USNPS, December 19, 1963

"1959 was the last time on record when Humboldt County's unemployment rate was below that of the United States as a whole--5.0 percent as opposed to 5.5 percent. "In 1966, the unemployment rate for the county was double that of the nation as a whole--7.8 percent as opposed to 3.8 percent." (20)

***Humboldt County California, Overall Economic Development Plan***, September 1967.

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879 9th Street, Arcata CA 95521

page 8/8

"In other sections lumbering was increased so rapidly and no steps were taken to replace forest growth that the industry had to close down and move. This move brought the present concentration of operations in Humboldt, Del Norte, and Mendocino Counties." (1)

"We feel certain the experiences of other regions are so revealing that we recommend the Board of Supervisors set up a forestry committee of local citizens to review our report and findings, and make plans for the future permanence of our forest industries." (1)

"From all parts of this United States, which formerly had magnificent stands of virgin timber, we hear the same expression of guilt and misgivings on how their timber had been handled in the past. This not only comes from the businessman on the street, but also from the large operators as well." (6)

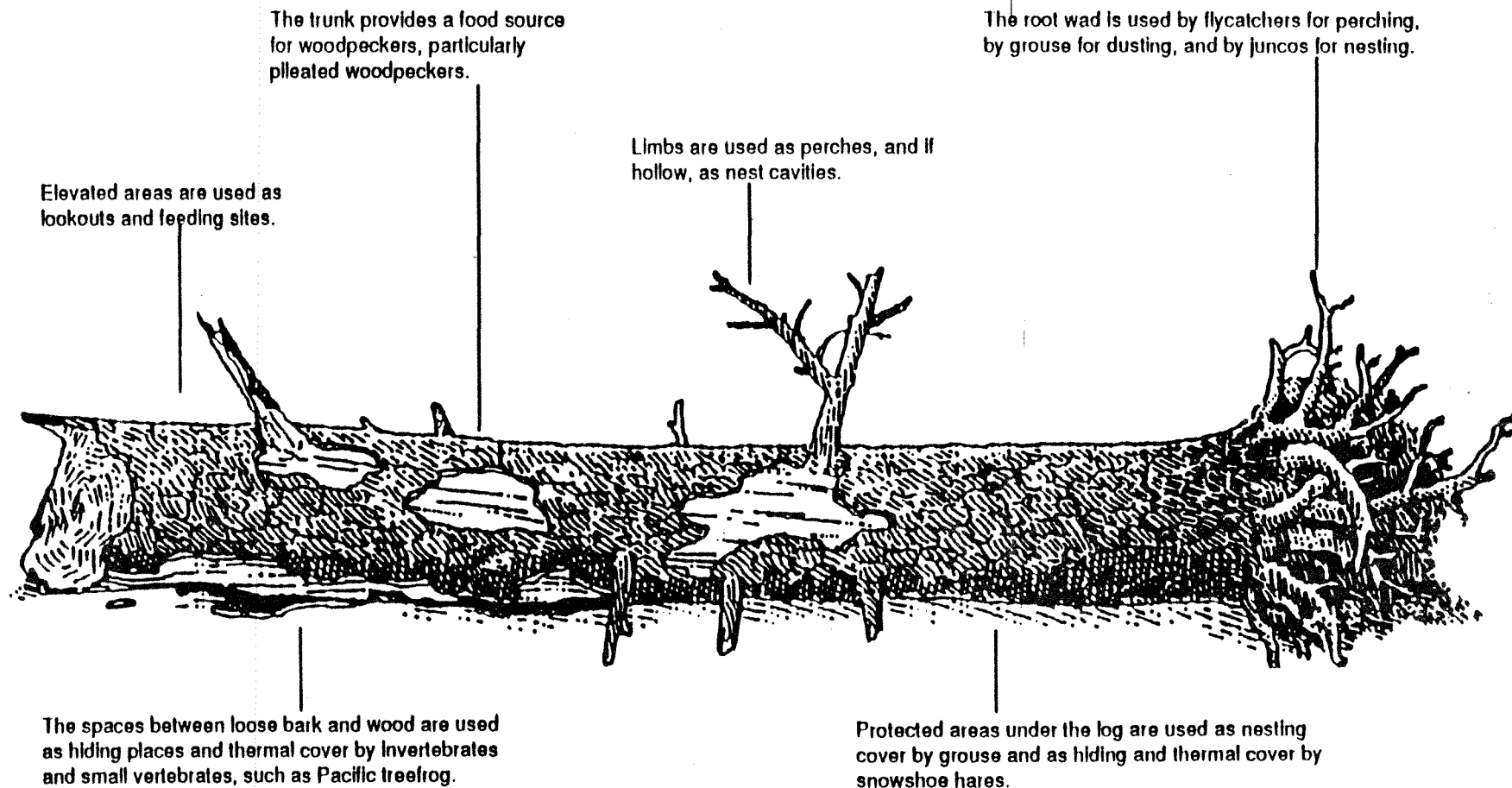
"All our rivers and our entire watershed should be carefully protected. Too much emphasis cannot be placed upon this natural resource." (18)

"In many instances disregard for our Forest Practice Act makes our position somewhat comparable to that of the Great Lakes States and other sections 50 years ago when they were cutting timber resources without plans or regards for the future." (23)

***Humboldt's Timber: A Present and Future Problem***, W.D. Pine, Humboldt County Farm Advisor, November, 1952, to the Board of Supervisors.

# HOW SALVAGE SYSTEMATICALLY DEPLETES THE FOREST ECOSYSTEM

One of the most unique attributes of the ancient forest ecosystems of the Pacific Northwest is their ability to store carbon in the form of snags and downed logs on the forest floor. Also called coarse woody debris (CWD) or large woody debris (LWD) by scientists, this material can build up over time, providing habitat for many species and ultimately building forest soils. In tropical and semitropical environments CWD would quickly rot and disappear. In the Pacific Northwest CWD persists due to cool winter temperatures and dry summer conditions. In some cases, CWD will persist in the forest environment for centuries. CWD also plays a critical role in the riparian or streamside zone where it becomes habitat for aquatic invertebrates, and the salmon and trout that feed upon them. Clear cutting and salvage logging systematically eliminate CWD, a critical element of structure and energy in the forest ecosystem.



After Thomas, 1979



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## CALIFORNIA

August 18, 1993

### TESTIMONY BEFORE THE CALIFORNIA SENATE COMMITTEE ON NATURAL RESOURCES AND WILDLIFE

Special Hearing on the Impact of President Clinton's  
Forest Plan on California's Economy and Environment

Statement by Terry Terhaar, Chairperson, Sierra Club  
California State Forestry Committee

Good morning, Chairman Thompson and Members of the Committee. I am Terry Terhaar, Acting Regional Vice President of Northern California and Nevada of the Sierra Club and Chairperson of Sierra Club California State Forestry Committee.

I would like to thank you on behalf of the Sierra Club for the opportunity to testify today concerning President Clinton's proposals for management of federal forest lands in Northern California.

#### Opportunities

We believe this plan is a first step in long-term preservation of the remaining federal ancient forests in California. It can significantly aid in the transition that is already occurring in many communities of Northern California, from dependence on resource extraction to reliance on resource preservation and enhancement. Ultimately, we foresee an expansion and diversification of the rural economic base as a result of this plan. [Please refer to the attached report, "Transitions", which documents changes already occurring in California's timber industry.]

It is absolutely essential that we do everything that we can to preserve and enhance the remaining ancient forests of Northern California. These forests offer perhaps the best opportunity to ensure the long-term survival of many ancient-forest-dependent species because the habitat conditions are somewhat better for some of these species than further north. The forests of Oregon and Washington may not survive over the long run because they are so fragmented and butchered. We must do everything in our power to ensure that those of California survive for our grandchildren and great-grandchildren to appreciate.



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### Limitations and Challenges

The Sierra Club has grave concerns about the ability of the Administration's plan to fully and permanently protect the remaining ancient forest ecosystem in California and the Pacific Northwest. Option Nine, the Administration's preferred option, only offers medium high viability ratings for a number of old-growth-dependent species. Most importantly, this rating can only be assumed if the plan is fully implemented, including sufficient monitoring and oversight by lead agency scientists who understand the most recent principles of ecosystem management. The Sierra Club recommends a number of changes in the plan to improve the outlook for Northern California's federal ancient forests and their over 600 dependent species.

First, the ancient forest reserves proposed by the Administration are not permanent or inviolate. Unless these areas are made permanently off-limits to roading and logging, we will see a continual erosion of the integrity of the ancient forest ecosystem and its dependent species over the coming decades. Additionally, all remaining ancient forest should be included as part of the reserves because all that remains is less than 10 percent of what once existed.

Second, salvage and thinning operations must be strictly limited and only allowed when they will actually improve the health of the forest. We should resist all attempts to use salvage logging as an excuse to take larger overstory trees in order to reduce fuel loading. The goal should be to imitate nature's patterns so as to maintain functioning, healthy ecosystems. We need to ensure that we foster a true ecological approach and any attempt to lower the risk of catastrophic fires should be limited to the non-commercial removal of ladder fuels.

Third, streamside buffer zones should be increased in the matrix (non-reserve areas) to be just as protective as those in the reserves.

Finally, most of the areas currently included in Adaptive Management Areas (AMA's) should be included within ancient forest reserves. For areas that remain in AMA's, local community involvement, while important, should be secondary to the guidance of science and long-term ecosystem preservation.

Critical to the success of the plan, even with the improvements above, are adequate monitoring and oversight by agency professionals of all activities that are allowed on the ground. For that to occur, sufficient appropriations must be obtained over a period of years.

216







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## CALIFORNIA

Also essential if this plan is to succeed is that it meet the test of all existing federal laws, including but not limited to the National Environmental Policy Act (NEPA), National Forest Management Act (NFMA), and the Endangered Species Act (ESA). The current crisis in our forests has been brought about because of federal land managers' flagrant refusal to obey these laws. We must not allow so-called "sufficiency" language (language that would exempt all or part of the management of these forests from these laws) to override citizens' right to court access to ensure federal laws are being upheld.

Further, this plan does not address the federal forest lands of the Sierra Nevada. Those lands are equally threatened and must be permanently protected as well.

In addition to these specific changes, please remember that this plan only deals with the federal ancient forests in Northern California. It will have a much greater chance of success if we improve the condition of adjacent privately owned timberlands.

There are ecological resources at risk in California. The state of our fisheries is well known. Our forests on private timberlands have become depleted due to periodic harvests that are exceeding periodic growth. The lack of guidelines for overall watershed assessment and standards for forest resource protection has resulted in widespread nutrient depletion, soil erosion, siltation of critical fish spawning streams, and a loss of wildlife diversity. Our remaining old growth forests are fragmented and many unique ancient forest resources are in a sharp decline. Our private timberland forests are changing before our very eyes.

There is a need for state legislation that will mandate the protection, recruitment and connection of ancient forests, old growth and similar habitat across a forest landscape in order to provide habitat for species that are at risk before irreparable harm occurs on private land.

The Department of Fish and Game testified in 1991 before the State Board of Forestry that there has been a loss of 90% to 95% of the old growth forests across the state and that only 5% of the old growth stands remain within the natural range of the Coast redwoods. In the time that has elapsed since the department's testimony before the Board of Forestry, more old growth stands on private lands have been harvested.

The Board admitted in 1991 that the current regulations allow for the depletion and fragmentation of old growth habitat on private land.





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In 1992 the Board considered adopting regulations that would partially protect old growth habitat but only succeeded in adopting regulations that were substantially weaker than the original proposal. The adopted regulations fail to state that it is important to retain old growth forests for their inherent ecological value despite the Board's statements made in early 1992 that there is a "high likelihood of a resurgence of the public unrest and other general welfare and public safety concerns. . . ." and " . . . The proposed rule package must be adopted in order to provide statewide resolution of these issues which are demanding so many resources of the State and private interest groups." (Informative Digest, Rule package noticed for public hearing/ January 8, 1992)

The regulations the Board adopted only provide some definitions of late successional forests and only require foresters submitting timber harvest plans that propose to cut old growth to include information and analysis of impacts when harvesting will significantly reduce the amount and distribution of old growth forests. There are no restrictions or limits placed on the harvesting and, in fact, the requirement that this information be supplied can be waived.

Now, I stated the Board did adopt these meaningless regulations, but these regulations have not been implemented. Why is this? Two weeks ago today, after the regulations the Board adopted in October 1992 were thrown back to the Board for failure to meet public noticing requirements by the Office of Administrative Law, the State Board of Forestry decided that even these weak regulations were in need of "editorial changes" and should not be renoticed and sent immediately back to the Office of Administrative Law. Several new Board members have expressed their desire to "review" the regulations for "content" and "editorial changes" and wish to hold further discussions. The Sierra Club believes it is unclear whether these lamentably weak old growth regulations will ever see the light of day. The Legislature can rest assured that the timber industry has clearly shown they are not willing to let even these pathetically weak regulations take effect.

This last year, the Board of Forestry has also rejected the truth. They have refused to acknowledge that timber harvesting has an effect on our fisheries. Clinton's forest plan is a forest and fish plan and acknowledges the connection between logging and the destruction of fish habitat. Why is it that our State Board of Forestry cannot do the same? Why is it that the Board refuses to bring the riparian regulations into the twentieth century, instead insisting that it needs to study the effects of the current regulations?



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## C A L I F O R N I A

This type of behavior that shows so little regard for the interests of the public, by a State regulatory body, clearly demonstrates the stranglehold the timber industry has upon this Board.

The timber industry is interested in wood production. Forest management practices undertaken to enhance wood production cause dramatic changes in wildlife habitat.

Across the landscape, we are seeing generally sharp declines in habitat conditions for a multitude of species.

The Sierra Club believes it is important that species richness is maintained on our private timberlands. All species are important.

The Sierra Club is willing to work with the Legislature to develop legislation that we can support that will ensure a broad spectrum of habitat conditions are retained for wildlife purposes across our forest landscapes and that the integrity, stability, and diversity of the forest old growth ecosystem is retained.

The legislation should ensure that species richness is maintained. The needs of all wildlife must be assured. Habitats that require special attention should be identified and maintained. Clear guidelines should be given for forest-wildlife management. A matrix for the forest landscape should be defined that will provide for the protection, recruitment, and connectivity of not only old growth forests, wildlife and fisheries protection, but will also assure that our private timberlands are gradually shifted over to forestry management practices that are biologically sound and provide for the return of healthy forest ecosystems. Timber harvesting could then take place provided the timberland owner could demonstrate that a healthy forest matrix was going to be maintained.

### Steps California can take to enhance this plan

- Enact state legislation that will mandate the protection, recruitment and connection of ancient forests, old growth and similar habitat across a forest landscape in order to provide habitat for species that are at risk before irreparable harm occurs on private land.
- Enact state legislation that prevents the depletion of the raw timber resource on private timberland.



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- Enact state legislation that provides for overall watershed assessment and standards for forest resource protection.
- Enact state legislation that will prevent the conversion of private timberland to hardwoods.
- Enact state legislation that will ensure that our private timberlands are restored, enhanced, and maintained, and that industrial timber companies not be allowed to consider "maintenance" as "maintaining" the present state of depletion.
- Communicate to the Clinton Administration and the Congress the need for permanent, long-term protection for ancient forest reserves, including needed riparian protection, restrictions on salvage and thinning, and other requirements to ensure that this plan is a long-term solution.
- Oppose any efforts to exempt federal forest management in California from federal environmental laws ("sufficiency" language).
- Support permanent federal legislative protection of Sierra Nevada ancient forests.
- Support adequate federal appropriations for monitoring of the plan, restoration activities, and economic transition programs for affected counties.
- Support establishment and funding of a training center in Northern California, such as in Hayfork, to train agency personnel on state-of-the-art forest management and restoration.
- Interagency cooperation from all levels of government and community involvement will be essential to the success of a long-term ecosystem protection program. However, all such "teams" must be subject to full public involvement and review, including access to all planning and implementation documents. To the extent that state agencies are a part of this process, the state should ensure that full public participation occurs.

### Conclusion

In summary, the Sierra Club believes that California does not have a strong integrated system of forest practice regulation in place on private lands. Let us be wary of timber industry demands to weaken existing state forestry



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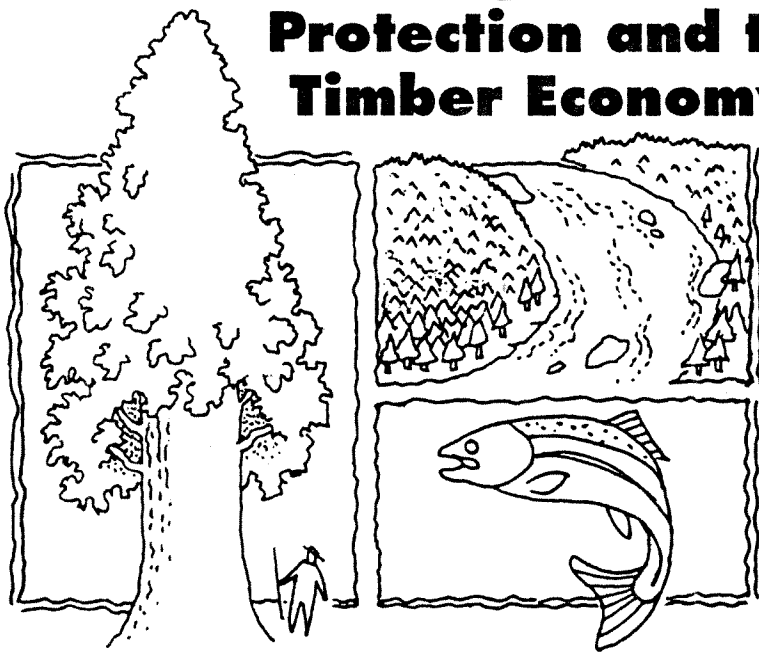
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laws or regulations in the months to come. The Clinton forest plan does not assure Californians that the resources on our private lands will protected. There is a genuine need in this State to correct regulatory shortcomings. The Board of Forestry, itself admitted, in 1991, that "[T]here are complete losses in some watershed . . ." "There have been losses of wildlife values that will never be known within those watersheds, and we need to proceed carefully . . ." (Transcript of October 16, 1991 hearing, p.28:7-14)

I would like to thank you for the opportunity to testify today. I would be happy to answer any questions you might have.

# Transitions:

## An Analysis of Environmental Protection and the California Timber Economy



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## **Executive Summary**

CALIFORNIA'S ANCIENT FORESTS are a priceless ecosystem threatened with extinction. Only by preserving the ancient forest ecosystem and requiring sustainable forest practices will the economy of Northern California thrive.

The role of timber in California's economy is extremely small, but its importance is much larger in several northern California and Sierra Nevada counties. California's contribution to the national timber supply is insignificant, representing 5.2 percent of the total.

The California timber industry is in a transitional period which has been underway for some time. Overcutting on private industrial timberlands has led to a shortfall in timber availability, which had been predicted for many years. It was assumed in the 1980s that the national forests would, in coming decades, "take up the slack" in providing timber to the mills, producing an estimated 2 billion board feet annually. This level of cutting has since been shown to be completely unsustainable and devastating to wildlife, fisheries, watersheds and soils. Future cutting was also presumed to increase substantially on private, nonindustrial lands.

Existing regulations and laws have already reduced cutting on national forests in Northern California. Additional protections for spotted owls, anadromous fish and watersheds would further reduce the total timber cut in California by a relatively small percentage.

Another important transition in the California timber industry relates to jobs, which were declining in this sector before any restrictions were put in place for the northern spotted owl. Timber-related jobs per million board feet have declined by nearly half since the early 1980s. The primary culprit is automation of mills. Another concern is log exports, which are not a large factor in California but are increasing. Every log exported is one that does not create added manufacturing jobs within the state.

Projected job loss from application of environmental protections in the Klamath Province national forests ranges from a low of 655 jobs to a high of 1,295 direct timber industry jobs. It must be noted that the timber industry not only creates jobs; it also destroys jobs, such as those in the fishing industry, through its destruction of anadromous and resident fisheries habitats.

Many opportunities already exist to improve jobs in affected communities, bolstering an existing trend toward job increases in services and government in many areas. Banning log exports would improve opportunities for jobs in timber finishing and manufacturing. Rechanneling government funds can provide jobs in recreation, tourism, and rehabilitation of lands and waterways. Only diversification of local communities' economies and development of a sustainable forest industry will stabilize these areas in the long run.



# **Transitions:**

## **AN ANALYSIS OF ENVIRONMENTAL PROTECTION AND THE CALIFORNIA TIMBER ECONOMY**

### **I. Introduction**

THE FUTURE OF AMERICA'S ANCIENT FORESTS has sparked a complex and heated debate. In the public eye, the issue has become highly polarized, pitting trees and owls against human livelihoods. In creating a program to preserve this magnificent ecosystem and manage our forests wisely, we must acknowledge the fact that the coexistence of a productive economy and a healthy environment is not simply a possibility, but a dire necessity.

California's ancient forests are an essential component of the ancient forest ecosystem that stretches to the Canadian border and beyond. These forests offer a wide range of values, among them clean water, recreational opportunities, and wildlife habitat. Their disappearance would not only be an ecological tragedy, but would unravel the human communities and economies that now depend upon the richness of the forest ecosystem.

Much debate has centered on the destruction of the ancient forests and the devastating impacts said to be occurring in timber-dependent communities as a result of environmental restrictions. This report reviews some of the historical background of the timber industry in California, analyzes impacts of environmental protection as well as other causes of job loss, and proposes numerous actions that can be taken to minimize job disruption and amplify community stability.

The California timber industry is in a transition which started long before any protections for the northern spotted owl were implemented. These changes include a shrinking job base caused primarily by overcutting on private industrial forests and the automation of sawmills. It also includes a decline in projected timber

availability from private industrial forest lands stretching well into the 21st century.

Overcoming the current deadlock on forest policy in California must include permanent protection of the remaining 10 percent of ancient forests into a system of ancient forest reserves, wherein their precious ecological values may be safeguarded. To ensure a healthy regional economy, the Sierra Club's goal is a sustainable forest products industry that ensures protection for the ancient forest ecosystem and enhances other economic sectors, such as tourism and fisheries. The primary means to a sustainable industry includes sufficient protections on private, federal, and state lands to ensure a sustainable timber supply as well as preservation of streams, soils, and species. Such protections include appropriate timber harvest methods as well as reasonable timber cutting limits and interagency planning for sustained, even-flow yields over the long term.

## **II. The Role of Timber in the State and National Economy**

The timber industry represents a very small portion of the California economy. Logging and sawmill jobs represent only 0.13 percent of all jobs in California, while all timber industry jobs comprise only 1.14 percent of California jobs. Nonetheless, the timber industry is an important element in several Northern California and Sierra Nevada counties and particularly critical to some small communities heavily dependent on the industry.

California's contribution to total national timber supply is relatively insignificant, representing only 5.2 percent of the total, and the national forests contribute a total of only 2.4 percent. Historically, cutting has been higher on California's private forest lands, and primarily on the industrial lands owned by large timber corporations.

## **III. The Decline in Timber Availability: Who's to Blame?**

Well before the application of restrictions to protect the spotted owl, government and industry officials knew that the available supply of timber in California was due to fall. Projections by the state's Forest and Rangeland Resources Assessment Program (FRRAP) in 1988 indicated a major drop in timber availability on industrial private lands well into the mid-21st century. This drop is due to a reduction in

available trees of sufficient size for milling. That is to say, the industry has been cutting at a non-sustainable rate.

At the time the FRRAP assessment was done, cutting on national forests was projected to be at the approximate annual level of 2 billion board feet, also well into the next century. This cut level was reached for the first time in the 1980s by an administration extremely favorable to the timber industry. It has since been shown to be unsustainable and grossly damaging to ecosystem components including wildlife, fisheries, watersheds, and soils. Current management plans for California national forests, as well as new final plans scheduled to go on-line soon, were developed over the past several years to conform to the guidelines of the National Forest Management Act (NFMA).

Similarly, FRRAP projects an increase in cutting on non-industrial forests in smaller ownerships. These lands, combined with the national forests, were expected to be the main resource remaining for mill-size timber for the next few decades. Thus, both small owners and the public lands were to "take up the slack" for an industry that had stripped vast tracts of its own forest lands. Now that it has been shown that the national forests and land in smaller ownerships cannot produce at projected levels and still maintain healthy ecosystems and sustained yields, industry points the finger at the victim — the wildlife slated for extinction — rather than the cause: the overcutting on their own lands.

New protections for the northern spotted owl and ancient forest ecosystem are expected through the resolution of pending lawsuits, federal legislation, or both. An added reduction ranging between 136 million board feet (mmbf) and 264 mmbf is projected as the result of future environmental protections for the northern spotted owl and watersheds in the Klamath Province (the Klamath, Six Rivers, Shasta-Trinity, and Mendocino national forests). These projections are based on a comparison of existing plans now in place with a range of protections outlined in *Alternatives for Management of Late-Successional Forests of the Pacific Northwest* by K. Norman Johnson *et al.* in 1991 for the House Agriculture and Merchant Marine and Fisheries committees. While not insignificant, these reductions nonetheless represent a relatively small percentage of the total cut statewide and a virtually insignificant proportion of the national timber supply.

#### **IV. The Decline in Timber Jobs: Who's to Blame?**

Although the timber industry claims that job loss is due solely to environmental protections and the spotted owl, the number of timber jobs per million board feet of timber cut in California has been declining for some time. The primary reason for this decline is automation of mills. Where processing 1 million board feet employed eight workers in the early 1980s, it now creates only 4.6 jobs. The export of mill jobs to Mexico has further reduced jobs in Northern California.

Whole log exports, while a smaller proportion of total timber production in California than in Washington and Oregon, represent another reduction in potential jobs for timber-dependent communities. Employment in finished wood products creates far more jobs than logging and sawmills alone. These jobs are essentially being exported if raw logs are exported. In California, log exports jumped in 1990-91 to an average of 92.5 million board feet annually, up from an average of 52.4 mmbf in the 1980s.

Projected job loss resulting from additional environmental protections in the Klamath Province national forests will be less drastic than industry claims. Its estimate is that each 1 million board feet of timber represents five direct timber jobs. Thus, the job loss in the Klamath Province from applying the owl and ecosystem restrictions ranges from 655 (low protection) to 1,295 (high protection) direct timber industry jobs.

The timber industry is not the only place where jobs are at risk. The commercial and sport fishing industries in Northern California provide 23,000 jobs, all in jeopardy. Destructive logging practices have ruined fisheries by silting streams and increasing water temperatures beyond the tolerance of anadromous species, such as salmon, trout, and steelhead. The drastic decline of these species in California, much of it attributable to poor timber practices, has gradually destroyed communities and families.

#### **V. Transitions: A Healthy Ecosystem and a Healthy Economy, Too**

Fortunately, some trends are already offsetting the job disruptions in California's timber industry. Small, light industry is finding its way into communities such as Etna and Eureka. Even in the more heavily timber-dependent counties such as Humboldt, job growth in service and government sectors currently offsets job loss in

the timber industry. In many Sierra Nevada counties, as well as parts of the Klamath Province, the development of tourism and growth in the service sector already provide huge employment potential. These trends must be recognized and supported by state and federal policies.

The future of those communities in California that have been heavily dependent on timber extraction lies in a transition to a more diversified and sustainable economy. Even with strong ecosystem protections, much can be done to offset economic disruption and steer communities away from the boom-bust cycles that have characterized rural areas in the past.

First, a ban on the export of raw logs could do much to increase the timber available in California. By implication, if those logs are available in the state for processing into lumber and finished products, many more jobs will be created.

Second, government small business loans and technical expertise could boost the creation of companies producing finished wood products, such as furniture or building components.

Third, there is an enormous potential for rechanneling federal dollars currently spent to subsidize timber extraction into programs that enhance tourism and rehabilitate damaged lands and waters. Recreation on the national forests of California is projected to increase by nearly 50 percent in California between 1985 and 2035. These recreationists and tourists bring billions of dollars into rural communities, supporting jobs in retail sales, lodging, food service, transportation, outfitting, and guiding.

Two examples of rehabilitation efforts already occurring in California suggest the potential available for jobs in resource protection. The Trinity River Fish and Wildlife Restoration Program is a large rehabilitation project involving 14 federal and state agencies, mainly to repair damage to the river and fisheries caused by logging. 80 million dollars has been spent over a 10-year period, creating a significant number of local jobs. On the cutting edge of restoration work is the Plumas Corporation, working on restoration technologies in Plumas County. The company has contracts with the U.S. Forest Service and Pacific Gas and Electric for watershed restoration as well as a cooperative program with Feather River Community College, which now offers an AA degree as a "watershed restoration technician." These are just two examples of what can be done if resources are channeled to ecosystem preservation. They have the added potential benefit not only for restoring

the ecosystem, but also for restoring fisheries and the jobs associated with the sport and commercial fishing industries.

Other potential programs to rechannel federal dollars into jobs associated with resource preservation include trail building and maintenance, removal of roads to enhance wildlife habitat, construction of interpretive facilities and campgrounds, and similar projects.

Government support could also be provided for smaller, non-industrial forest landowners to enhance their ability to manage their lands for long-term productivity. However, current state regulations are not adequate to protect these lands. Unless the state forest regulation system is totally overhauled, increased logging by smaller owners will result in the same environmental damage and timber supply gap we now face on the industrial forest lands.

A secure job base will be acquired only through diversification of these local economies and removal of the dependence on one volatile industry. Government agencies and business leaders must work together to channel resources to help develop and maintain innovative and sound light industry in the region. Just a few examples of programs already in place are a factory that recycles old-growth redwood and fashions it into high-quality architecturally detailed millwork (Eureka), a small factory producing high-quality stuffed toys (Etna), a "farm" producing mushrooms for San Francisco Bay Area restaurants (Happy Camp). Many other ideas abound, including manufacture of metal framing for residential construction (Dagcon Co., Fremont), now perfected but requiring one or more training centers for workers in the industry. This method can not only reduce the nation's reliance on wood products but can also reduce the costs of framing by one-third.

These are only a sampling of the possibilities for creative, long-term solutions for the economies of timber-dependent communities in California. Decision-makers must recognize the need to preserve the ancient forest ecosystem for the long term. Rather than destroying our forests to simply postpone the inevitable, we must help the timber communities make the transition to sustainability.

## **Notes on Methodology and Scope:**

This report was compiled utilizing a variety of statistical sources concerned with California's forests. It is focused exclusively on California, looking at the timber industry statewide with a specific focus on impacts on the northwestern and northern portions of the state, including the Klamath Province national forests (Klamath, Shasta-Trinity, Mendocino, and Six Rivers). These are the areas caught up in the northern spotted owl ancient forest debate and the subject of President Clinton's Forest Conference in Portland April 2. A later report will provide additional details on the timber industry and ecosystem protection options in the Sierra Nevada.

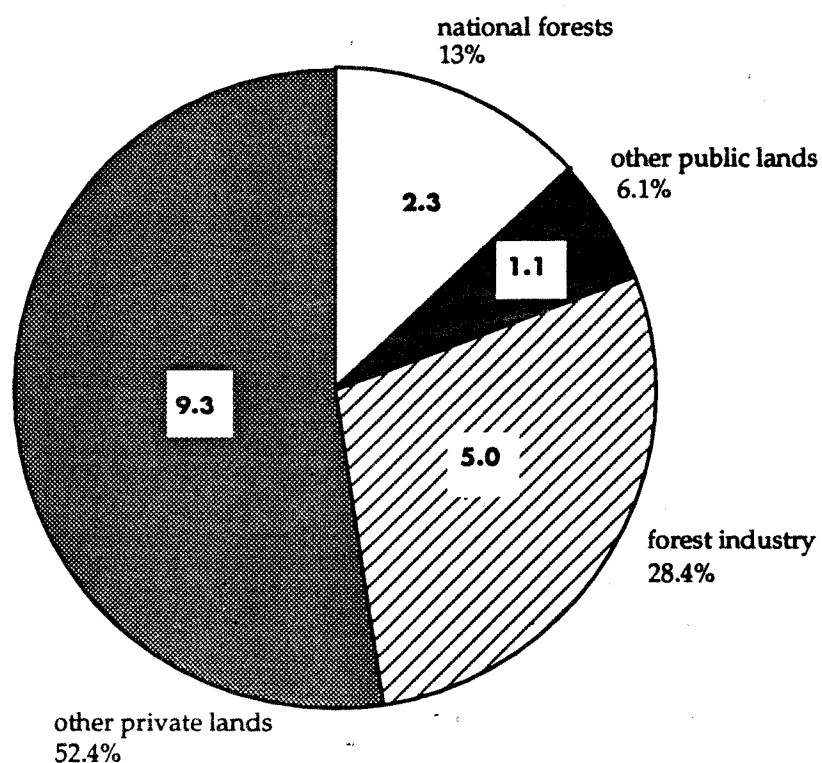
In calculating timber volumes, agencies often use different measurements. Many USDA Forest Service reports use both cubic foot and board foot measurements. Most other sources quote timber volumes in board feet only. In reporting timber harvests, there is yet another distinction to be drawn. Many agencies will use a gross volume indication of harvest quantity. Net volume, which excludes cull logs and other timber not for sale, is used in Congressional appropriations, as it is the actual reflection of timber sold. Net volume is generally thought to be approximately 85% of gross volume. Gross volumes are used for the purposes of this report, as they are the predominant figures available and reflect the total amount of timber cut.

In this report either a board-foot or cubic-foot measure is used at any one time. Please be aware that no conversions have been performed from graph to graph.

**Private lands generate 80% of the timber supply in the United States.**

**U.S. timber cut, by ownership, 1987**

(in billions of cubic feet, gross volume)

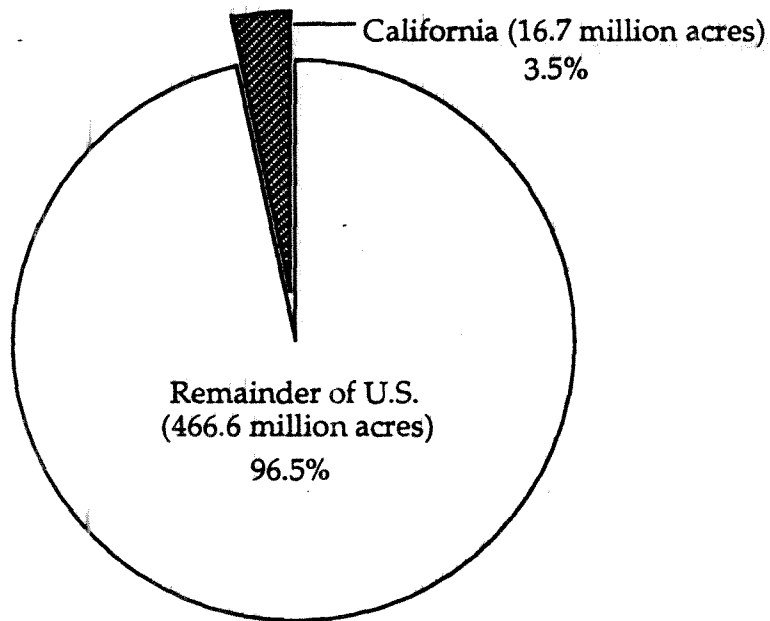


Haynes, Richard W. 1990. *An Analysis of the Timber Situation in the United States, 1989-2040*. USDA Forest Service Rocky Mountain Range and Experiment Station, Fort Collins, CO. General Technical Report RM-199. p. 154.



**California's suitable timberland comprises under 4% of the U.S. total, yet California is second only to Oregon in timber production.**

**California timberland acreage in a national perspective, 1987**

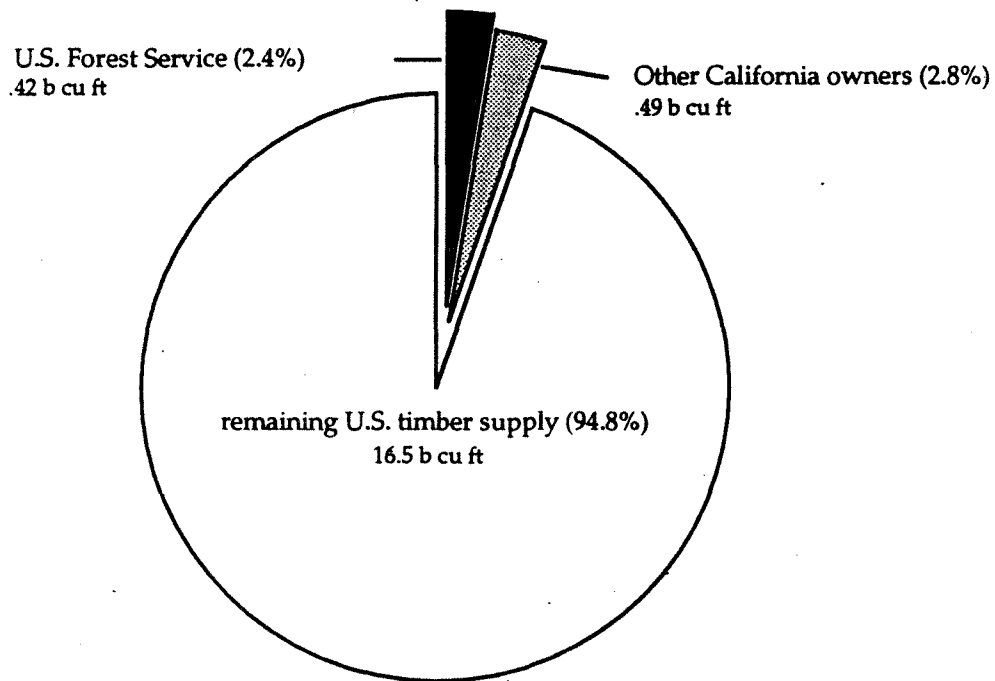


Waddell, Karen et al. 1989. *Forest Statistics of the United States, 1987*. USDA Forest Service, Pacific Northwest Research Station, Portland, OR. Resource Bulletin PNW-RB-168. p. 23.

**California supplies only 5% of the total timber in the United States.**

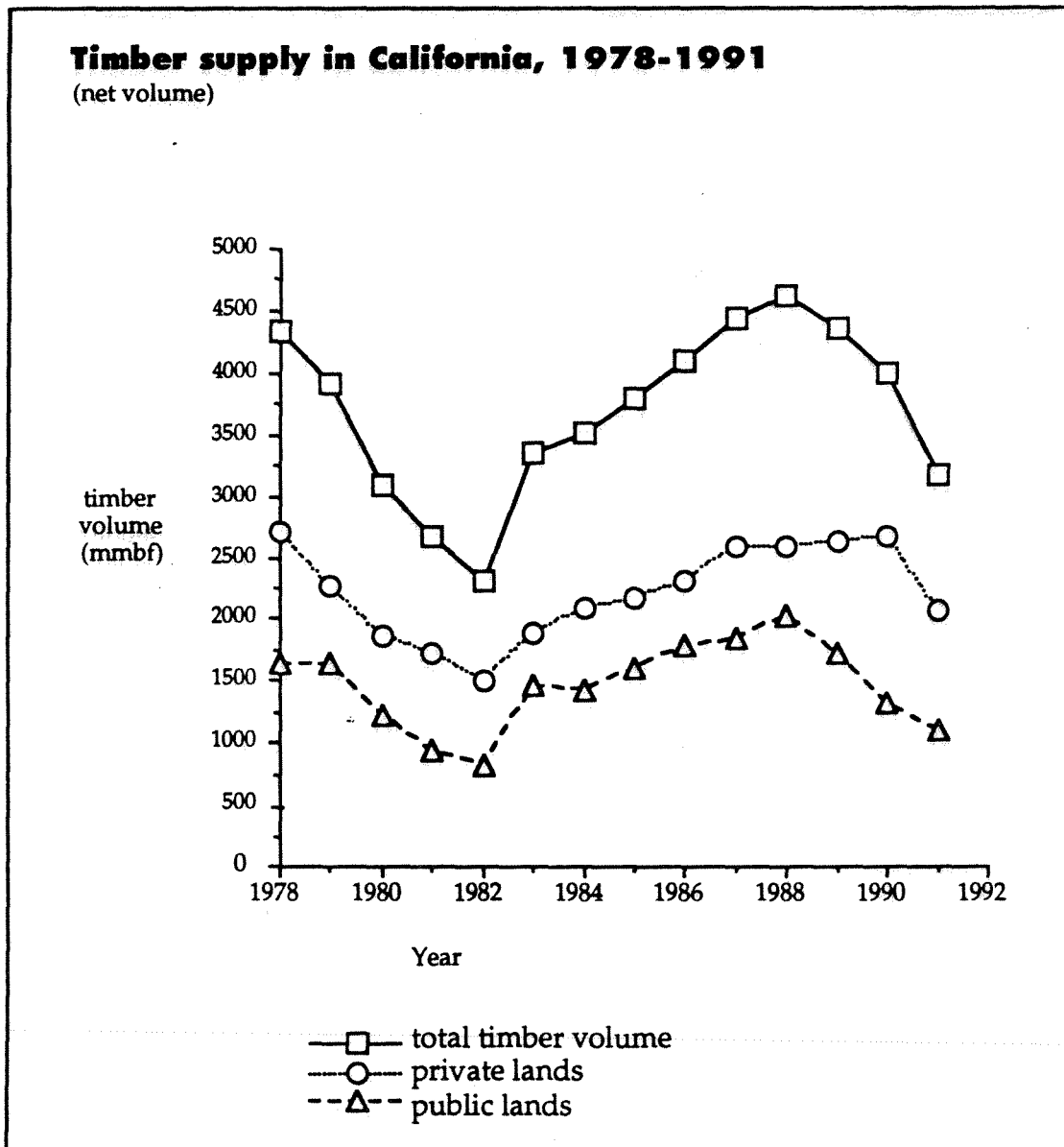
**California's contribution to U.S. timber supply, 1987**

(in billions of cubic feet of timber)



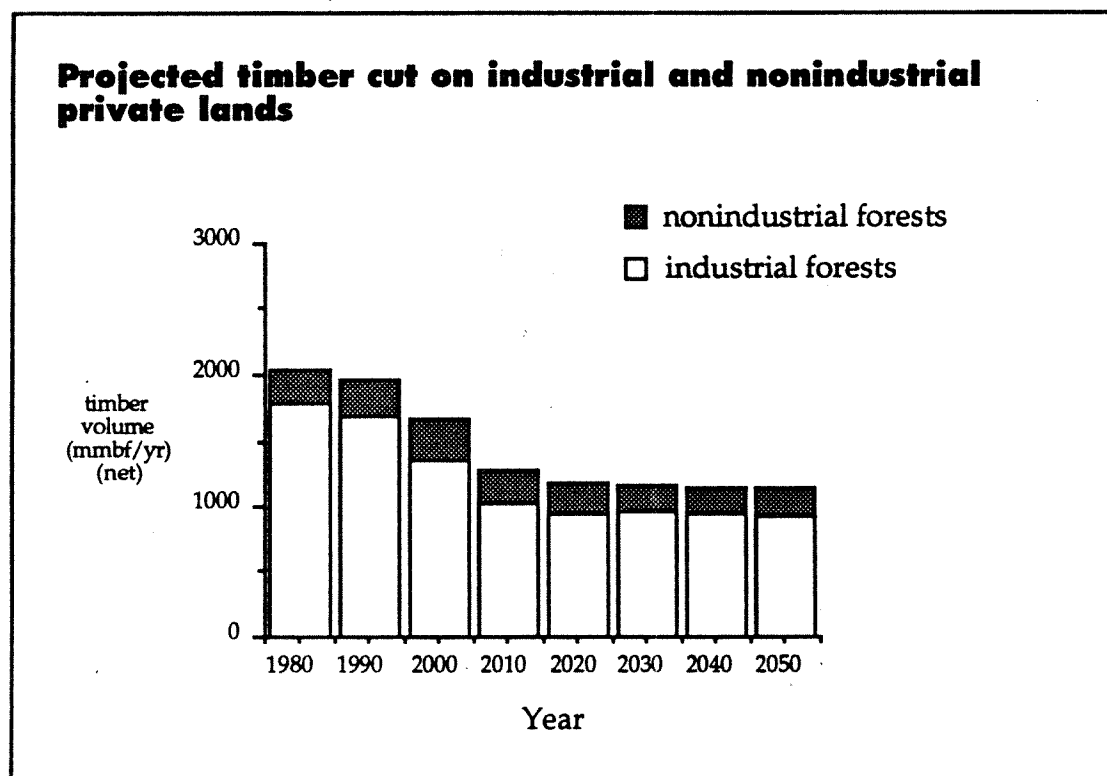
Waddell, et al. 1989, *op cit.* p. 91.

**Although public lands comprise a greater area than private lands, private ownerships produce more timber. Timber production overall has begun a decline since the late 1980s.**



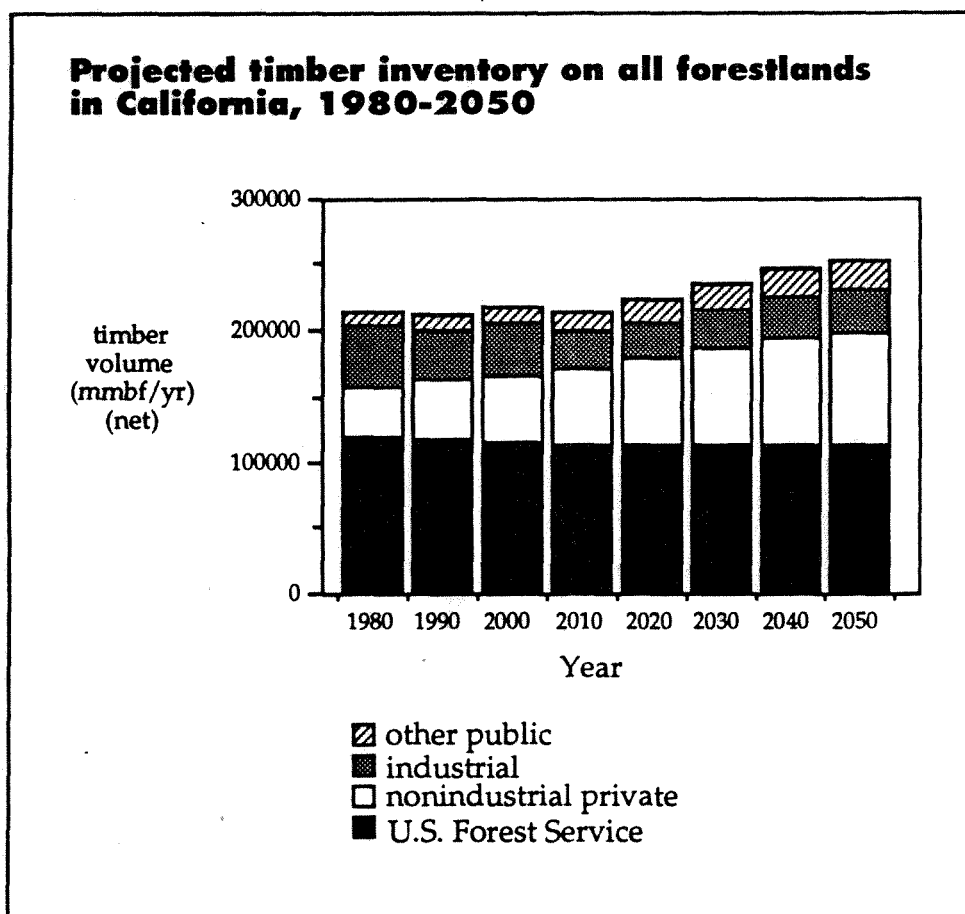
State of California Board of Equalization, Timber Tax Division. California Timber Harvest, by County. Sacramento, CA. 1978-1991.

**Overcutting on private industrial forestlands has already created a significant projected drop in timber availability in California through the middle of the next century.**



Forest and Rangeland Resources Assessment Program. *California's Forests and Rangelands: Growing Conflict Over Changing Uses*. Sacramento, CA: California Department of Forestry. July, 1988. pp. 118, C-26.

**Projected timber inventory in California is growing most rapidly on nonindustrial private lands.**

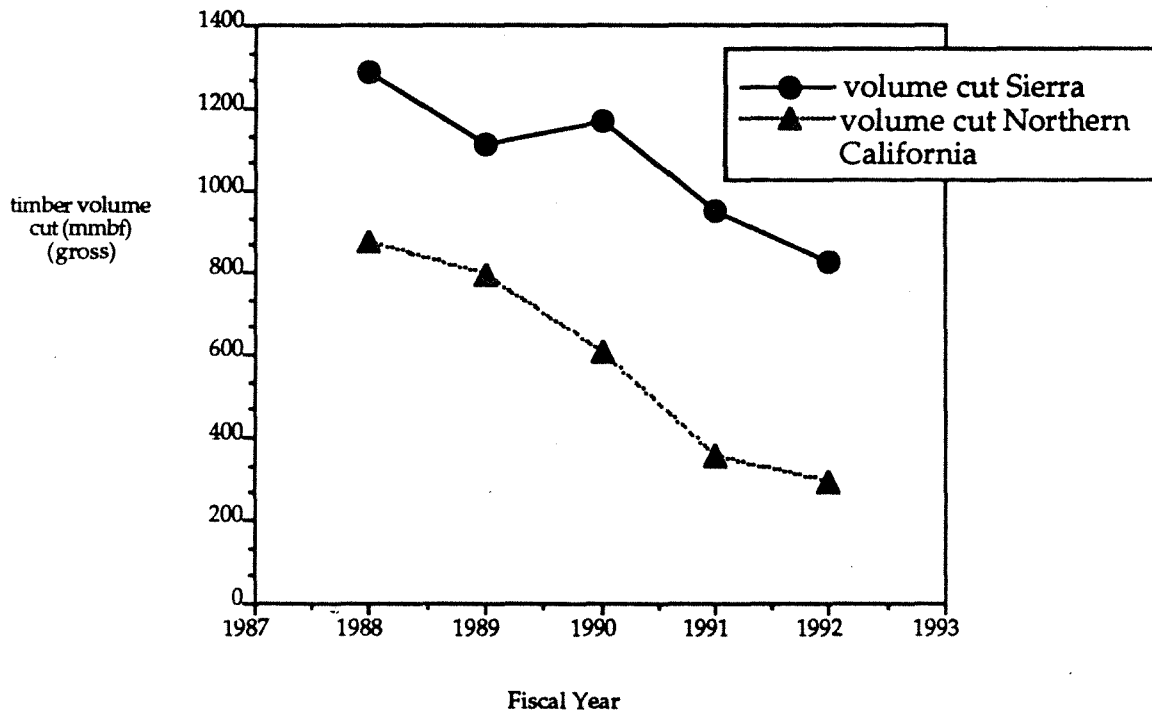


Forest and Rangeland Resources Assessment Program, *op cit.*

## Cutting on national forests in California has declined since the late 1980s.

### Volume of timber cut on national forests in California, 1988-92

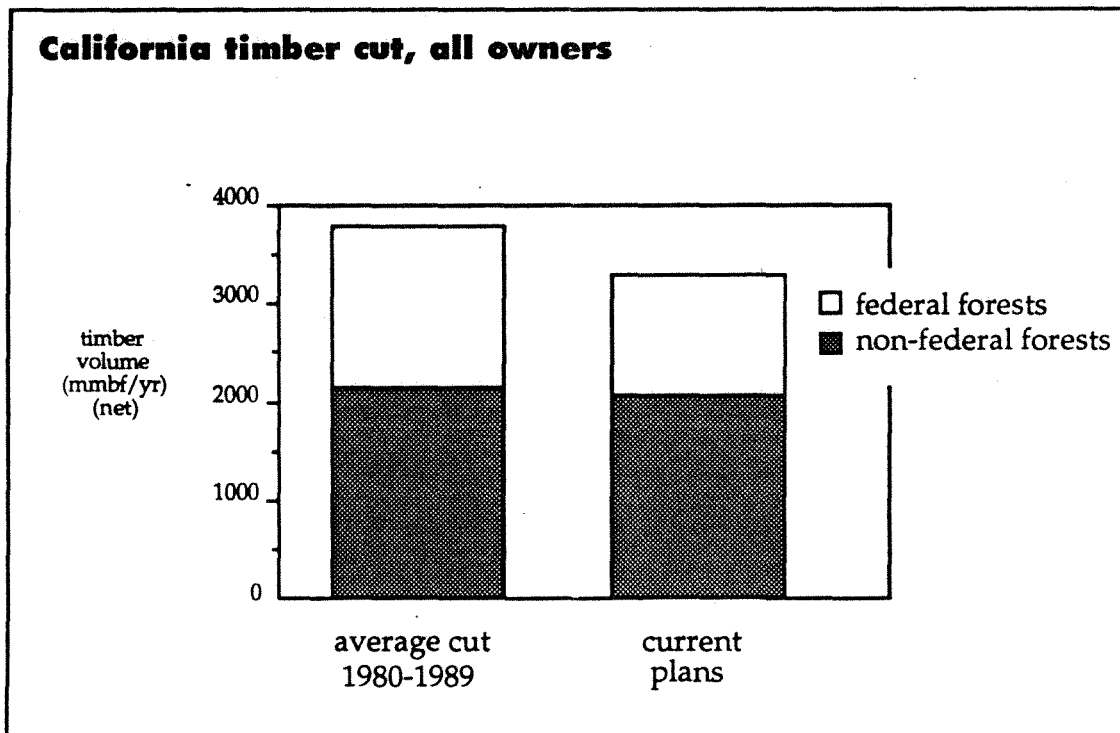
Sierra and Northern California regions



USDA Forest Service, Region 5. Cut and sold reports, 1988-1992.

Warren, Debra D. 1992. *Production, Prices, Employment, and Trade in Northwest Forest Industries*. USDA Forest Service, Pacific Northwest Research Station, Portland, OR. Resource Bulletin PNW-RB-194. p. 20.

**Current plans for national forests in California will reduce the overall statewide timber cut by only one-eighth compared to 1980s levels.**



Current plans includes all forest management plans required by National Forest Management Act (NFMA), plus application of Alternative 4a of the Portland Panel report and the USFS California Spotted Owl report recommendations.

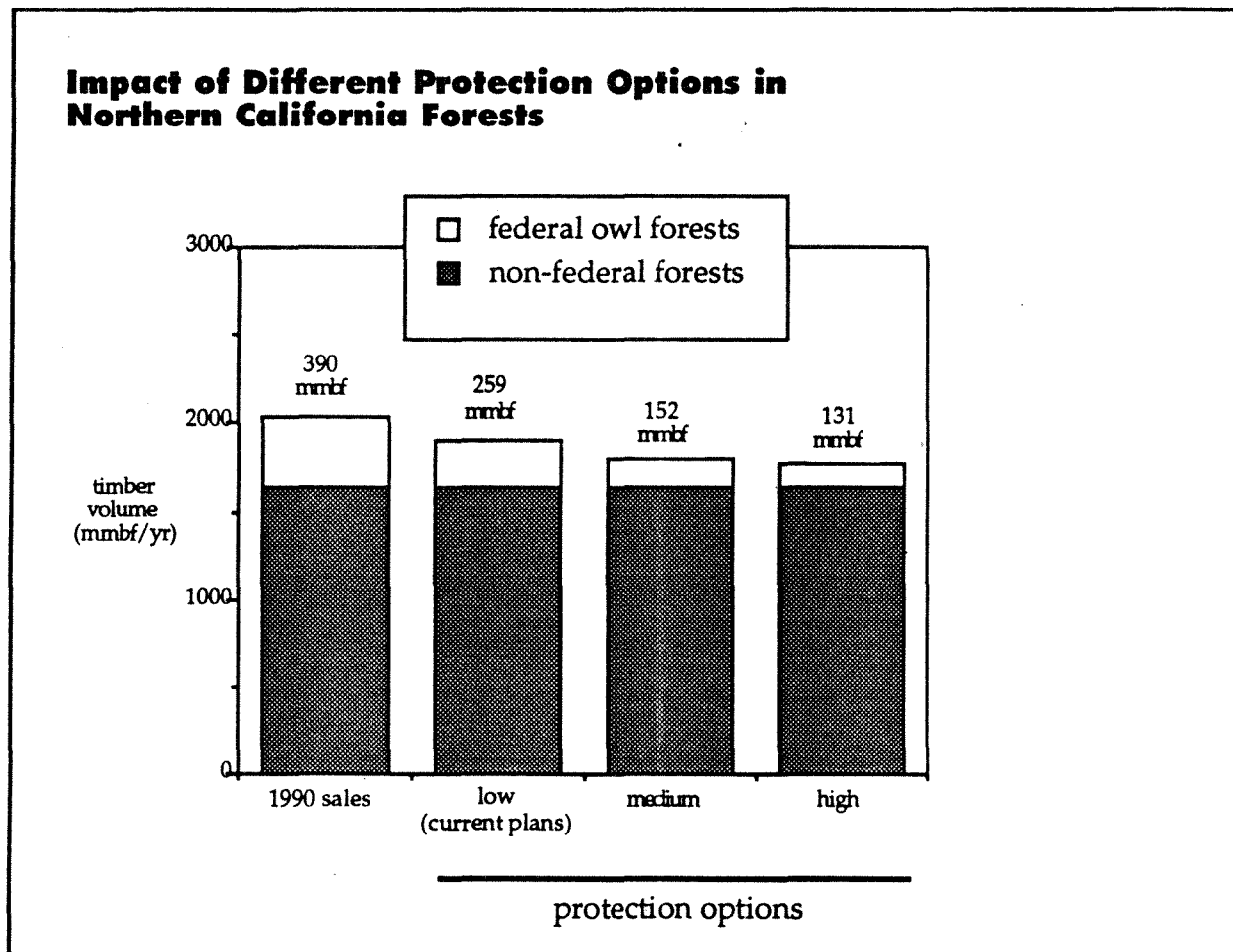
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USDA Forest Service, Region 5. Cut and sold reports, 1988-1992.

Johnson, K.N., et al. 1991. *Alternatives for Management of Late-Successional Forests of the Pacific Northwest*. A Report to the Agriculture Committee and The Merchant Marine Fisheries Committee of the U. S. House of Representatives. p. 34.

State of California Board of Equalization, Timber Tax Division. Sacramento, CA. 1978-1991.

**The reduction in federal supply as a result of plans to protect the Northern spotted owl in California forests is minimal compared to total supply in the region.**



The above protection options are drawn from those alternatives outlined in the Portland Panel report:

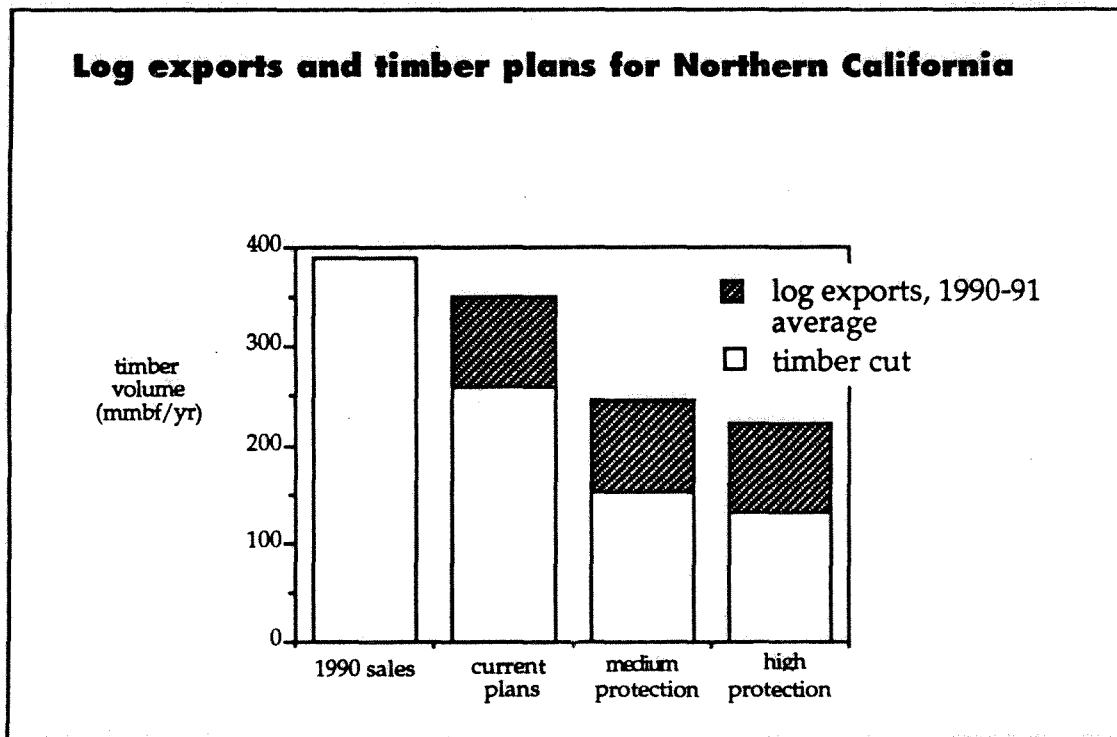
- \*LOW — alternative 4a (current practice), including the Thomas plan in current forest plans.
- \*MEDIUM — alternative 8c
- \*HIGH — alternative 12c

Johnson, et al. 1991 *op cit.*, p.34-35.

State of California Board of Equalization, Timber Tax Division. Sacramento, CA.



**Curbing log exports from California can significantly reduce the impact of federal protection plans on domestic timber availability.**

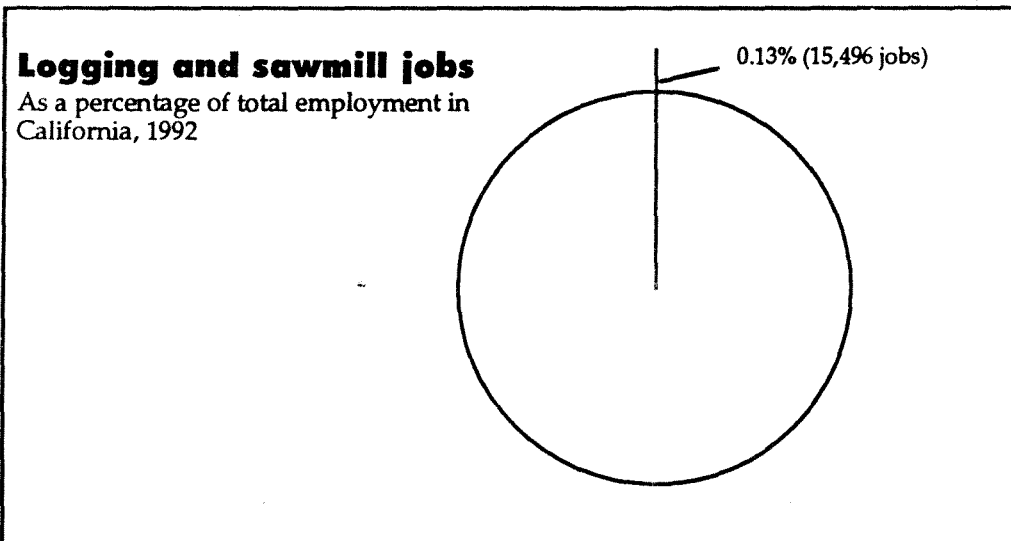
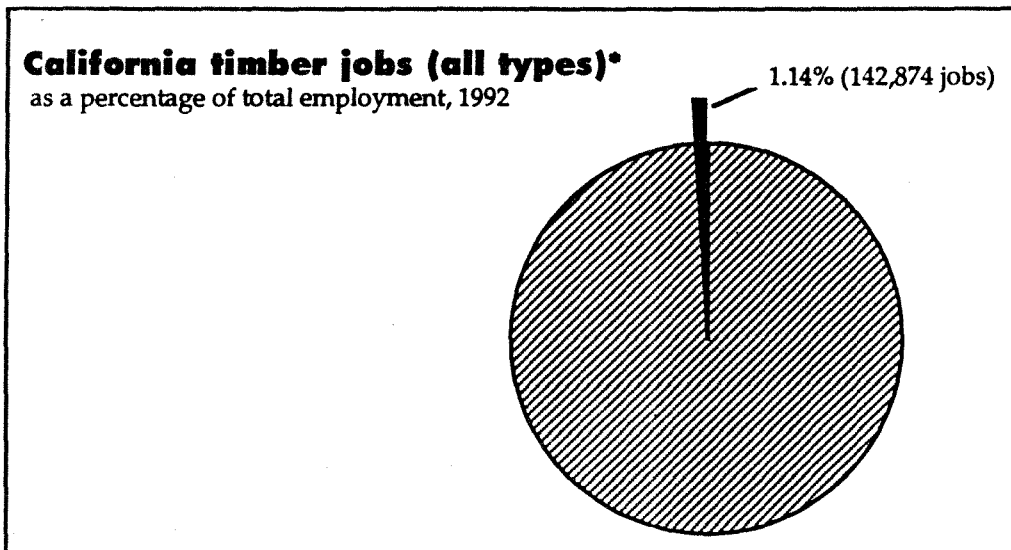


The average log exports leaving Northern California totalled 92.5 million board feet.

Johnson, op cit.

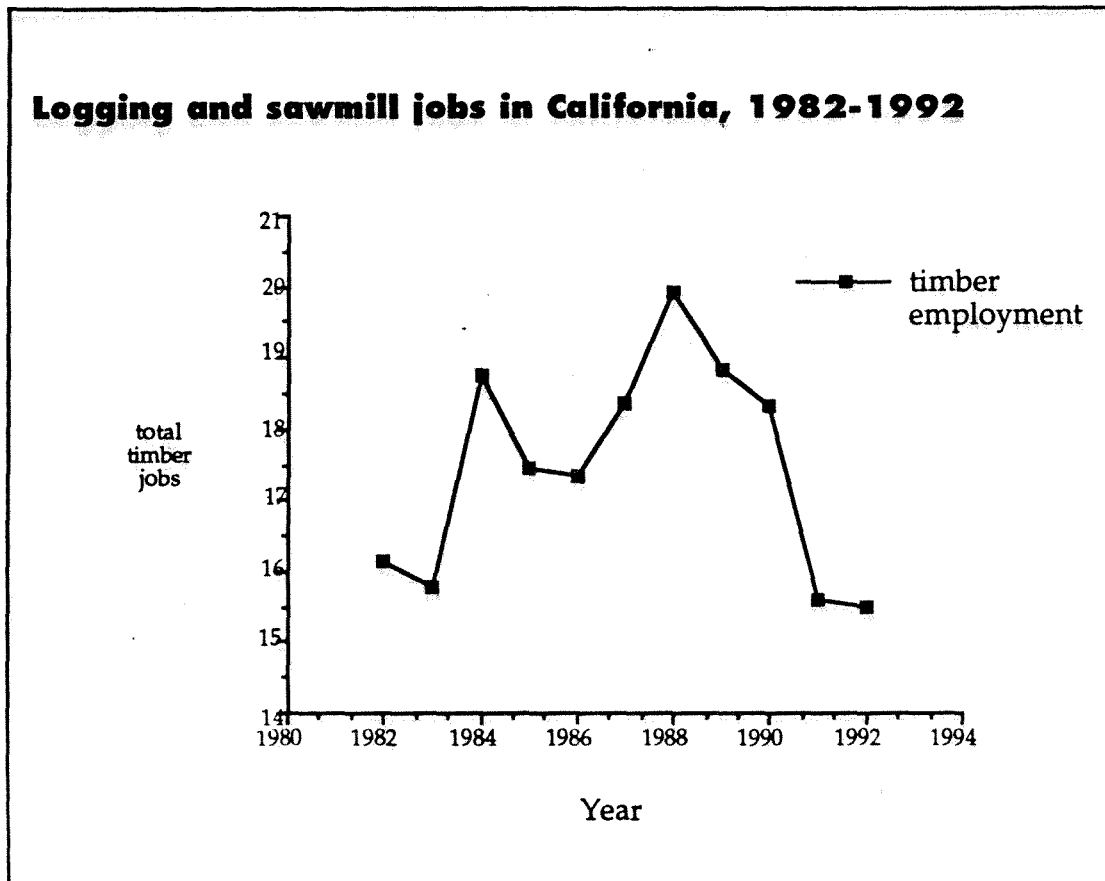
Warren, op cit. p. 28

**Jobs in the timber industry in California comprise a slim percentage of total employment.**



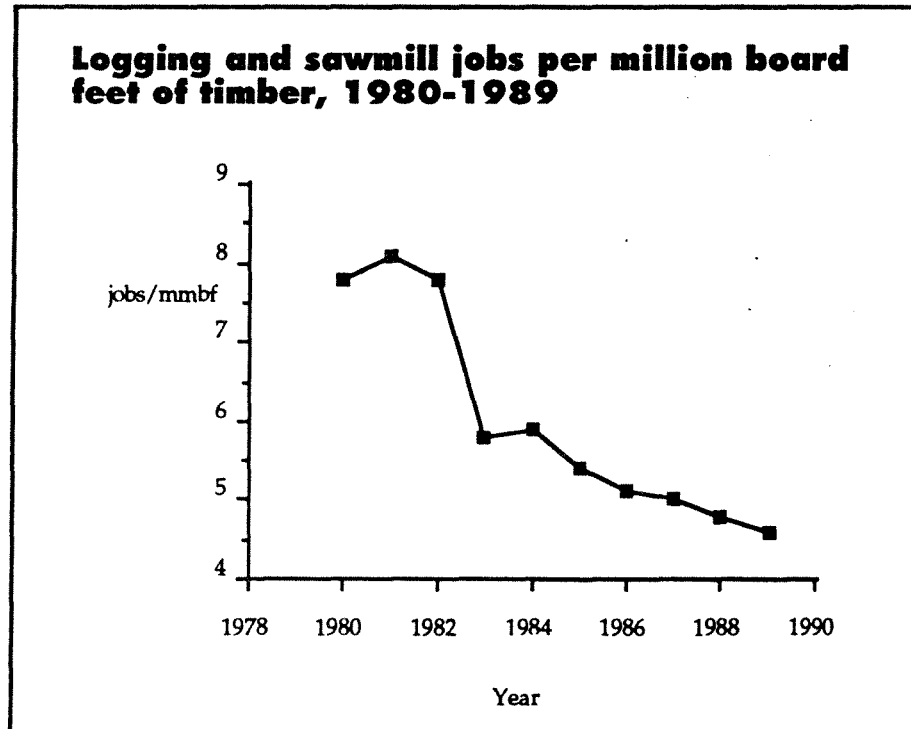
\*NOTE: All "timber-related" employment includes jobs in logging and sawmills, wood containers, mobile homes, plywood, veneer, and structural wood members, and miscellaneous wood products (i.e. wood chips, pressboard, fiberboard). It does not include paper and allied products or wood furniture.

**Primary jobs in the timber industry statewide have dropped significantly since the late 1980s.**



State of California Employment Development Department, Labor Market Information Division. Sacramento, CA.  
Standard Industry Classification (SIC) codes used to evaluate timber jobs are 241 (logging) and 242 (sawmills).

**The number of workers required to process one million board feet of timber in logging and sawmills in California declined by nearly 50% throughout the 1980s.**

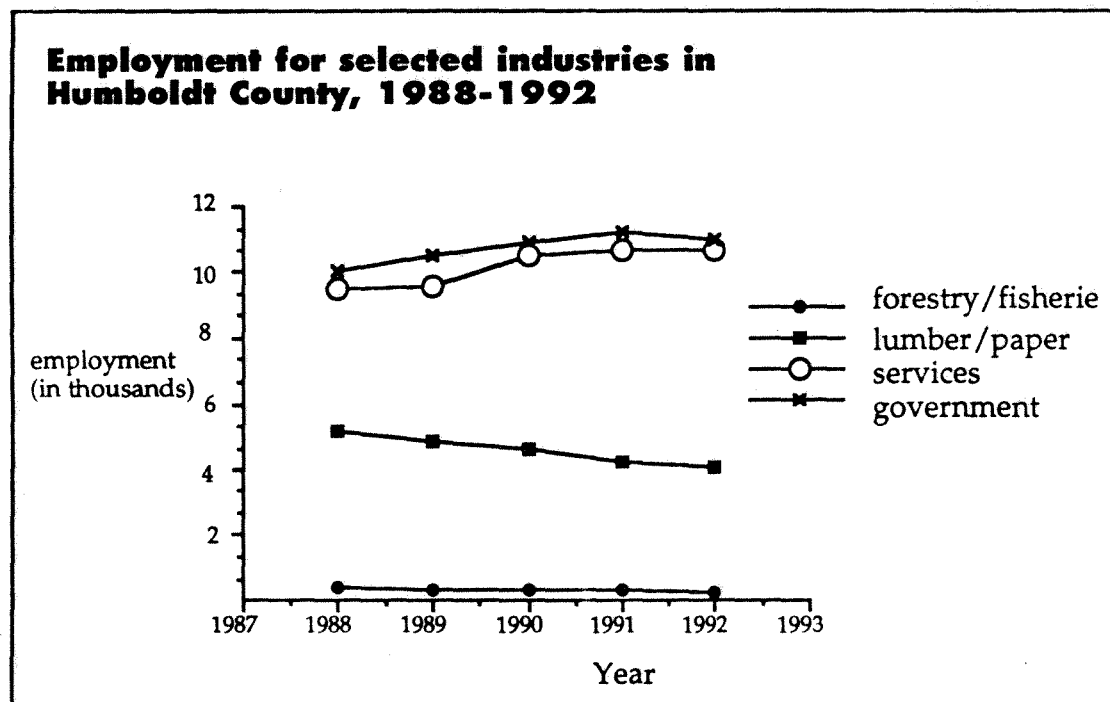


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State of California Employment Development Department, Labor Market Information Division. Sacramento, CA.

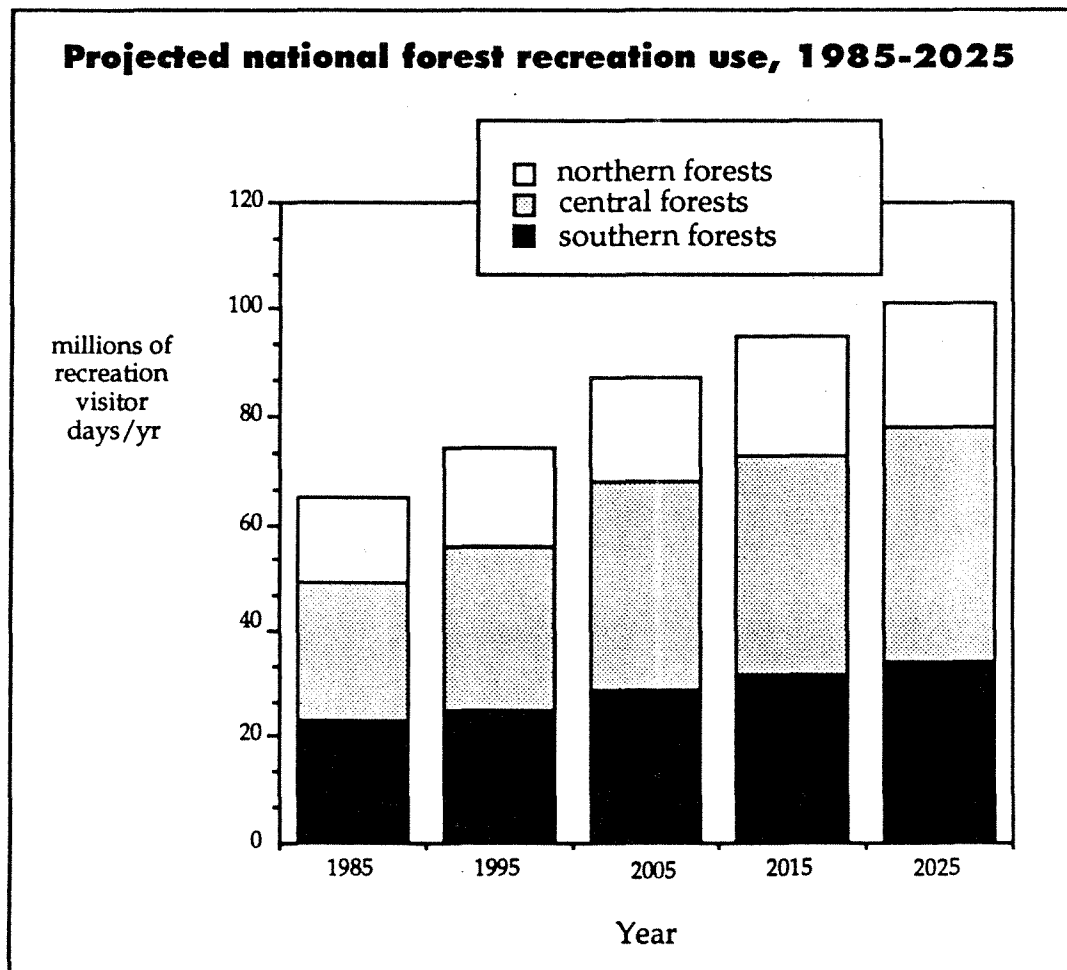
State of California Board of Equalization, Timber Tax Division. Sacramento, CA.

**In Northern California's Humboldt County, total employment has increased over the past five years. Though there has been a gradual decline in jobs in forestry and lumber and paper products, job growth in other sectors has outpaced this decline.**



State of California Employment Development Department, Labor Market Information Division. Humboldt County, Wage and Salary Employment by Industry, 1988-1992. Sacramento, CA.

**Recreational use of national forests in California is projected to rise dramatically over the coming decades.**



Forest and Rangelands Resources Assessment Program, 1988, *op cit.*, p. 75.





# THE WILDERNESS SOCIETY

CALIFORNIA/NEVADA REGIONAL OFFICE

## STATEMENT ON THE IMPACTS OF THE CLINTON FOREST PLAN ON THE ENVIRONMENT AND WILDLIFE IN CALIFORNIA BEFORE THE CALIFORNIA SENATE COMMITTEE ON NATURAL RESOURCES AND WILDLIFE

AUGUST 18, 1993

Chairman Thompson, and members of the committee, I am Joan Reiss, Regional Director of the California/Nevada office of The Wilderness Society which has 310,000 members, 52,000 of whom reside in California. The Wilderness Society is dedicated to the preservation and protection of the federal public lands. I want to thank you for inviting me to testify on the impact of the proposed Clinton Forest Plan on California.

*.. "[F]orest management is inherently a political undertaking. [S]cience is a means to an end; it is a mechanism through which we obtain information about possibilities and consequences."*

-p.VII-23, Forest Ecosystem Management Assessment Team Report

In order to set the tone, I would like to do a brief historical recapitulation of how we arrived at this stage. If this were a discussion of the plan alone, it would be akin to reading a Russian novel by starting in the middle of the book. Since you have already received numerous details this morning, I will present some of the significant highlights.

### HISTORY

#### ESTIMATED TOTAL LAND ACRES OF NORTHERN SPOTTED OWLS (million acres)

	USFS	BLM	NPS	Misc.Fed.	Non-Fed	Total
CALIF	5.43	.33	.08	.021	8.42	14.2
WA,OR,CA	19.4	2.6	2.03	.168	32.74	56.94

Draft SEIS abbreviation of Table II-2, p.II-21



Within this acreage, 24.3 million acres or 43% are federally managed leaving a significant 57% which is non-federal with only a small amount of land that is not in private hands. In California, 59% of the land base is non-federal land.

For almost 20 years the northern spotted owl was listed as a management indicator species in the forests of the Pacific Northwest and northern California. Scientific evidence mounted over that period of time that the owl population was declining as a result of serious and unsustainable overcutting of the old growth. As owl habitat continued to decline, it was clear that the loss of old growth represented destruction of an entire forest ecosystem. The Forest Service (USFS) ignored these signals. After protracted litigation the U.S. Fish and Wildlife Service (FWS) listed the owl as a threatened species.

Following the listing a federal judge placed an injunction which prohibited cutting of owl habitat on federal lands until the Forest Service produced an appropriate management plan which complied with both the National Forest Management Act (NFMA) and the National Environmental Policy Act (NEPA). There is a popular misconception that the ESA was responsible for the court injunction but the fact is that the Forest Service lack of compliance with NFMA and NEPA resulted in the injunction being issued.

Following the court injunctions, a federally appointed interagency scientific team undertook a preliminary study of the species associated with old growth. The Scientific Advisory Team (SAT) report found that 667 species were dependent on old growth and potentially at risk based on past forest practices. This work provided sound science for what had long been proposed; owls are but an indicator species for an entire forest ecosystem.

## SCIENCE AND LEGISLATION

In 1990 under the direction of Jack Ward Thomas, Senior biologist with the Forest Service an Interagency Scientific Committee prepared a report on the northern spotted owl. The owl was an indicator species for the health of the ancient forest. Results show that the owl was not doing well based on the destruction and overcutting of old growth. GIS maps indicated that on national forest lands, less than 5% of the old growth forest remained. Private lands were not involved here.

Recognizing the need for a scientifically based approach, two congressional committees requested a scientific study of the northern owl forests. In California this meant the Klamath, Shasta Trinity, Six Rivers, and the Mendocino. The study was again directed by Jack Ward Thomas, chief Research Biologist, USFS; Professor Jerry Franklin, University of Washington; Professor Norm Johnson, Oregon State University; and John Gordon, Dean of the School of Forestry at Yale University.

In October 1991 the Portland Panel, often called the "Gang of Four" reported 14 options to the joint committees. The higher the number the greater the degree of preservation of the old growth ecosystems. The panel was clear that their role was "to propose" and the politicians would "dispose". After all in addition to being scientists, these men were also superb diplomats.

Legislation was crafted by Chairman George Miller of the House Natural Resources Committee H.R.4899 which endured glorious battles but was still at war when the 102nd Congress ended.

### CLINTON FOREST PLAN

Shortly after President Clinton was elected he announced his intention to solve the crisis in the forests. The Forest Conference convened on April 1, 1993 and after a day of listening the President appointed a number of teams and announced that he would have a forest plan prepared in 60 days. Again, Jack Ward Thomas was called upon to direct the Forest Ecosystem Management Assessment Team (FEMAT) which in intimate circles was referred to as the Gang of 50. Last month, that plan was produced in the form of a draft Supplemental Environmental Impact Statement (SEIS) as required under NEPA. In addition there is a companion 1200 page appendix produced by FEMAT with detailed scientific information. Updating earlier information, the FEMAT found that instead of 667 species associated with old growth, there are 1,084 terrestrial species in addition to 15 functional groups of arthropods which may include up to 10,000 individual species plus the fish.

This draft SEIS is not a final plan but represents the commencement of a process of public comment which will continue until October 28th. After incorporation of public comments a final document will be issued. By engaging in this process, the Clinton administration has undertaken to resolve the contentious war in the forests. The EIS is an important beginning but requires significant strengthening. The plan synthesizes the work of preeminent forest scientists and emphasizes the need to create large ancient forest reserves to protect a multitude of values. The plan also links forest management policy with the catastrophe that has struck the west coast fishing industry.

Again, the draft SEIS is but a starting point for a process which will produce a set of forest plans to manage the northern spotted owl forests of northern California and the westside forests of Washington and Oregon. There are 10 options proposed. Unlike the Gang of Four report, the higher alternatives are less environmentally desirable and two are illegal. Both Options 7 and 8 would be in violation of existing laws. Option 7 is primarily Forest Plans which were ruled inadequate by Judge Dwyer and led to the injunctions in the first place. Option 8 is inadequate according to the courts based on its limitation to Forest Service land. The preferred alternative by the administration is Option 9 which has already been submitted to Judge Dwyer so that the injunctions will be lifted. Environmentalists are

not planning litigation on the draft SEIS. We are going to work for a superior alternative through the process described by law.

#### **KEY WATERSHED APPROACH**

The scientists recognized the strong need to link forest management with fish. At present there are 314 at risk salmonid stocks of which only 55 are on non-federal land. Four populations are listed as threatened and endangered but the Sacramento winter run chinook is within the range of the northern spotted owl but mainly in private land.

Ecosystem management is most successful when **all** landowners participate meaning both federal and non-federal. Regardless of how well federal managers function, the fish do not understand that they should not cross into the private land boundaries. Incentives for nonfederal landowners and regulators are not always apparent. The ESA has several mechanisms. Section 7 consultations with regard to listed species could come earlier in a process to avoid "jeopardy" consultations. The process concerning watershed planing is intended to facilitate working with the states for improved clarity in section 4(d) rules which involve the "take" provisions of the ESA.

Best Management Practices (BMP) are tactics used to protect water quality and the beneficial uses of water for fish and water-dependent wildlife on state and private lands. Both Oregon and Washington have forest practices acts and regulations that on paper include BMPs intended to protect aquatic riparian habitats. Unfortunately, California's Forest Practices Rules have not been certified as BMP under the Clean Water Act. Actually, the EPA accepted the BMPs with the condition that the Board of Forestry amend current Forest Practice Rules to meet the EPA standards. This has not been done. As a matter of fact in the past year the Board decided to allow a mere 60 days for review of timber harvest plans. It is a true disservice to private timberland owners not to deal with issues upfront and to take responsibility for maintaining a viable fish population. The degradation of California rivers and streams is all too apparent from a recent study that by the Regional Water Quality Control Board. A review of 174 rivers and streams showed that 88 sites were impaired thereby creating a deteriorated aquatic ecosystem.

#### **LOGGING IN CALIFORNIA**

Much has been stated this morning about the decreased level of timber available under the proposed options. In 1992, in the northern owl forests 216mmbf were cut plus an additional 65mmbf in salvage. Under Option 9, 152mmbf is recommended. This decrease does not discuss private land cutting which has actually increased from 1.6bbf to 1.8bbf in the California owl forests. Whatever is happening, the private cuts have not been impacted. In addition, the Sierra forests had a cut of 595mmbf and an additional 304mmbf

in salvage. The Sierra forests had more than three times the cut in the northern spotted owl forests of California and the Sierra is completely unaffected by this document. (This does not include all the private logging in the Sierra.)

## **EMPLOYMENT ISSUES**

Data in the report<sup>1</sup> for California reports that there were 13,900 jobs in 1990 and 11,300 jobs in 1992. Regardless of which alternative is adopted there is a loss of 1,000 jobs or less. In the old radio series, the Lone Ranger, the introduction spoke about a "return to those thrilling days of yesteryear..." Unfortunately, the logging industry has adopted this theme and provides these enormous employment decreases based on numbers of the past. The timber industry regularly promotes outrageous unemployment numbers to obscure the hard realities of doing business in a highly competitive market. The bottom line is that between 1979 and 1989 more than 26,000 West Coast timber workers lost their jobs due to increased exports of raw logs, increased labor productivity, improved plant efficiencies and a shift of production to southern states. At the same time, the timber industry cut more trees than ever before, continued to increase production of lumber and plywood, exported a record amount of raw logs and managed to reduce its labor force and trim wages by 17%. All of this before the spotted owl was ever placed on the endangered species list.

A few county budgets have had a major dependency on federal timber receipts. The time is long past to uncouple the timber receipts from the counties and increase the Payment in Lieu of Tax, PILT as it is called. In that manner, the county receives revenue for the federal lands but not for the numbers of trees cut down.

Recreation, restoration, and alternative forest products provide other approaches to sustainable economies in rural communities. Although the impact on each region may be small, the micro impact on a specific community can be great. For this reason, President Clinton has proposed a \$1.2 billion economic assistance package which will provide future employment and is an essential part of restoration efforts in the degraded riparian zones. Unfortunately that package is mired in congressional gridlock.

## **RECOMMENDED CHANGES**

First would be a support for Option 1. However, even if Option 1 is not chosen, there is a need for ancient forest reserves, not the pseudo system proposed in Option 9.

<sup>1</sup> Table VI-16 on p.S-18 DSEIS

The reserves are inviolate and must prohibit all logging related operations including salvage, thinning and road building. The reserves must include all important watersheds; all roadless areas, and the most ecologically significant ancient forest. Logging and thinning are allowed everywhere including at least 20% of the remaining unprotected ancient forest. The result would be significant loss of the little old growth that remains. This is so-called *new forestry* or *voodoo forestry*, which belongs in the new forests since it represents an experimental approach. We have too little ancient forest habitat left to risk loss of species. As Dr. Jerry Franklin stated at the Forest Conference, "We can't grow old growth!"

Protection is needed in the riparian zones outside of reserve areas. The Scientific Analysis Team (SAT) proposed details for the size of buffer areas in which no logging would be permitted. The SAT recommendation is needed in the final plan.

Option 9 does not provide a high viability for populations of both fish and wildlife. Alternatives one and four would do far better. Management activities outside of reserves, that is within the matrix areas should retain the "50-11-40" rule which provides habitat conditions for spotted owl dispersal. Non-reserve lands should be managed on a minimum of 180 year timber cutting rotation.

Adaptive Management Areas are quite vague with regard to both process and rules. The final SEIS should affirm the right of every American to participate fully in decisions affecting our public lands. Local groups should have an advisory capacity and not complete authority. The management of such areas must be subject to existing laws and involve full public participation. In California two such zones are proposed: Hayfork in the Trinity National Forest has 400,000 acres and the Goosenest District of the Klamath NF with 160,000 acres (east of I-5 and north of Mt. Shasta).

A monitoring provision should be included as numerous untested assumptions are included. The final SEIS must also "insure" that wildlife species have a very high probability to survive over the next 100 year period. This is not new, this is a NFMA standard which has not been adhered to.

#### **ADDITIONAL IMPACTS ON CALIFORNIA**

There is a grave need to dispel a major myth concerning the present status quo. The most important issue is that this is the beginning of a process where the end product could be different by the final SEIS when the public comments are incorporated. The directives in the draft SEIS apply to federal forest lands only and private lands are not included. In California there are 18 national forests and only the Klamath, Shasta Trinity and Six Rivers are involved. The 10 national forests in the Sierra Nevada are not included.

Originally the FWS designated 11.64 million acres as critical habitat for the owl. Reevaluation and economic considerations have led to the present 6.88 million acres. Utilizing the same framework, critical owl habitat in California was reduced from the original 3.26 million acres to 1.4 million acres which reflects a decrease of 56%.

#### RECOMMENDED ACTIONS: CALIFORNIA LEGISLATURE

- ▶ Enact a resolution supporting the recommended changes in the Clinton Forest Plan including: inviolate reserves of old growth; increased riparian protection zones; and assured viability of all species across the landscape.

- ▶ Enact a resolution supporting the economic assistance package of \$1.2 billion over the next 5 years.

- ▶ The Legislature should commit to the importance of old growth forest protection is needed and the pending rules established by the Board of Forestry will not adequately do the job. Legislation is required that would mandate preparation of an Environmental Impact Report (EIR) for all timber harvests with blocks of old growth that exceed 20 acres. The present Timber Harvest Plan is inadequate to analyze the multitude of values in old growth areas.

- ▶ Additional legislation is needed on private forest lands to enact the "50-11-40 Rule as well as enhanced protection in riparian zones as proposed in the President's plan meaning buffers of: 300 feet alongside Class I streams, 150 feet along Class II which are permanently flowing and buffers of 100 feet would be adopted on all intermittent streams.

- ▶ Join with the congressional delegation and work to uncouple timber receipts from county budgets and replace those "feast or famine" monies with a reasonable Payment in Lieu of Tax.

#### CONCLUSION

California has a major role to play in this forest drama. We urge you to show leadership and rise to the challenge. Less than 10% of the ancient forests are left. Our knowledge is incomplete. For once let us err on the side of preservation and hope that we are not too late.

Testimony of Richard Hargreaves to Senate Natural Resource Committee on Option 9:

Option 9 means massive job dislocation. Other options developed by scientific panels would have led to less economic and social dislocations such as Option 7. Equally troubling is the blatantly political manipulations of both job loss estimates and the amount of economic assistance available to dislocated workers and their families. Instead of reporting the actual economic consequences of the decision, the Administration decided to deceive the public by only reporting the direct job loss. This ignores the indirect job loss which also will occur.

When the timber town loses 10% to 15% of their income, other merchant's businesses will be forced to close. Department plan direct harvesting at an average of 1.2 billion board feet. The Clinton administration is sorely mistaken if it believes that an 85,000 job loss resulting from an 80% reduction in historic harvest levels will tidy up the severe economic and social problems devastating the Pacific Northwest.

The Administration social economic retraining package is a strawman. According to Peter DeFazio, a Democrat of Oregon, asserted during the hearing, "There is a mythical \$500 million out there." Most of the package's funds are already appropriated through other economic programs.

In addition, funding for the program requires congressional approval, which likely will prove difficult given federal budget constraints. Worker retraining funds are drawn from the Job Training Partnership Act discretionary fund and thus perpetuate the

same old programs that are short term and ineffective at moving dislocated workers into high-wage, high-skill jobs. Nearly half of the entire package is devoted to forest restoration. Unfortunately, the restoration program does not create many jobs - and the jobs that it does generate are season and/or short term.

Past efforts to do this same thing with workers to try and relocate them have proven failures. The Cal Tree project in 1984 is a good example. So was the retraining program for the workers that were dislocated in the Redwood Regional Park. Most of these people returned, or never did obtain jobs outside of the area.

Option 9 calls for spending about \$9,500.00 per worker. Missing, of course, is any type of income support, mortgage support, retirement or ironically health insurance coverage for workers undergoing the minimalistic training. For those workers not capable, or willing to be retrained, they have promised three years of work in Enhancement programs. What happens in the 4th year? Will most rural labor markets be still clogged with large number of unemployed workers at high rural unemployment rate. No guarantee exists that the public works jobs will be anywhere near where the dislocated workers live. No guarantee exists that dislocated wood workers will even get these jobs and no guarantee exists that dislocated wood workers could do these jobs and would be retrained to succeed in these occupations. Do wood workers want retraining? Absolutely. Do wood workers deserve income support while being retrained? Absolutely. Should timber towns receive help to mitigate the loss of payrolls and income tax income?



Page 3

Absolutely.

Studies in Oregon on the closure effects, the mill in Coos Bay shows the local communities are going to have to come up with a lot of money for increased crime. In one of the studies, it showed that there was a 31.3% increase in eight major criminal offenses after the mill closure, including spousal abuse, suicide, robbery, assault, drunkenness, disorderly conduct, burglaries, motor vehicle theft and arson. Without any income, how are these communities going to afford increased police and medical facilities to handle these things.

Option 9 provides no protection from additional lawsuits, no short term harvest activities, no gradual wrap down in harvest levels permits continued log exports spends more for business, 600 million and for workers 400 million.

Another glaring flaw in Option 9 is the administration did not include pulp and paper job losses in the overall job loss estimates. The administration claimed that 28,000 jobs in the paper industry are not the issue over the long term. Yet the Pacific Northwest pulp industry is totally dependent on chips derived from manufacture of solid wood products. Pulp mills reduced output if timber harvest is decreased, thereby sacrificing thousands of additional jobs. One company has already closed two pulp mills in the State of California with a loss of several hundred jobs.

Page 4

This report also ignores more than 50 years of history where the Federal Government promoted the creation of timber dependent towns for timber workers. The wise suggest when given lemons, make lemonade but in this case, Option 9 is still a bitter drink to swallow.

**International Woodworkers of America**

Local Union No. 3-469



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