

Kelly Kreps,

Kreps Ranch LLC

421 BZ Glenwood Hwy, White Salmon, WA 98672

kellykreps@gmail.com

509-493-2840 wk 541-490-1886 cell

Testimony on: Failed Federal Forest Policies: Endangering Jobs, Forests and Species, May 21, 2012

The Kreps family homesteaded in Western Klickitat County in the State of Washington in 1883. They started as a cattle ranch with 160 acres. Today, my two brothers and I run the 6400 + acre cattle and timber ranch. Besides the three of us, we have two full time employees and also use some seasonal help.

We started actively logging in 1989. In 1990 we were hearing about the Northern Spotted Owl, but this did not concern us much because he liked old growth forests on the other side of the Cascade Range (west side) according to the biologists. Our timber was second growth with some pre-merchantable stands. Besides, federal guidelines limited harvests on private property of the 70 acres adjacent to the owl nest during the mating season.

The problem with the endangered species act is that special interest groups in a liberal State like Washington have a lot of power and so the State of Washington now tries to maintain 2500 acres of habitat for each owl nest site. With these circumstances, by 1992 we had about 400 acres restricted for owl habitat. I wrote a letter to the Washington Forest Practice Board at that time suggesting that the property be leased by the State or Federal government, whomever was responsible for implementing the owl recovery on private property (attachment A). I did receive a phone call (unofficial) sometime later, and the person told me that if the State paid what I suggested to every private property owner who was maintaining owl habitat, the dollar value would break the State.

Currently we have approximately 550 acres of timberland restricted for spotted owl habitat. This has grown since 1992 mostly because the State of Washington has a statewide HCP (Habitat Conservation Plan) and that enables them to harvest timber that is habitat in one owl circle because they have property somewhere else in the State that now can be considered habitat and that leaves the burden of habitat back to the private property owners.

We are small forest land owners with 3200 total acres of timber. Only about 1600 acres of this would be prime timbered ground (good soil, mild slope, etc.). The proposed new Federal Critical Habitat listing would restrict an additional 660 acres of our timberland. If this does take effect we would then have

1210 acres of timberland reserved for owl habitat that we would then be maintaining for a public resource. Eight hundred acres are part of our prime timberland.

With the potential loss of this additional timber base, we as a business will most likely have to lay off both of our employees. Our timber is our primary source of income and has subsidized our cattle operation 8 of the last 10 years. Not only will two of our full time employees be affected, but this has a trickledown effect. We do our own logging except we hire mechanical felling and we get independent log haulers to ship our trees to the mills. When we harvest less timber, we buy fewer seedlings to replant. With fewer acres to harvest, we don't need to upgrade equipment as often.

We were strongly urged by a logger and friend in 1992 to clear cut or at least cut below habitat standards all of our timberland that was not affected by the owls at that time. We chose not, because that is management from fear and not best management practices which we have tried to do on our ranch for over 125 years. However, with the current proposal I feel that anyone that does not manage their land so that the ESA or any other bureaucratic policy that many inhibit them is probably a fool. This type of condemnation without compensation should be illegal. If a public resource is to be protected by private property owners, then the public should have to lease these resources. This not only affects jobs, but it affects lively hoods that have been passed down through generations. We are part of the few, which still use and grow our natural resources as a way of life. My brothers and I hope that our children, the 6th generation of Kreps', will be able to follow in our footsteps. With the continuing squeeze on private property owners to protect public resources as deemed by a specialist, it can be crippling. If every person in the United States had to donate \$10 for every \$100 they spent to protect public resources on private property, I think there would be a lot less regulations and habitat protection on private lands. Perhaps the public would prefer protecting those resources on the lands they currently have.

Thank you for your consideration.

Sincerely,

Kelly Kreps

April 22, 1992

Washington Forest Practice Board,

I strongly urge you to consider the economic factor before listing any more species as an endangered species in the State of Washington. I feel any private property that would be or is affected by an endangered species that restricts its use, should be compensated by either the United States Government, State of Washington, or the Washington Department of Wildlife, whomever is responsible for its implementation.

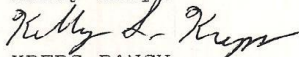
The Kreps Ranch as of today has almost 400 acres restricted from logging by two pairs of Spotted Owls. This land has a dense stand of second-growth Douglas Fir. The trees need to be thinned now because they are too thick and cannot grow to their potential.

I have figured that we are loosing a minimum of \$525.00 per acre per year of potential revenue on our spotted owl land. I came up with this figure by using the current log market, growth rate of thinned stands versus its current rate, and the lose of much needed grazing.

Before the State of Washington decides to list any more endangered species, they should figure out how they would be able to come up with the money to LEASE the private ground that they are and would be restricting the use of.

I suggest you make a bill that the people of this state could vote on in November to see whether they wish to include private property to help maintain endangered species habitat. If so, then an endangered species tax needs to be applied to all the people of this state to compensate the private land owner.

Kelly Kreps



KREPS RANCH
421 BZ GLENWOOD Rd.
WHITE SALMON, WA 98672
(509) 493-2840

15000 bf per acre

harvest 10,000 bf per acre

10,000 bf x \$600 per mbf = \$6,000 per acre

\$6,000 at 6% interest = \$360 /acre/year \$360

remaining 5000 bf increases growth rate by 5%/year

5000 bf x 5% = 250 bf

250 bf x \$600/mbf = \$150 \$150

grazing lose of a minimum of 3 AUM's/acre

3 AUM's x \$5/AUM = \$15 \$15

LOSE OF REVENUE per ACRE per YEAR \$525