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Testimony on “Failed Federal Policies: Endangering Jobs, Forests and Species”
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Sadly, too many politicians and agency administrators are unaware that not all forest land is owned by an industrial company, a public agency, or a Native American tribe. Far from that is the truth. In Washington State there are over 215,000 family forest landowners that own nearly 20% of the state’s 16.1 million acres of commercial forest land. Nationwide, the number is 59%. These family-owned forests are nurtured and managed with the care and attention that comes only with personal ownership and love of the land. These family forests contribute immensely to the economic, social and environmental health of local communities.

One might logically believe that fostering the vitality and vibrancy of family forests would be an imperative goal of our nation’s federal forest management policies. If in fact that is true, our federal forest policies of the last three decades have failed miserably, resulting in the endangering of jobs, forests and species.

In this testimony I will describe 1. The failed Family Forest Habitat Conservation Plan (FFHCP), 2. The effects of the failed federal agencies policies, and 3. The effects of the failed Northwest Forest plan and its economic and social ramifications to the rural counties in which these forests are located.

The first is an example of our federal agencies’ stubborn refusal to embrace and fully employ the processes embedded in the HCP provisions of the Endangered Species Act to support and incentivize ownership and sustainable management of family forests.

Designating additional acres of critical habitat for the Northern Spotted Owl (NSO) as the U.S Fish and Wildlife suggest in their current public registry notice is the wrong path to follow. That type of action will only create disincentives for landowners to grow and maintain NSO or for that matter any type of species habitat. Forest land owners are getting weary of the federal services’ inability to work cooperatively with them, and see this current habitat designation as another misguided policy that will backfire causing additional species habitat loss across the landscape.

Until recently, a more rational approach to species conservation was utilized by the Services and landowners. Under the Habitat Conservation Planning (HCP) process landowners and Services staff negotiated numerous conservation plans that allowed sustainable forest management while creating and maintaining species habitat.

In 1997, the Services invited a small dedicated group of family forest landowners in SW Washington State to participate in developing an HCP on their individual forest ownership. Four family forest landowners stepped up to work with the services at the services request. I was the only family forest landowner out of the original four in that

was successful and endured the over 6 years of working with the services in 2004 in obtaining a HCP for my then 144 acres of forest land in SW Washington. In fact I believe I am the only family forest landowner in the nation that has been successful in receiving a multi-species 80 year HCP in 2004 after working with the Services for over 6 years. My forest land is named the Tagshinny Tree Farm, which is a Gallic term that meaning "Home of the Fox". Our agreement includes a combination of a Safe Harbor Agreement (SHA) that covers the NSO, Candidate Conservation Agreement with Assurances (CCAA) with USFW, and a Low Effects HCP (LEHCP) with NOAA.

The reasons I was determined to get my HCP was because I wanted to provide my family with a long term forest management plan into the future that provided certainty to my family. But also I and my family truly want to provide certainty for the species that currently did or could inhabit my land in the future. I didn't want to be managing my forest land in the fear of having ESA species on my ownership but rather I wanted to be able to welcome any and all species that lived or came on my ownership. I had seen the ESA listing in the 1990's when the NSO was listed and how it had affected the psyche of forest landowners by driving them to "Manage by Fear". Fear that a species would inhabit their property and that their property and investment would become worthless. Also fear that if they created and providing habit for ESA listed species on their property they would be punished for doing the right thing.

My children as many other forest land owner's children have been discouraged by what they see as a very negative image of being a forest landowner that continues to be betrayed by many out of touch environmental organizations. The continued lies and mis-truths that those groups have and continue to spread have poisoned future generations minds. The continual misrepresentation of forest landowners has twisted the truth to a point where many heirs don't want anything to do with forest ownership as they have been brainwashed that growing and then harvesting trees in a sustainable manner is a bad thing.

In 1997 after the four original forest landowners in Lewis County Washington stepped up to work with the Services it quickly became apparent to the Services that they didn't have the staff or ability to take on the HCP planning process on a one on one bases with family forest landowners. So the Services suggested that the Family Forest Foundation (FFF), Lewis County government work with the services and the family forest landowner in that county to develop a County wide programmatic HCP. The concept was that Lewis County would be the permittee of the HCP and willing landowners would be included into the plan with the use of a certificate of inclusion. Landowner participation into the HCP would be on a volunteer basis and those landowners that were not interested in participating would simply continue to follow the current set of rules and regulation that they were already following. The Forest and Fish agreement which is the state wide HCP that was implemented in 2000 included a clause that allowed landowners that entered into HCP's to replace portions of the state wide HCP with their negotiated prescriptions. After investing over 4 million dollars of public and private funds, enduring countless meetings and participating in independent scientific review processes the Family Forest Foundation in cooperation with Lewis County submitted the Family Forest Habitat Conservation Plan

(FFHCP) to the Services in 2007. After sitting on the application for nearly three and a half years the Services issued a Notice of Receipt (NOR) and requested public comment on the proposal in early 2011. Lewis County and the FFF have not received any communications from the services about the results of the NOR. Lewis county and the FFF have repeatedly requested copies of the NOR comments that were submitted, but the Services refuse to allow us copies of the written comments. How and why have the services been allowed to stonewall us and not provide us with that information? We even filed a FOIA request in an attempt to find out the breath of the comments submitted on the NOR but the services have only provided us with minimal amounts of information. The Services are clearly not following the intent of Section 10 of the ESA or the written policies of the Services as stated in the HCP Handbook. When and who is going to make the Services accountable? The FFHCP, if implemented, could provide an enormous incentive to Lewis County landowners to help encourage them to keep growing trees while providing quality species habitat across the landscape rather than develop their land to other nonforest uses. Family forest landowners are struggling to stay on the landscape and need an alternative to the “one size fits all” Forest and Fish agreement, like the customized FFHCP if they are to continue to keep their land in forests.

I believe the Services are negligent in their duty by not working with Lewis County and willing landowners to develop the FFHCP. Rather they undermine and demoralize the very land owners they are charged to work with. Additionally the Services are negligent in their duty to the species by not understanding that continuing to not provide incentives and alternatives that the ESA is designed to provide only drives landowners to not manage their property for increased species habitat. I do believe that sustainable working forests are compatible with species protection but a landowner that is growing a crop for 50-70 years needs to have some level of certainty in order to feel comfortable about continuing to invest in forest ownership for decades.

Here we are almost half way through 2012 and the Services to date have yet to render a decision on the FFHCP. Off the record we have been told that there will be no more forestry HCP's for coverage of aquatic species on private lands in Washington State because of the state wide Forest and Fish HCP agreement. We were also told by the Services that family forest landowners don't need a HCP because we don't have any ESA species issues. Now we have the Services wanting to designate additional NSO habitat on private land. Clearly, the HCP process in this region is broken. It's not that the ESA has changed, but rather it's because the Services staff and leadership has changed and they have decided they don't want to do HCP's with family forest landowners in Washington State. They don't want to abide by the ESA as it was intended to be implemented. They have decided in some dark room somewhere that they are not going to work with landowners that are interested in doing HCP's. Rather the current staff and leadership have taken upon themselves to basically rewrite the ESA and deny what is rightly due willing landowner. We need new leadership in these agencies that will work with and not against forest landowners with voluntary incentive based solutions. Putting a gun to our heads demanding more of our forests is not going to work. When are you the Congress going to hold these out of control bureaucrats accountable for their actions?

Aquatic species conservation in Region 1 (Washington, Oregon and Idaho) is an enigma to say the least. Salmon lead the list of species under protection and spend the majority of their life cycle in the ocean. As an example when they swim inland up the Columbia River regulations vary greatly depending on the direction of travel. If the fish swims into Washington State the regulatory rule book for aquatic species conservation is four inches thick. Site potential tree height buffers as wide as 200' protect even water that doesn't have fish but could in the future be potential fish habitat. If the species swims south into Oregon the rules are considerably less, and if the fish can make their way past all the dams to their home in Idaho the regulations are even less.

Where is the credit for Washington forest landowners for stepping up and agreeing to the Forest and Fish agreement HCP? The riparian buffers that are being left along all the streams in Washington State in **perpetuity** should be considered as available habitat for the NSO. Washington's agreement is called the "Forest and Fish Agreement" and as such does and will **forever** provide habitat for many upland species and should be part of the equation when calculating future available habitat for the NSO.

In the last 12 years since the NW Forest Plan (NWFP) implementation the Forest Service has done a dismal job of meeting their allowable cut goals of the plan only producing 2% of what was agreed to in the NWFP. Continued pressure and threat of lawsuits from out of touch enviro groups have paralyzed the Forest Service. Comparing the Washington State DNR state lands average return of almost \$400 per thousand board feet to the Forest Service's average return to the US Treasury of less than \$10 per thousand board feet, one has to conclude that Forest Service management has been a disaster. As a result of the Forest Service's inability to harvest the timber that they should be harvesting the large log milling infrastructure of the state has been decimated by the lack of available timber volume. Consequently private forest landowners in Washington State don't have any place to sell their large logs. Previously, growing your timber older, larger, and longer was better. Better in the sense that a landowner would get more for their logs at the mill and they could grow bigger and better habitat for the species. But because of the lack of milling options today landowners actually are penalized and get paid less for their larger logs. This phenomenon is driving landowners to grow their tree on a shorter rotation or be punished by reduced income for growing a longer rotation. In the past many family forest landowners enjoyed and were more than willing to grow their trees to 70 or 80 years of age creating older succession type timber. Today with the lack of large log milling infrastructure the incentive to grow timber on a longer rotation has disappeared.

From the perspective of private forestland owners, federally driven constraints on management of forests both private and government controlled has been a dismal failure. Evidence the serious increase in mill closures since 1990 reported by Ehinger and Associates. Mill closures have mostly been caused by drastically reduced National Forest timber sales due to the listing of the NSO. With this precipitous drop in milling infrastructure thousands of jobs have been lost and the NSO has not been recovering in numbers or increased its range.

Private forest landowners have been forced to stop growing what could have been ideal NSO forest habitat. Large log sawmills are closing and the forest industry has had to retool to cut smaller, more uniform saw logs to remain competitive in the global marketplace. The loss of a sustainable supply of large saw logs from USFS lands forced the milling industry to adapt to milling only smaller logs; logs which come from smaller trees, younger forests. These **younger forests, smaller trees, and reduced NSO habitat are then a direct result of the failure of the NSO Recovery Plan!!** Evidence all of the habitat destruction caused by stand replacement wildfire that has occurred on USFS lands since 1990. Evidence the Arizona and Colorado wildfires burning out of control today, May 2012! Forests are dynamic and ever changing; so by them setting aside or “preserving them in perpetuity” does not guarantee the ‘banking’ of that habitat.

By restricting USNF timber sales of large logs, in a misdirected attempt to save the owl, the government agencies have actually reduced the available acreage of potential NSO habitat except on Habitat Conservation Plan (HCP) Lands.

Over time the cumulative effects of increasing regulatory constraints on forest management reduce yield and the incentive for private forest landowners to continue providing the goods and services society has come to expect from them (clean air, water, wood products, tax receipts, etc.) Private forestlands in the United States exist in our capitalist, democratic country because of the rights bestowed us in our US Constitution. The incentive to profit from the production of forest products is what drives investment in forestland. This is the American way!

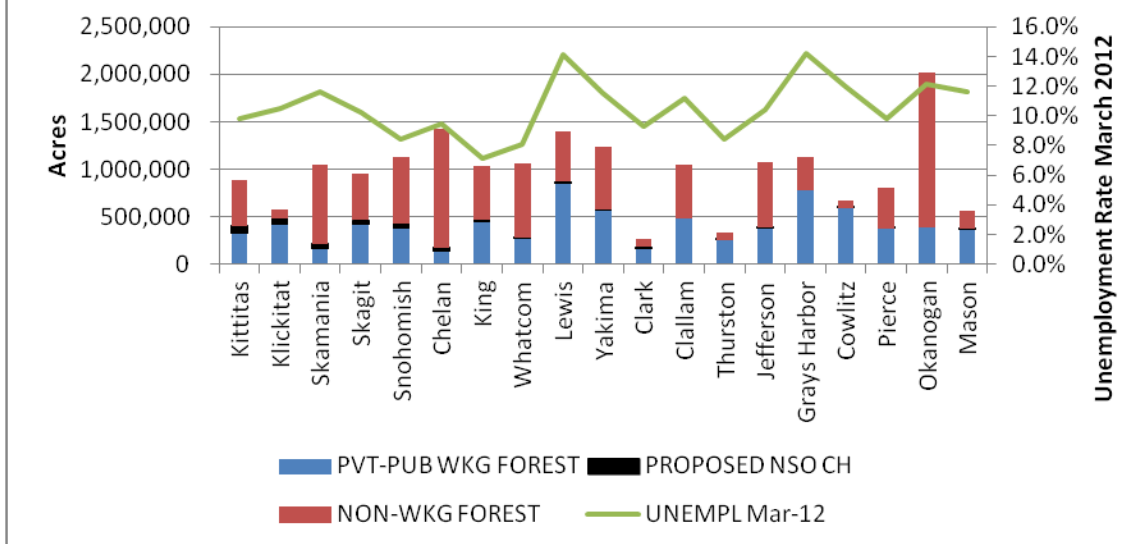
If the profit motive is taken away by the piling on of more and more regulations, ultimately these ever increasing constraints will eventually render forest management uneconomic and these forestlands will be converted to other uses that provide greater economic opportunity. These alternative uses normally degrade wildlife habitat quality from that provided by managed forests.

There are ways to overcome these blunders.

- Promote HCP’s; individual or programmatic (provide fast track templates)
- Include economic analysis of costs in terms of harvest yields and other costs
- Mitigate these losses and compensate for government takings of private property
- Minimize constraints on private lands
- Promote incentives to provide habitat

Below is information that shows the impact on Washington’s working forest and was derived from the State Wide Data Base. In summary the information below shows that there are currently a total of 1,615 landowners that own 10 acres or more that would be affected by the additional 150,000 acres of habitat that USFW is currently proposing. The economic effects, in an already dismal employment picture, of increasing the critical habitat designation will be the further crippling of already struggling rural counties.

Pub-Pvt Forestland in 19 Counties with Proposed NSO Federal Critical Habitat of 422,795 ac. on Washington's Working Forests



Size of Ownership

Acres Range:

of Landowners Affected

10-99	1,084
100-499	169
500-999	110
1,000-4,999	239
5,000-9,999	5
10,000-19,999	5
20,000 +	3
	1,615

For every 1,000 acres of working forest 12 jobs are supported paying \$523,000 in wages and \$19,000 in taxes and fees, annually.

After the proposed exclusions of HCPs and other federal agreements, nearly 150,000 acres of privately owned land remains within the federal critical habitat designation in Washington State.

- 150,000 acres of working forests supports 1,800 jobs.
- 150,000 acres of working forests impacts 1,615 landowners.
- 150,000 acres of working forests produces \$2.1 million in annual sales

CountyID	County	UNEMPL	DII	DNR TOTAL	DNR FOR	% DNR	PVT TOTAL	PVT FOR	% Pvt	PVT-PUB	NON-WKG	% FOREST	2010
		Mar-12	Jobs (200	FOREST	SET-ASIDE	Set-Aside	FOREST	BUFFER	Buffers	WKG FOR	FOREST	SET-ASIDE	harvest Vol (n
4	Chelan	9.5%	639	15,851	5,481	34.6%	125,504	19,737	15.7%	141,355	1,256,142	91.7%	10,234
5	Clallam	11.2%	2,709	151,905	41,342	27.2%	330,410	52,724	16.0%	482,316	560,213	62.8%	163,439
6	Clark	9.3%	7,267	50,457	20,891	41.4%	118,567	18,278	15.4%	169,023	84,993	48.9%	97,006
8	Cowlitz	12.0%	9,983	77,221	30,825	39.9%	514,349	96,184	18.7%	591,569	71,406	29.9%	209,846
14	Grays Hart	14.2%	7,174	81,896	27,247	33.3%	697,069	135,771	19.5%	778,965	346,591	45.3%	332,514
16	Jefferson	10.4%	875	188,121	82,967	44.1%	192,051	29,950	15.6%	380,172	694,133	75.1%	105,356
17	King	7.1%	19,694	94,428	35,586	37.7%	349,734	44,668	12.8%	444,162	566,796	64.0%	89,809
19	Kittitas	9.8%	419	87,480	10,946	12.5%	237,758	22,239	9.4%	325,238	474,958	63.5%	8,597
20	Klickitat	10.5%	2,086	69,169	27,201	39.3%	355,902	26,848	7.5%	425,071	96,872	28.9%	81,259
21	Lewis	14.1%	7,514	92,344	36,675	39.7%	761,252	153,607	20.2%	853,596	525,841	51.9%	360,722
23	Mason	11.6%	3,897	51,689	18,102	35.0%	314,769	38,013	12.1%	366,458	191,101	44.3%	104,168
24	Okanogan	12.1%	417	179,296	7,038	3.9%	207,755	19,098	9.2%	387,051	1,623,980	82.1%	25,934
27	Pierce	9.8%	13,770	23,829	7,552	31.7%	354,829	47,499	13.4%	378,657	423,615	59.7%	147,549
29	Skagit	10.2%	3,323	138,035	57,574	41.7%	278,095	36,239	13.0%	416,129	481,442	64.1%	118,487
30	Skamania	11.6%	165	72,939	42,064	57.7%	88,116	12,243	13.9%	161,054	838,758	89.3%	58,841
31	Snohomis	8.4%	12,289	132,395	55,579	42.0%	247,399	30,841	12.5%	379,793	702,331	72.9%	125,405
34	Thurston	8.4%	3,053	58,810	15,961	27.1%	196,948	27,451	13.9%	255,758	78,322	36.4%	112,311
37	Whatcom	8.1%	5,321	92,692	34,674	37.4%	173,933	20,052	11.5%	266,624	771,065	79.6%	69,201
39	Yakima	11.5%	3,183	103,703	21,848	21.1%	463,360	34,650	7.5%	567,062	651,790	58.1%	13,315
			103,778	1,762,257	579,553	32.9%	6,007,798	866,093	14.4%	7,770,056	10,440,349	65.3%	2,233,993
		0.0%	85.8%	83.3%	89.3%		70.2%	73.1%		72.8%	83.7%		72.3%
STATEWIDE TOTAL		8.3%	120,978	2,114,381	648,816	30.7%	8,553,618	1,014,121	13.9%	10,667,999	12,477,981	61.1%	3,091,259
								1,185,193	includes 2% for slopes				

The premise underlying the Services decision to shoot sea lions to save salmon was shaky at best. The more recent decision to shotgun barred owls to save its endangered spotted owl cousin defies common sense, logic and crosses into a murky moral morass where humans attempt to play god and choose which cousin shall survive. So what about the fact that spotted owls and barred owls are now cross breeding. How will the services shooters know if it's a spotted , barred or spard owl. This whole notion that we can control these species with a shot gun is ridiculous.

Natural resource agency consolidation needs to be a top priority of the Congress. Negotiating a HCP with two different agencies with two different policies is mind boggling. All they do is point fingers at each other and won't cooperate with you or each other. I believe the Congress should cut their budgets, consolidate agencies and develop an all lands approach to species conservation!

If we can't accomplish some major changes to the current system then we can look forward to a future where the nights are spent shot gunning innocent barred owls and we can watch the further fragmentation of family forest habitat by day.

Scientific efforts in political processes have taken a beating. We clearly lack processes where by the preponderance of scientific information can move forward while acknowledging dissenting opinions in a transparent manner. Instead scientific approaches fail in stakeholder processes built on consensus models where political posturing is confused for scientific debate and progress is measured in years and strict adherence to protocol. The effect of this confusion is never more evident than in the Interdisciplinary Team review process currently utilized in the implementation our

State's Forest Practices HCP. This costly and ungainly process entails representatives from USFWS, NOAA Fisheries, Ecology, Washington Department of Fish and Wildlife, affected Tribes and is spearheaded by the Department of Natural Resources Forest Practices forester. Any deviation from the current Forest Practice rule requires a visit from an ID team to determine whether or not the proposed deviation provides "equivalent function" to the current rule. These determinations often mire down in agency infighting over whose fish is the best fish etc., and rarely improve the proposed forest practice while spending thousands of scarce resource dollars per visit.

The time for regulation by committee has passed. We simply cannot afford this sort of agency redundancy in order for our regulatory system to function correctly. Forest practice foresters are highly qualified individuals well equipped to make functional determinations in the field. If additional resources are needed to make such determinations then field foresters can reach out to qualified resource professionals on a case by case basis.

Federal critical habitat designation is the wrong conservation mechanism for private forestlands. Washington's private forests are the economic engine of the forest industry. You need to remove federal critical habitat designation on private working forest lands; otherwise, we will destroy the very landowners that should be encouraged to stay on the landscape. If the landowner and working forests become extinct none of the species will survive.