Report to Forest Practices Board

November 10, 2009

Owl Group 2009

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Report to the WASHINGTON FOREST PRACTICES BOARD NORTHERN SPOTTED OWL POLICY WORKING GROUP

January – October 2009

Policy Working Group Charter[1]

The Forest Practices Board (Board) established the Policy Working Group (Group) "to recommend measures that result in a strategic contribution from non-federal lands in Washington to the broader goal of conservation of a viable population of the Northern Spotted Owl."

The Charter directs the Group to apply the following principles to its work:

- Recommendations must be based on the best available science and should consider guidance in the Federal Northern Spotted Owl Recovery Plan,
- Voluntary, incentive-based measures should be the primary focus, although the Board's rules may need to be modified, and
- Conservation contributions from Washington's non-federal lands must be economically sustainable . . . with the goal of keeping sustainable forestry as a priority land use

The Charter also states "an important objective of this process is to change the current dynamic of fear and resistance, to a dynamic of partnership and participation." To those who know these members and their history, it is clear they have made incredible strides in morphing themselves to achieve that objective.

Policy Working Group Members[2]

The Group includes four representatives from the Washington Forest Protection Association, one from the Washington Farm Forestry Association, four from conservation organizations including Audubon and the Sierra Club, two from State agencies (DNR and WDFW), one from the U.S. Fish and Wildlife Service, and one from the Washington State Association of Counties. Members and their affiliations are listed in Appendix II.

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[1] Appendix I: Policy Working Group Charter

[2] Appendix II: Policy Working Group Members and Affiliations

Facilitator's Statement

This Group emerged from the dust of litigation against the State, formed as a result of a settlement agreement mediated by Judge Robert Alsdorf. They worked hard to bridge deep philosophical differences and they worked to the last minute. They met for two days in late October, and their last conference call was on November 9.

Owl numbers continue to decline at an alarming rate and best available science shows a continuing fall towards extirpation Statewide. Events going back twenty years have formed Group members' widely differing perspectives on the issues, and on their experiences of and views about each other and the people and organizations that they each represent.

Still, the Group agreed to try to set the past aside and make the effort to come together as a creative design team, rather than a group negotiating on separate sides of the table. There were many moments when this was not possible, but there have been enough moments where most of these seasoned, skilled individuals, with varied backgrounds and opposing viewpoints, provided the right fuel mix to drive to understandings. These understandings and areas of consensus are described in this report. Also described here are avenues the group would like to continue to develop as it works to forge greater clarity and additional consensus.

Given the long history of disagreements and legal action, there are remarkably similar long term visions among the people at this table, and among even their most polarized constituents and colleagues. This group speaks for small and large forest landowners, a variety of conservation organizations, and federal, State and local government, and they all say: We want our State timber industry to survive and thrive. Through incentives we want to enhance landowners' ability to produce valued wood products and ecosystem services such as air quality, wildlife habitat, recreation, water quality, and carbon offsets. There are mountains yet to climb to build the future, but in the end the future we want is the same: We want forest landowners to WANT to preserve forest ecosystems and endangered species like the northern spotted owl, and to be rewarded for doing so.

Of course, there is less agreement on the details defining the most sure path to this lively future of working forests and conserved spotted owl habitat in future generations. This Group has found commonalities in their visions and has explored new paradigms. Even with differing missions and perceptions these often opposing, litigious groups have begun to collectively define a future that bridges seemingly contradictory economic and biological imperatives. Through struggle, an incentives approach and teamwork, this group may have weed-whacked a small path towards that future.

As work got underway, the Group was hit by a land-based Bermuda triangle: One wave was the dramatic and worsening population status of the northern spotted owl. A second wave was the global financial crisis which hit the forest products industry at a time when it was working to adjust to the costs of environmental imperatives. The third wave was the loss of four key, experienced Group members to promotions and political change. The challenge of steering a straight course through these pressures was increased by strong and differing perceptions of the role and effectiveness of science and regulation best described by the individual caucuses. In spite of these differences, the Group reached three categories of agreement:

I. Significant Areas of Agreement – Recommended Measures

The Group's consensus recommendations to you and areas of agreement are summarized here. More detail is available under Consensus Recommended Measures in this document.

1. Developed a framework of voluntary incentives to landowners for maintaining and enhancing spotted owl habitat under their ownership

2. Agreed to a comprehensive approach to fund acquisition of spotted owl habitat by land trusts, conservation oriented timber companies, and public agencies from private landowners willing to release spotted owl habitat

3. Agreed to collectively work to secure resources to fund the incentives program and gain certainty that meaningful funding to incentivize voluntary action will be pursued

4. Defined a need for research and action on the impacts of the barred owl on northern spotted owls, and took leadership to promote action by the USFWS

5. Developed a framework and process for addressing decertification of spotted owl sites during the transition to an effective incentives based structure

6. Initiated demonstration projects on the east side (Longview) and west side (Rayonier) related to habitat restoration

7. Developed the concept of a flagship project to demonstrate and test incentives options; took steps to develop a 2010 Section 6 application for funding a project in 2011

8. Reached a mutual understanding that criteria and a prioritization process for spotted owl circles is important and a process to do so can be completed by this group this year

9. Defined measures of success to determine whether intended outcomes are being achieved

II. Agreement on General Direction but Need Greater Detail for Consensus

The Group is working on additional elements that need further development and definition. They are willing to continue work through December 2009 to make additional progress in the following areas:

1. Further development of the current draft system to be used to focus incentives on the highest value habitat

2. Further development of the details of the Landowner Outreach Program, such as the implementation structure

3. Joint legislative goals to coordinate activities during the coming legislative session

III. Actions Taken and Recommendations Made to Other Parties[3]

The Group has not only been working on recommendations to the Board. It has also taken collective action authorized by the Charter which states: "recommendations may be oriented to any appropriate decision maker." The following consensus actions have been taken:

1. February 3, 2009: Letter sent to Governor supporting state matching funding for Federal Recovery Plan and funding for barred owl research

2. February 3, 2009: Letter sent to Legislature supporting state funding of the Group and support for SB 5401 and HB 1484 Riparian Open Space legislation to facilitate strategic acquisitions of northern spotted owl habitat on private lands

3. February 4, 2009: Press release about testimony to the legislature in favor of HB 1484 and SB 55401 supporting habitat purchases and easements for threatened and endangered species

4. March 24, 2009: Letter to Congress supporting use of forest biomass to produce green energy jobs and minimize risk of catastrophic wildfire by creating milling infrastructure and harnessing a sustainable supply of feedstock in rural Washington

5. March 28, 2009: Press release supporting Riparian Open Space Legislation

6. April 28, 2009: Press release announcing that Governor Gregoire signs bill to expand the Riparian Open Space Program on private forestlands

[3] Appendix III: Actions Taken and Recommendations Made to Other Parties

7. May 11, 2009: Letter to Congress supporting the Community Forestry Conservation Act of 2009 (Community Forest Bonds) to authorize municipal financing for working forests, a valuable tool towards spotted owl habitat conservation

8. August 19, 2009: Letter to U.S. Fish and Wildlife Service supporting barred owl control experiments in WA

9. September 11, 2009: Application submitted to USFWS Restoration and Recovery Programs in WA State for the Group's west side incentives project to thin young forests and extend the rotation lengths to promote spotted owl flight adjacent to the core of a productive site center

10. October 2009: Proposed CR101 for a pilot project on the east side that aims to accelerate owl habitat development and address fire, disease and economic constraints to forest practices

11. October 2009: Supported State Riparian Open Space Program application for a demonstration project for incentives to promote spotted owl flight adjacent to the core of a productive site center

12. November 3, 2009: Letter to U.S. Fish and Wildlife Service requesting budgetary support for enhancement of spotted owls in WA State in the Recovery Plan cost estimates, USFWS Budget, and other programs such as Section 6 funding

IV. Unresolved Issues

More remains to be done. The Group would like to work through December to describe and define the differences in their views about the most safe and sure road forward to their collective vision. It is possible the Group may conclude the Board is better able to resolve some questions. In that case, non-consensus recommendations with pro and con supporting statements may be offered to the Board. At this time, unresolved issues include:

1. There is not a shared certainty that voluntary measures alone will attract a "strategic contribution to viable population of northern spotted owls"

2. There is not a shared viewpoint that a regulatory backstop, beyond current state regulations, is needed to protect owl sites where landowners may choose not to participate in a voluntary program or where there is a time lag in incentives funding

3. There is not a shared belief that an updated scientific analysis is needed to help define the strategic contribution from nonfederal land; some believe existing knowledge and science the federal government is undertaking to implement the Recovery Plan is sufficient for this purpose

4. There is not a shared opinion about the value of northern spotted owl surveys on private land

V. Next Steps

This status report reflects diligent work the Group has undertaken to reach consensus and provide recommendations on difficult issues related to the conservation of a viable population of the northern spotted owl. At the last full meeting, the Group members agreed that they may be able to resolve some of the outstanding issues before the end of the year, and committed to three more full-day meetings before mid-December.

The Group requests the Board to permit them to continue work on these issues and submit a final report by the end of the year. The Group would be amenable to another presentation at the Board's scheduled February meeting, which the Group anticipates would include a presentation of additional consensus recommendations and any non-consensus recommendations as provided for in its Charter.

The following pages contain
a more detailed summary of recommendations, points of consensus,
and the status of work elements the Group wishes to complete.

CONSENSUS RECOMMENDED MEASURES TO THE FOREST PRACTICES BOARD

The Northern Spotted Owl Policy Working Group (Group) has reached consensus on this package of actions and recommendations which is to be considered as a whole. The recommendations assume a voluntary context for actions and incentives (willing participants in a voluntary process). Regulations may need to be modified to incorporate lessons from pilot projects or voluntary agreements.

I. Endorse a Voluntary Financial Incentives Program for Landowners to Achieve Conservation Goals

The purpose of a voluntary, incentives based system is to bring specific lands into conservation status (by fee title or less than fee title) to preserve and grow more habitat. Key program elements include:

A. Funding: Develop public and private funding sources to support fee and less than fee acquisitions and easements and promote ecosystem services payments to landowners that wish to retain and manage spotted owl habitat

Funds would be applied strategically to get the most conservation benefit from a dollar. Financial incentive approaches to spotted owl habitat conservation include but are not limited to:

i. Fee purchase
ii. Fee purchase via reverse mortgage
iii. Conservation easement – permanent
iv. Conservation easement – limited time
v. Conservation Reserve Program approach
- Short term 10 – x year duration
- Focused on specific habitat zones
- Focused on specific habitat models
- Landowners apply/bid to enter program
- Payments adjusted to regional market values
- Long term program designed to increase habitat
- Financial assistance to enhance/protect existing habitat

B. Legislation: Develop legislation creating funding sources and processes to manage distribution of funds

C. Prioritization: Establish a process to screen acquisitions for scientific soundness and support of regional actions

D. Ecosystem Service Payments: Promote a willing buyer/willing seller model combining traditional timber values with ecosystem service payments

E. Timing:

Short term

- Establish a Landowner Outreach Program to offer incentives for entering into voluntary agreements to conserve or restore habitat
- Establish an institutional base for fundraising, landowner outreach, and assessment of progress

Mid term

- Assist in directing incentive dollars by defining the most important lands for northern spotted owl conservation
- Promote the transition to an ecosystem based market by recommending the Forest Practices Board (Board) consider using an ecosystem service payment approach to achieve new resource goals
- Track the progress and lessons learned from the pilot thinning project and other incentive agreements, and consider whether rule changes and/or streamlining procedures could facilitate broader application

Long term

- Remove disincentives to landowners to preserve endangered species habitat
- Support non-profit efforts to develop an efficient market based system for ecosystem services

II. Support an Action Program: Outreach to Owners of Specific Land Inside and Outside of SOSEAs

The Group requests that the Board support conversations between conservation representatives, individual landowners and state agencies to develop customized, voluntary incentive packages on a landowner-by-landowner basis for specific owl sites inside and outside of Spotted Owl Special Emphasis Areas (SOSEAs). Agreements would be developed on a situation by situation basis using all available incentive tools. Agreements would define specific strategic contributions to northern spotted owl conservation, beyond the current contribution, on a short-term basis until the next version of the Recovery Plan is in place and a full incentives package is developed and funded.

Elements of the agreements would include:

A. Incentive based
B. Voluntary, opt-in, landowner based
C. Availability of a variety of tools to provide a net conservation benefit for owls, such as:
    - Research
    - Monitoring
    - Section 6 plans
    - Management plans
D. Reduced landowner concerns that preclude development of spotted owl habitat
E. Barred owl control on private lands under some circumstances.
F. Appropriate Endangered Species Act assurances, such as protection against future restrictions provided through a safe harbor agreement, and/or coverage of management activities in currently occupied owl circles through no take agreements at the discretion of the landowner and the Services.

Funding would be sought through Section 6, the Recovery Plan budget, Riparian Open Space Program Funding, and other sources. The Group is willing to further develop the details of the Landowner Outreach Program and a system to identify high value lands.

III. Promote Barred Owl Control Experiments and Research

The Group recommends the Board endorse the Group's clear stand that sufficient data exists to link barred owl populations to the survival of the northern spotted owl, and federal control experiments should begin on public land in WA as soon as possible (see Appendix III). The Group stated in its August 19, 2009 letter to the USFWS:

> "There is an urgency and opportunity for scientists and science to help understand the barred owl problem. Because of the rapid spread of barred owls and the status of spotted owl populations through much of the region we urge you to move forward on barred owl control experiments immediately, using principles of adaptive management where appropriate.
>
> The interests that underlie our group's support for initiating experiments are:
> - Making a clear statement that there is adequate information to state that the barred owl poses a threat to the survival of the northern spotted owl in WA
> - Learning which mechanisms best address the barred owl impacts
> - Obtaining more clarity about the future of barred owl/spotted owl interaction
> - Supporting the conservation and future viability of the spotted owl population."

The Group also recommends that the Board encourage private landowners to take part in barred owl control experiments and research through the use of incentives, including State and federal assurances.

IV: Continue the Current Decertification Process for Owl Sites During a Transition Period

The Group recommends that the current decertification process continue under an open ended rule with an annual review, until the revised federal spotted owl survey protocols are released and the Board resolves outstanding questions regarding this issue.

The Group recommends that after the federal survey protocol is revised, the policies associated with site decertification be reviewed by the Board in conjunction with an assessment of whether the voluntary incentives program is successful at preserving and growing spotted owl habitat. A determination will need to be made at that time whether this temporary approach should be replaced by a permanent system.

Key Steps in the Transition Period:

1. Establish regulatory assurances and procedures to assure landowners that if an owl moves in as a result of conservation and habitat management, there will be a safe harbor agreement

2. Establish streamlined permitting process under State and federal regulations for land owners who wish to conduct long term management of occupied spotted owl habitat

3. Expand available financial incentives to encourage eligible landowners to voluntarily opt in to the program

4. Establish the incentives program within a new or existing implementation structure (such as an incentives board); obtain support of initial procedures from stakeholders

5. Land within owl circles outside of SOSEAs and in habitat outside of circles within SOSEAs would be eligible for immediate consideration for development of voluntary agreements under a Landowner Outreach Program

6. Undertake a periodic assessment (every five years, but no sooner than every three years), to determine whether the incentives program has sufficient funding, participation and support to make a strategic contribution from nonfederal lands towards conservation of a viable population of the northern spotted owl, and whether sufficient progress has been made in addressing the barred owl issue to continue the incentive based habitat conservation program;

   The assessment will be delivered to the Board, which will make decisions about continuing or expanding the incentives program, and whether to pursue potential legislation

V. Initiate Two Washington Pilot Projects for Thinning and Habitat

East side

The Group recommends that the Board approve the CR101 for a pilot project in forest stands with high stem densities that limit the function and longevity of spotted owl habtat in the Eastern Cascades. The Group's intent is to demonstrate and research thinning inside owl circles inside a SOSEAs to support restoration and creation of owl habitat and secondarily to lessen fire risk and address forest health specific to the landscape.

The Group has developed the proposal for a pilot project on a parcel of Longview Timber's lands that aims to accelerate owl habitat development with management activities to increase larger trees, down wood and snags, and improve variable spacing as well as address fire, disease and economic and regulatory constraints affecting forest managers. The goal is to improve owl habitat and increase forest health in an economically viable way, while providing monitoring and research opportunities. The Group has discussed possible funding sources, including the farm bill's allowance for biomass conversion, and USFWS program funds available for listed species habitat enhancement.

West side

The Group also recommends the Board's support for a demonstration incentives project near Lower Bear Creek on the Olympic Peninsula, to encourage forest management that supports restoration and creation of owl habitat specific to the regional landscape. This project will thin young forests and extend rotation lengths to allow spotted owl flight on 90 acres adjacent to the core of a productive spotted owl site center.

The project defers harvest on this land from trees age 40 to age 50 and during the project period, allows federal or State removal of barred owls and prevents further development and road construction. Outreach and publicity of this project will be actively pursued by both Rayonier and the Seattle Audubon Society in an effort to promote this as an example of cooperation and use of ecosystem services to solve complex environmental issues in a way that addresses landowner concerns. The project was developed by a sub-group representing Rayonier and the Seattle Audubon Society. A variety of funding sources are being pursued at this time.

Group members accepted lead responsibility for pilot project elements as follows:

Industry

- Find additional projects that fit criteria for priority contributions to habitat
- Design thinning strategies tailored to each proposed project area
- Outline incentives, regulatory streamlining needs and/or government assurances needed

Conservation

- Propose conditions under which SOSEAs can be thinned, including appropriate silvicultural prescriptions, and what parts of SOSEAs are appropriate for thinning (forest stand species and age conditions, location, elevation, etc.)
- Support efforts to obtain funding to cover costs of thinning pilot projects
- Assess value of conservation benefits gained and make recommendations on if/when to expand pilot program on a longer term basis

Family Forest Landowners

- Propose a pilot project to allow small landowners to periodically manage, thin, and generate some revenue inside SOSEAs (reflect first Conservation bullet above)
- Develop funding proposal to thin in and outside SOSEAs where revenue cannot be generated but thinning is needed for areas matching the criteria

Government

- Develop assurances and streamlined processing for approving projects (if cannot streamline within current rules, request that the Board consider changing rules):
    - Streamlined procedures on the east side for thinning on priority lands (criteria above) will address critical forest health conditions and catastrophic fire prevention to protect spotted owl habitat
    - Streamlined procedures on the west side to facilitate or encourage spotted owl habitat creation and enhancement
- Examine what is learned from the pilot projects for possible proposals to update State rules and procedures

VI. Support Identification and Design of a Flagship Incentive Project

Identify and fund a landscape scale strategic area, possibly with multiple landowners, and at risk of sub-division, fire or disease which put owl sites at risk. The Group has begun to work with state agencies to prioritize and sponsor a Section 6 application to jump-start funding.

Purpose:

- Determine if significant conservation values and competitive, economically sustainable land management can be obtained via incentives
- Try out a variety of incentive and forest management concepts (Do they attract willing participants, buyers and sellers? Do they provide significant habitat improvement?)
- Aim for management that retains or enhances complex forest structure

Parcels:

- Select a suitably large strategically located landscape in or adjacent to a SOSEA to focus effort and maximize success from the incentivized parcels
- Associate with clearly functional spotted owl habitat
- Select additional east side incentives site but wait to implement until modeling results from the Federal Recovery Team Dry Forest Working Group are available

Tools:

- Everything on the table - full fee purchase, conservation easements, land exchanges, tax breaks, green certification, carbon storage, ecosystem service payments, cost share, "new forestry" demo areas, federal funds (Northern Spotted Owl Recovery Plan budget, Section 6, etc.)
- Provide regulatory assurance agreements with landowners and governments

VII. Approve Measures of Success

The Group recommends the following measures of success for the recommendations and proposals in this package. The package is designed to result in strategic contributions from nonfederal lands towards conservation of a viable population of spotted owl in WA.

Social

- Litigation (take/takings) does not occur
- Funding is sufficient to implement the proposed incentive based program
- Legislation is supported by the Policy Working Group

Economic

- No net loss of asset value on adjacent parcels due to conservation activity on private lands
- Ecosystem services markets are developed

Regulatory

- Government plans and permits are in place to implement programs
- Occupied or historically occupied habitat is conserved or restored through incentive based programs to encourage landowner participation beyond existing legal requirements
- Regulatory certainty and safe harbor are provided on a site specific basis to landowners undertaking forest management activities through voluntary agreements to protect and/or restore habitat

Environmental

- Large forested blocks managed for owls on federal or other public lands are supported by nonfederal land management on strategic landscapes (contiguous, adjacent, connecting blocks of land)
- Existing occupied habitat is conserved. Additional habitat is increased in strategic locations through incentive based programs
- Northern spotted owl population numbers are stable or increasing

GREATER DETAIL NEEDED FOR CONSENSUS RECOMMENDATIONS TO THE FOREST PRACTICES BOARD

The Policy Working Group (Group) has made substantial progress on the two proposals summarized below to illustrate the status of the Group's thinking to date, which is subject to change. The Group is willing to continue to develop detailed proposals for a) identifying high value strategic lands, and b) early action to preserve strategic sites.

I. System to Identify the Highest Value Strategic Lands

Complete development of a method for identifying, in a relative sense, what habitat is more important than other habitat, to focus incentives funds and set priorities for agreements in the event funds are more limited than landowners interested in participating in the incentives program.

The priority system could be applied for both proactive analysis and to rank or score lands brought in to the voluntary incentives program. The draft priority ranking system currently under development includes concepts such as: unregulated habitat ranks above existing regulated habitat, land close to federal land ranks above land far from federal land, or at-risk habitat (such as fire, disease) rank above not at-risk habitat.

II. Landowner Outreach Program to Preserve Strategic Sites

This program would involve partnerships with individual landowners, Audubon, and State and federal agencies to identify and develop plans for acquisition of fee title, conservation easements or conservation enhancements in those areas most likely to make a strategic contribution to the spotted owl and that are at the highest risk of loss in the short term. The voluntary actions taken by each landowner may or may not require a formal plan. Detailed owl demographic information would remain confidential.

Agencies, Audubon, and landowners would agree to support and promote funding for the program. The size and total number of agreements would be dependent on funding and agreement between landowners and Audubon/Agencies. A threshold amount of funds/ amount of acres would be sought to achieve a net conservation benefit. Options/less than fee agreements are likely tools to stretch funds during initial stages. The Group would take leadership in funding advocacy, including coordination to match funds and seeking more funding sources.

Appendix

CHARTER

Washington State Forest Practices Board
Policy Working Group on Northern Spotted Owl Conservation

I. Introduction

The Washington State Forest Practices Board (Board) is facing complex decisions regarding the role of its Forest Practices Rules (Rules) in Northern Spotted Owl conservation. Spotted owl populations in Washington have declined since the owl was federally listed as a threatened species in 1990, and the rate of decline has been greater than originally anticipated. In November 2005, the Board enacted a moratorium on the practice of "decertifying" spotted owl site centers recorded by the Washington State Department of Fish & Wildlife (DFW) and deferred several other decisions pending availability of the federal Northern Spotted Owl recovery plan. A final recovery plan is now available, and the moratorium will expire on December 31, 2008. The Board's goal is to address outstanding issues related to its spotted owl rules in a timely manner.

II. Policy Working Group

Purpose and Duties

A Policy Working Group on Northern Spotted Owl Conservation (Working Group) is established to recommend measures that result in strategic contributions from non-federal lands in Washington to the broader goal of conservation of a viable population of the Northern Spotted Owl. The Board directs the Working Group to apply the following principles in fulfilling this purpose:

- Recommendations must be based on the best available science and should consider guidance in the federal Northern Spotted Owl recovery plan. "Based on the best available science" means that current, peer-reviewed and published scientific information is sought out and carefully considered. "Based on the best available science" does not mean that only courses of action advocated by scientists are credible, acceptable solutions. However, there is a presumption that acceptable solutions will be grounded in science. The Working Group will be developing public policy recommendations, and must consider both science and policy. When making any recommendation, the Working Group should describe how the best available science was considered, and the policy bases for that recommendation.

- Voluntary, incentive-based measures should be the primary focus. The Board's Rules may need to be modified. However, the Board believes that emphasis should be placed on providing meaningful incentives for landowners to provide spotted owl habitat where it is needed and to voluntarily assist with other conservation efforts. The Board believes an important objective of this process is to change the current dynamic of fear and resistance, to a dynamic of partnership and participation.

- Conservation contributions from Washington's non-federal lands must be economically sustainable. Non-federal forestry must remain competitive and economically viable for the long term, with the goal of keeping sustainable forestry as a priority land use.
- Recommendations should include proposals that address gaps in the scientific underpinnings of Northern Spotted Owl conservation.
- Thought should be given to how implementation of recommended measures will be evaluated, to determine whether intended outcomes are being achieved.

The Board encourages the Working Group to think broadly and consider new paradigms. The Working Group should not restrict its thinking or its recommendations to the existing state regulatory program or other actions within the Board's purview. Recommendations may be oriented to any appropriate decision-maker including landowners, the Board, other state and federal agencies, the Washington State Legislature, and the U.S. Congress.

Membership

The Working Group will be comprised of at least 11 members: 4 representatives of Washington's forest products industry, 4 representatives of Washington-based conservation organizations that have been actively involved with spotted owl conservation, and 3 representatives of state government (2 Department of Natural Resources, 1 DFW). State government will self-select one of its representatives to serve as coordinator of the Working Group. The Board also will invite Working Group members to represent the Governor's Office (1 member), small forest landowners (1 member), The Nature Conservancy or other land conservancy or land trust (1 member), U.S. Fish & Wildlife Service (1 member), Indian tribes (1-2 members), and Washington State Association of Counties (1 member). It will be up to the invited organizations to determine whether they will participate in the Working Group; invited organizations will bear the cost of traveling to and from, and participating in Working Group meetings. The Board will advise invited organizations of the significant time commitment that will be required to participate in the Working Group. Rotating or alternate members are not permitted from any organization, although a replacement may be made if an original member becomes unavailable.

Group Process

The Board expects the Working Group to approach its work with a spirit of mutual respect and collaboration, and the behavior of Working Group members to be considerate and professional at all times. The Board further expects the Working Group to remain mindful of their responsibility to work on behalf of the broader public interest. The Board encourages the Working Group to adopt ground rules governing group conduct--such as those created for Timber, Fish & Wildlife--and to hold each other accountable for consistently following the ground rules.

The Board expects the Working Group to strive for consensus recommendations. However, if consensus cannot be reached on a particular topic, non-consensus recommendations may also be offered, with a discussion of advantages prepared by those who favor the recommendation and a

discussion of disadvantages prepared by those who oppose the recommendation. Each perspective will provide the other with an opportunity to review and comment prior to finalizing its discussion. Ultimately, it will be the Board's (and potentially other decision-makers) decision whether to accept recommendations submitted by the Working Group.

Working Group meetings are a part of Board process, and as such are subject to the Open Public Meetings Act (Chapter 42.30 RCW). Working Group meetings will be open to anyone who wishes to observe the meeting; however, only Working Group members may participate in the discussion and decision-making. The Working Group will not take public comment at its meetings but may invite presentations and/or accept written comments from persons with information the Working Group feels is relevant to its deliberations.

The state coordinator, one representative of Washington's forest products industry, and one representative of Washington-based conservation organizations that have been actively involved with spotted owl conservation will form an initial Coordinating Committee. The Coordinating Committee will educate other Working Group members on the purpose of the Working Group, and develop initial agendas for the first Working Group meetings. Unless extended by action of the Working Group, the Coordinating Committee will sunset after three Working Group meetings.

Requests to make a presentation to the Working Group should be directed to the Coordinator. The Working Group is under no obligation to honor any request to make a presentation. The Coordinating Committee or the Coordinator will resolve any disputes that may arise regarding presentations. The Working Group will keep a succinct, written summary of each meeting. Records created as part of the Working Group's work must be maintained; these records are subject to public disclosure, unless exempt under Chapter 42.56 RCW or another provision of law. Sensitive fish and wildlife data used by the Working Group are not subject to public disclosure, pursuant to RCW 42.56.430(2).

Working Group meetings will be held in Seattle or Olympia; retreats, field tours, or special events may be held in other locations. All Working Group meetings will be professionally facilitated.

Statements to the media will reflect group processes and positions, not the individual opinions of Working Group members.

Reporting

The Board expects the Working Group to deliver preliminary written recommendations by November 1, 2008 and final written recommendations prior to the Board's November 2009 regular meeting, and also to provide written progress reports at the Board's regular meetings currently scheduled in November 2008, May 2009, and August 2009.

Support

Logistics, administrative, and Geographic Information System support will be provided by the Department of Natural Resources Forest Practices Division.

Timeline

The Board expects the Working Group to complete its work by November 2009. However, the Board may extend the charter of the Working Group based on the submission of the final recommendations to pursue additional work based on the final recommendations. The Working Group should be mindful of earlier, significant dates including the need to prepare budget requests and request legislation for the 2009 legislative session, and the December 31, 2008 sunset date for the Board's moratorium on decertification of spotted owl site centers.

Proposed Ground Rules for
Forest Practices Board Workgroup on Spotted Owl Conservation

1) Participants agree that the purpose of the working group is to fulfill the responsibilities described in the Forest Practices Board's charter for the working group;
2) All participants bring with them the legitimate purposes and goals of their organizations. All parties recognize the legitimacy of the goals of others and assume that their goals will also be respected. The working group will try to maximize all the goals of the parties as far as possible;
3) This effort will receive priority attention, staffing and time commitments. Participants agree to spend the time in preparation for meetings, arrive in a timely manner, and be mindful of allotted time;
4) Participants will give the same priority to solving the problems of others as their own;
5) Participants commit to search for opportunities, creativity is essential for successful outcomes;
6) Participants commit to listen carefully, ask questions to understand, and make statements to explain or educate;
7) All issues within the scope of the charter identified by any party must be addressed by the whole group;
8) Participants commit to attempt to reach consensus on recommendations;
9) Participants commit to be an advocate for agreed on recommendations;
10) Participants commit to respect each other with constituencies and general public;
11) Caucuses should be mindful of how appointed participants are perceived by other caucuses -- the working group is a collaborative effort. Each participant should demonstrate a genuine commitment to problem solving and mutual respect among all the caucuses. Each caucus will ensure that their participants respect these principles;
12) Anyone may leave the process and the above ground rules, but only after telling the entire work group why and seeing if the problem(s) can be addressed by the work group;
13) All communications with news media concerning these discussions will be by agreement of the work group. Everyone will be mindful of the impacts their public and private comments on related topics will have on the climate of this work group's effort;
14) All of the participants accept the responsibility to keep their constituencies informed of the progress of the discussion;
15) Participants commit to adhere to these ground rules and hold each other to them.

Policy Working Group Members and Affiliations

Ken Berg, Manager, WA Fish and Wildlife Office, U.S. Fish and Wildlife Service. He is the U.S. Fish and Wildlife Service management official responsible for implementation of the Endangered Species Act in WA State. He participates in the Group to help ensure that nonfederal landowner efforts to manage forestlands are consistent with and support the Federal Recovery Plan for the northern spotted owl.

Shawn Cantrell, Executive Director, Seattle Audubon Society. He oversees all operations, from conservation advocacy to environmental education to finance/ administration. He has worked to represent the five thousand members of Seattle Audubon Society, as well as the broader set of conservation organizations engaged in northern spotted owl and forestry issues in WA State that are not seated at the Group's table. He accepted the assignment to develop recommendations for measures that will result in strategic contributions from nonfederal lands in WA to the broader goal of conservation of a viable population of northern spotted owl, based on the best available science and with a primary focus on voluntary, incentive based measures.

Mark Doumit, Executive Director, WA Forest Protection Association. He is the policy, political and administrative lead for the statewide trade-association representing primarily large industrial landowners. He works to implement the mission of WFPA, which states "WFPA is committed to advancing sustainable forestry in WA State to provide forest products and environmental benefits for the public. We establish balanced forest policies that encourage investment in forestland, protection of fish, water and wildlife and promote responsible forest management as a preferred land use." He accepted this assignment as the lead negotiator for the forest industry relative to the northern spotted owl federal lawsuit. His primary goal is to change the current dynamic of fear and resistance over Endangered Species Act issues, especially the northern spotted owl, which has been a point of contention for nearly twenty years. With the proper market-based incentives, and regulatory relief, private forest landowners and conservationists could become robust partners in the advocacy for protection of ESA species and private property rights.

Kevin Godbout, Director, External & Regulatory Affairs, Western Timberlands, Weyerhauser Company. He is responsible for policy development and management of external/environmental matters in the Western United States. He provides strategic direction and is accountable for business-level implementation on environmental and external issues, forest certification, internal compliance and interaction with industry and non-governmental organization stakeholder groups. His primary interest is to represent Weyerhaeuser Company's interest in developing incentive-based conservation tools.

Don Halabisky, retired; previously Project Manager, New Program Development, Weyerhaeuser Company. He has worked to represent the interests of the Cascade Chapter of the Sierra Club. He accepted the assignment because "I love our natural world and it makes me sad to see 'progress' continually erode these precious

resources. Since retirement, I have been looking for something that would allow me to give back to the environment. However, I have learned that policy is not my thing. The experience has given me a new perspective on all the work that private industry, government, and conservation organizations go through to set up regulations and policies to protect our precious environment."

Chris Lipton, General Manager, Longview Timber Corporation based in Longview, WA. His responsibilities include operational oversight of 325,000 acres of company owned timberlands in WA and OR. Additionally, Chris has oversight of forestry operations on 650,000 acres including, silviculture, tree improvement genetics, and Longview's Sustainable Forestry Initiative program. He has been representing the forest products caucus during the yearlong Group process. His main goal coming into the process was to help develop alternatives to regulation for meeting the goals of the conservation caucus. In working toward this goal he has come to understand the conservation objectives while also educating others regarding the business requirements of the forest products caucus.

Robert Meier, Manager, Forest and Land Policy, Rayonier; President, WA Forest Protection Association. He is responsible for forest and land policy for Rayonier's 400,000 plus acres of forestland in WA and works on new business opportunities related to recreation, energy and geology. He is also a member of the WA Natural Heritage Council. As President of WFPA he works to represent the interest of WFPA Members as well as Rayonier. He wanted to be a part of the Group because "I had extensive experience and knowledge of the issues both biologically and as an impacted landowner and felt that I could offer solutions that were equitable to landowners while addressing issues faced by the owl."

Victor Musselman, President Musselman & Assoc., Inc., Consulting Foresters. Currently He is responsible for managing 3,700 acres of family owned timberlands in WA. He works to represent the WA Farm Forestry Association and all WA small woodland owners. His goal from the beginning has been to minimize the need for State mandated regulation to protect the northern spotted owl by using economic and silvicultural incentives to achieve the same results.

Miguel Perez-Gibson, Consultant, NACA'N. Miguel provides consulting services to environmental and tribal groups on government relations. His role on this group is as a representative of Audubon WA. His goal was to meet the Board's request to recommend measures that result in strategic contributions from nonfederal lands in WA to the broader goal of conservation of a viable population of the northern spotted owl, based on best available science.

Tom Robinson, Timber Program Manager, WA State Association of Counties. He has been in this position since 2000, prior to which he spent thirty years with WA Department of Natural Resources, including ten years in forest practices, and five years as Regional Manager. His goal on the committee is to represent the interests of the counties, which means representing all citizens of WA. As county commissioners are elected, his job

is to represent the entire population. Therefore, he seeks to make sure that the underlying concerns of the Forest Practices Act are utilized to protect public resources and ensure the viability of the forest products industry in the state.

Paula Swedeen, Consultant, Swedeen Consulting. She provides technical and policy expertise on northern spotted owl conservation to Seattle Audubon Society and the broader environmental caucus in Group discussions. Her primary goal is to assist in crafting a lasting comprehensive solution to northern spotted owl conservation on nonfederal lands that results in prevention of extirpation of the species from the State and eventual re-establishment of a viable population using a combination of financial and regulatory incentives and improved Forest Practices rules. Her secondary goals are to help create new income streams for forest landowners such that northern spotted owl conservation is not financially onerous and to ensure that the regulatory framework for protecting public resources, including endangered species, remains robust and intact.

Chuck Turley, Department of Natural Resources, Deputy Supervisor for Regulatory Programs and WA State Forester. His responsibilities include the fire and forest practices and geology programs at DNR and the duties of State Forester. Chuck's objective in working with the Group has been to further the objective in the Group's charter "to recommend measures that result in the strategic contributions from non-federal lands in WA to the broader goal of conservation of a viable population of the northern spotted owl."

David Whipple, Forest Policy Coordinator, WA Department of Fish and Wildlife. He represents the department in resolving complex, multi-stakeholder policy issues associated with forest management in order to conserve and enhance fish and wildlife habitat, often for species listed as threatened or endangered. He represents the people of WA and WDFW, by working to preserve, protect, and perpetuate the state's fish and wildlife resources by protecting and enhancing fish and wildlife and their forest habitat. His goal is to help the Group be successful in achieving meaningful and sustainable positive results relative to northern spotted owl protection and conservation, and create the situation where forest landowners desire to have northern spotted owls and owl habitat on their property.

Lois Schwennesen, Facilitator, Schwennesen & Associates, LLC. Lois has twenty-five years of professional experience in collaborative natural resource policy development and management, including prevention planning, mediation and conflict resolution. She has a track record structuring and training problem-solving teams and getting projects successfully completed. Her firm offers policy analysis, implementation and trouble-shooting, facilitating complex multi-party discussions and negotiations. Her passion is evident in her strategic capacity, her skill and commitment do what it takes to get closure, and her tireless search for solutions with staying power. Lois enjoys making progress on complicated, inter-connected terrestrial and aquatics issues of cultural, environmental and economic importance in politically sensitive settings.

Representatives Who Also Served

Nina Carter, representative of Audubon WA, left the Group after being appointed to the State Growth Management Hearings Board.

Vicki Christiansen, former Chair of the Forest Practices Board and WA State Forester, left the Group to take the position of Arizona State Forester.

Bridget Moran, Manager, the Department of Fish and Wildlife, left the Group after being appointed to Deputy Supervisor of Aquatics and Agency Resources with the Department of Natural Resources.

Lenny Young, representative of the Department of Natural Resources, left the Group due to promotion to Department Supervisor.

February 3, 2009

Dear Governor Gregoire and Washington State Legislators:

The Seattle Audubon, Washington Audubon, and Washington Forest Protection Association have been working particularly hard over the last two years to resolve differences over the management of the northern spotted owl. Having emerged from a recent period of litigation and strife, we are striving to create a new paradigm of cooperation. As a central element of this effort we are engaged in an effort with other stakeholders to collaboratively develop measures that will result in strategic contributions from non-federal lands in Washington to the broader goal of owl conservation. This is occurring at the recently created Forest Practices Board Spotted Owl Working Group.

As participants in the Working Group process, there are two items that our organizations and other organizations serving on the working group have agreed to support:

1. State funding ($400,000, General Fund, State) for generating updated information on owl habitat and barred and spotted owls with the purpose of helping the Working Group identify strategic landscapes that can contribute best to owl conservation. This amount would be split evenly between information on owl habitat and information on barred owls and spotted owls, and would help us better understand the contribution of Forests & Fish buffers to owl conservation, owl locations and distribution, food sources, barred owl and spotted owl interactions, and;

2. Matching Federal funding for Washington efforts that will be coordinated with ongoing implementation of the Federal Recovery Plan. USFWS has offered to dedicate staff to coordinate with and support the tasks funded by the state. This initial federal contribution will establish a precedent to request future federal funds to implement recommendations from our Owl Work Group.

Please join the Forest Practices Policy Working Group Members in working to make this effort a success.

Sincerely,

Nina Carter, Executive Director
Audubon Washington

Shawn Cantrell, Executive Director
Seattle Audubon

Mark Doumit, Executive Director
Washington Forest Protection Association

Robert Meier, Manager, Forest and Land Policy, Rayonier
President, Washington Forest Protection Association

Kevin Godbout, Director External & Regulatory Affairs
Weyerhaeuser Company

Chris Lipton, General Manager - Washington Timberlands
Longview Timberlands LLC

Paula Swedeen
Conservation Caucus Member

Vic Musselman
Washington Farm Forestry Association

February 3, 2009

Dear Washington State Legislators:

We represent several of the parties currently engaged in the Forest Practices Board's Spotted Owl Working Group. The Working Group was established to settle ongoing litigation over the spotted owl, and is an effort to collaboratively develop measures that will result in strategic contributions from non-federal lands in Washington to the broader goal of northern spotted owl conservation. All of the parties agree that our effort will be grounded in science and focused on developing incentives for landowners to support owl conservation. As our Work Group proceeds, we know that our recommendations will include increased Federal and State support or funding – either through legislation or agency programs – to implement our negotiated solutions. For the present, we are pleased to report that our Work Group has already agreed on policy and funding concepts described below.

We are investing an immense amount of resources and energy toward making this effort successful. We are jointly committed to this goal. In order to enable the Working Group the greatest opportunity for success, we are seeking your support for the following items:

1. $170,000 (GF-S) to maintain the basic, maintenance funding for the Work Group. These resources are critical to the work group and include resources for a third-party facilitator and participation grant for Seattle Audubon and Audubon Washington and the Washington Farm Forestry Association. This is included in the Governor's proposed budget, and;

2. HB 1484 and SB 5401 which creates a habitat open space program to facilitate strategic acquisitions of northern spotted owl and other endangered species habitat located on private lands. The tools created in this legislation will help meet habitat conservation and restoration goals of the Working Group.

Please join the Forest Practices Policy Working Group Members in working to make this effort a success.

Sincerely,

Nina Carter, Executive Director
Audubon Washington

Shawn Cantrell, Executive Director
Seattle Audubon

Mark Doumit, Executive Director
Washington Forest Protection Association

Robert Meier, Manager, Forest and Land Policy, Rayonier
President, Washington Forest Protection Association

Chuck Turley, Acting State Forester
Washington Department of Natural Resources

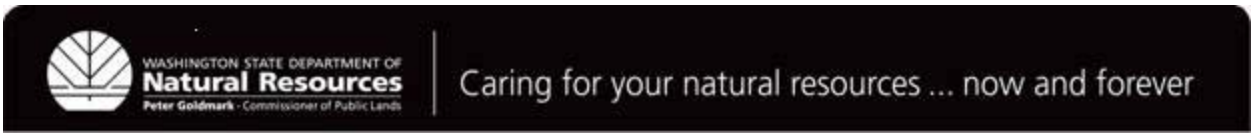
Bridget Moran, Environmental Policy Lead
Washington Department of Fish & Wildlife

Kevin Godbout, Director External & Regulatory Affairs
Weyerhaeuser Company

Chris Lipton, General Manager - Washington Timberlands
Longview Timberlands LLC

Paula Swedeen
Conservation Caucus Member

Vic Musselman
Washington Farm Forestry Association



NEWS RELEASE
February 4, 2009
Contact: Aaron Toso, Communications Director, 360-902-1023, aaron.toso@dnr.wa.gov
Lois Schwennesen, Policy Working Group Facilitator, 206-605-9529

Forest Practices Work Group Supports Habitat Purchases and Easements for Threatened and Endangered Species

Public, private, environmental and forest groups testify in favor of HB 1484

OLYMPIA – A special work group of public, private, environmental, and forestry interests appointed by the Washington State Forest Practices Board jointly testified in support of HB 1484 yesterday. The proposed bill would create a habitat open space program to purchase land or conservation easements for federally listed threatened and endangered species such as the northern spotted owl.

The legislation, co-sponsored by Representative Kevin Van De Wege (D-24th District), and four others, would expand a state program protecting forest streams to also include lands with habitat for federally listed endangered or threatened species. The measure is supported by a Forest Practices Board policy working group, which was established as part of a settlement of litigation over the northern spotted owl. This work group is collaboratively developing measures that will allow more non-federal lands in Washington to contribute to spotted owl conservation.

“Representative Van De Wege’s bill is a practical solution for protecting the northern spotted owl and other species because it offers private landowners tangible incentives to take voluntary action,” said Peter Goldmark, Public Lands Commissioner. As Commissioner, Goldmark chairs the Forest Practices Board, which sets rules for logging, road building, and other forest operations. He also leads the Washington State Department of Natural Resources, which would administer the new program.

Other groups represented on the policy work group testifying yesterday also gave their support for the measure, including:

Shawn Cantrell, Executive Director for Seattle Audubon: “We’ve come together to pursue a different approach than litigation and strife.”

Mark Doumit, Executive Director of the Washington Forest Protection Association: “This is landmark legislation. It starts to incentivize private landowners so landowners might see a benefit to having an endangered species on their land.”

Bridget Moran, Environmental Policy Lead, Washington Department of Fish and Wildlife: "The Department has long sought an avenue for incentives so threatened and endangered species would be an asset, not a liability."

Robert Meier, Manager for Rayonier: "I have been working on owl issues since the early 1990s, this collective vision in taking this action is a positive addition to our efforts of the past."

Nina Carter, Executive Director, Audubon Washington: "This is an amazing collection of people who are committed to a new way of doing business. A new day is dawning."

Rep. Brian Blake (D-19th District), Chair, House Agriculture and Natural Resources Committee, and a co-sponsor of HB 1484, said yesterday it was an impressive work panel, and he encouraged the group to continue its efforts. Other sponsors of HB 1484 are: Rep. Ed Orcutt (R-18th District), Rep. Christopher Hurst (D-31st District), and Rep. John McCoy (D-38th District).

The Forest Practices Board Policy Working Group will make progress reports to the Forest Practices Board throughout the year. The group is scheduled to complete its work by November 2009.

DNR managing public lands

DNR manages millions of acres of state trust lands to raise money for the construction of public schools, colleges and universities, prisons, and other institutions and to help pay for hospitals, libraries, and other services in several counties.

Goldmark is the state's 13th Commissioner of Public Lands and the first from Eastern Washington.

# # #

March 24, 2009

Members of the Washington State Congressional Delegation:

RE: USE OF FOREST BIOMASS TO PRODUCE JOBS AND GREEN ENERGY

We represent the parties engaged in the State Forest Practices Board Spotted Owl Working Group in Washington State – U.S. Forest Service Region 6. Recovery of the spotted owl in Washington State depends in part on the restoration of habitat in dry forests, at risk for catastrophic wildfire. Such restoration requires thinning of fire-suppressed and overstocked forests on federal, state and private lands. Addressing forest health and fire problems offers an immediate opportunity to harness forest biomass to produce green energy and stimulate jobs in rural Washington State.

Our coalition of forest landowners, environmental groups, and local, state and federal agencies have a common interest in taking economically sustainable, incentive-based action. Providing incentives to restore owl habitat and improve forest health requires both a milling infrastructure and a sustainable supply of feedstock. Feedstock is available on federal, state and private lands in rural Washington, but the infrastructure to mill it is lacking.

Loss of mill infrastructure has caused job loss and puts millions of acres of private managed forests at risk of conversion and fragmentation. Loss of milling capacity also limits the prospect of thinning small wood on federal lands on the scale needed to reduce risks of catastrophic fire due to prohibitive transportation costs to the few remaining mills. Incentivizing investment in mill capacity and supporting new technology development for biomass harvesting and transportation will support essential forest thinning on a meaningful scale and help develop the green energy grid. We ask for your help to secure funds in the stimulus package for:

- federal loan guarantees for building woody biomass cogeneration plants,
- grants in lieu of tax credits for the same purpose, and
- monies in the Forest Service section of the stimulus package for wood to electricity projects

In addition, we ask for your help ensuring that Federal monies intended for forest health thinning are directed to U S Forest Service lands in WA State, WA State DNR, and private lands in proportion to their need. Finally, as you consider new energy legislation, we would like to work with you to craft incentives to protect and advance the ecological sustainability of forest lands in Washington State and provide for construction of the needed infrastructure to process wood waste, manufacture wood products, and produce clean energy.

In summary, stimulus dollars focused on biomass markets can benefit Washington State by creating jobs in the forest products industry, keeping managed forests in productive use, enhancing habitat restoration for endangered species like the spotted owl, reducing the risk of catastrophic fire and accompanying greenhouse gas emissions, and producing low-carbon renewable energy.

Sincerely,

Audubon

WSAC
WASHINGTON STATE
ASSOCIATION OF COUNTIES

Washington Department of
FISH and WILDLIFE

Washington
FARM FORESTRY
ASSOCIATION

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

WFPA

Seattle Audubon Society
for birds and nature

Miguel Perez-Gibson, NSO Policy Group
Audubon Washington

Mark Doumit, Executive Director
Washington Forest Protection Association

Vic Musselman, NSO Policy Group
Washington Farm Forestry Association

Chuck Turley, Acting State Forester
Washington Department of Natural Resources

Tom Robinson, Timber Program Manager
Washington State Assoc. of Counties

Bridget Moran, Env. Resource Policy Lead
Washington Department of Fish & Wildlife

Shawn Cantrell, Executive Director
Seattle Audubon

Robert Meier, Manager, Forest and Land Policy
Rayonier

Kevin Godbout, Director,
External & Regulatory Affairs
Weyerhaeuser

Don Halabisky, NSO Policy Group
Sierra Club Cascade Chapter

Paula Swedeen, Swedeen Consulting
Audubon Washington

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

FOR IMMEDIATE RELEASE

April 28, 2009

New law expands habitat open space program

Gov. Gregoire signs bill to expand the riparian open space program on private forestlands

OLYMPIA – Gov. Chris Gregoire today signed Senate Bill 5401, creating a habitat open space program to facilitate strategic acquisitions of the Northern Spotted Owl and other endangered species habitat located on private lands.

The Washington State Legislature expanded the Riparian Open Space Program to include protection of state critical habitat for threatened or endangered species. The bill uses a market-based approach to acquire habitat from willing sellers, as funding is available. The Washington State Department of Natural Resources (DNR) currently purchases qualifying land and manages that land for ecological protection or fisheries enhancement.

Under this new law, the Forest Practices Board will establish by rule a program for acquisition of riparian open space and critical habitat for threatened or endangered species. This acquisition must be a conservation easement.

A special work group of public, private, environmental and forestry interests appointed by the Washington State Forest Practices Board endorsed this legislation as a measure that will allow a way for non-federal lands in Washington to make strategic contributions to spotted owl conservation.

The work group wants to thank the legislature for unanimously endorsing this incentive to protect critical habitat for threatened and endangered species. Also the group acknowledges the leadership of Senator Bob Morton of Kettle Falls and Representative Kevin Van De Wege from the Olympic Peninsula for sponsoring the bill.

“This collaborative effort is an example of positive steps that can be taken when we all work together,” said Commissioner of Public Lands Peter Goldmark.

Shawn Cantrell, Executive Director for Seattle Audubon said, “This provides a valuable tool for protecting Northern Spotted Owls. Conservation easements can help on private forestlands with habitat for endangered species.”

Mark Doumit, Executive Director of the Washington Forest Protection Association stated, "This is landmark legislation. It creates an incentive for private landowners to enhance survival of an endangered species on their land."

Robert Meier, Manager for Rayonier said, "This bill recognizes the value of wildlife habitat and private property in a way that brings people together to protect the environment."

Dave Whipple, Forest Policy Coordinator, Washington Department of Fish and Wildlife stated, "The Department believes incentives for forest landowners are very important, so the presence of threatened and endangered species can be an asset, not a liability."

Miguel Perez-Gibson, Representative for National Audubon said, "During these tough economic times, we are encouraged the legislature increased safeguards for endangered species. This legislation is a good example of the market-based solutions we need."

The Forest Practices Board Policy Working Group will make progress reports to the Forest Practices Board throughout the year. The group is scheduled to complete its work by November 2009.

DNR managing your public lands

Administered by Commissioner of Public Lands Peter Goldmark, DNR manages more than 5.6 million acres of state-owned forest, range, commercial, agricultural, conservation, and aquatic lands. DNR also:

- Provides wildfire protection for 12.7 million acres of private and state-owned forestlands.
- Administers Forest Practices rules and surface mine reclamation on state and private lands.
- Gives technical assistance for forestry and mining.
- Provides financial and grant assistance to local communities and individuals.

Media Contacts: Aaron Toso, Director of Communications & Outreach, 360-902-1023, aaron.toso@dnr.wa.gov
Lois Schwennesen, Policy Working Group Facilitator, 206-605-9529

# # #

Washington Department of FISH and WILDLIFE

Audubon WASHINGTON

Washington FARM FORESTRY ASSOCIATION

WASHINGTON STATE DEPARTMENT OF Natural Resources
Peter Goldmark - Commissioner of Public Lands

WFPA

Seattle Audubon Society for birds and nature

May 11, 2009

To Members of the Washington U.S. Congressional Delegation,

As the Washington State Forest Practices Board's Northern Spotted Owl Policy Working Group, we are writing to request and urge your support for *The Community Forestry Conservation Act* in the 111th Congress.

Washington State is facing complex decisions regarding the role of its forest practices rules in Northern Spotted Owl conservation. The Northern Spotted Owl Policy Working Group was established to recommend measures that result in strategic contributions from non-federal lands in Washington to the broader goal of conservation of a viable population of the Northern Spotted Owl.

By authorizing municipal financing for working forest acquisition, Community Forest Bonds would add a powerful new tool in our efforts to greatly assist in the conservation of the Northern Spotted Owl, conserve forests, support the forest products industry, maintain rural jobs, combat sprawl, and fight climate change. This tool presents a new opportunity to address the critical need for solutions that benefit both the environment and our natural resource businesses and working communities.

Community Forest Bonds would provide a financing tool that taps into the private tax-exempt bond market, whereby hundreds of millions of dollars can be raised for the acquisition of forest lands by a non-profit sustainable forestry organization.

Please make the *Community Forestry Conservation Act of 2009* a priority in the 111th Congress. Doing so will ensure long-term environmental protection and economic stability for communities here in Washington and across the country. We look forward to working together to pass this critical legislation.

Sincerely,

Washington Department of FISH and WILDLIFE

Audubon WASHINGTON

Washington FARM FORESTRY ASSOCIATION

WASHINGTON STATE DEPARTMENT OF Natural Resources
Peter Goldmark - Commissioner of Public Lands

WFPA

Seattle Audubon Society
for birds and nature

Shawn Cantrell, Executive Director
Seattle Audubon

Mark Doumit, Executive Director
Washington Forest Protection Association

David Whipple, Forest Policy Coordinator
Washington Department of Fish & Wildlife

Charles W. Turley, State Forester
Washington Department of Natural Resources

Miguel Perez-Gibson, NSO Policy Group
National Audubon Washington

Paula Swedeen, Swedeen Consulting
Pacific Forest Trust

Vic Musselman, NSO Policy Group
Washington Farm Forestry Association

Robert Meier, Manager, Forest and Land Policy
Rayonier

Don Halabisky, NSO Policy Group
Sierra Club Cascade Chapter

August 19, 2009

Robyn Thorson
Pacific Regional Director
US Fish and Wildlife Service:

Dear Director Thorson:

This letter is from the Washington Forest Practices Board's Northern Spotted Owl Policy Working Group, which represents various timber, conservation, and government interests. Our group also serves as Washington's Non-Federal Landowners Work Group of the USFWS Spotted Owl Recovery Plan Implementation Structure. Our charter asks us to recommend measures that will result in strategic contributions from non-federal lands in Washington to the broader goal of conservation of a viable population of northern spotted owl.

We request that the Service move quickly to understand the effects of barred owl competition and other impacts on the northern spotted owl (NSO), and ways to mitigate those impacts through barred owl control experiments in Washington.

Efforts to recover the spotted owl have largely been focused on habitat management strategies. Providing habitat is an essential element of any conservation plan but it may not be sufficient. While the application of conservation strategies have reduced the threat of loss of suitable habitat since the species was listed, particularly on federal lands, the invasion of barred owls is a potential threat of unknown dimension. In the 2007 Buchanan et al paper "A Synopsis of Suggested Approaches to Address Potential Competitive Interactions Between Barred Owls and Spotted Owls" scientists believe "…the consequences of the (Barred Owl) invasion are potentially dire for the Spotted Owl and that research and management actions, including the use of adaptive management, are required to inform the near- and long-term decision-making process for conservation of Spotted Owls."

There is an urgency and opportunity for scientists and science to help understand the barred owl problem. Because of the rapid spread of barred owls and the status of spotted owl populations through much of the region we urge you to move forward on barred owl control experiments immediately, using principles of adaptive management where appropriate.

The interests that underlie our group's support for initiating experiments are:

- Making a clear statement that there is adequate information to state that the barred owl poses a threat to the survival of the northern spotted owl in Washington
- Learning which mechanisms best address the barred owl impacts
- Obtaining more clarity about the future of barred owl/spotted owl interaction
- Supporting the conservation and future viability of the northern spotted owl population.

We appreciate your consideration of our interests and call to action.

Shawn Cantrell, Executive Director
Seattle Audubon

Mark Doumit, Executive Director
Washington Forest Protection Association

Vic Musselman, NSO Policy Workgroup
Washington Farm Forestry Association

Charles W. Turley, State Forester
Washington Department of Natural Resources

Tom Robinson, Timber Program Manager
Washington State Assoc. of Counties

David Whipple, Forest Policy Coordinator
Washington Department of Fish & Wildlife

Miguel Perez-Gibson, NSO Policy Group
WA State Audubon Conservation Committee

Robert Meier, Manager, Forest and Land Policy
Rayonier

Kevin Godbout, Director,
External & Regulatory Affairs
Weyerhaeuser

Chris Lipton, Manager - Washington Timberlands
Longview Timberlands LLC

CC: Paul Henson, Oregon State Supervisor, USFWS
Paul Phifer, NSO Recovery Coordinator, USFWS

Initial Project Information for FY2010:
U. S. Fish and Wildlife Service Restoration and Recovery Programs in Washington State

Do not delete any of the following text. **Initial Project Information is due by September 11, 2009.** Information must be **received in the WFWO by 5 pm**.

We require Initial Project Information to be submitted electronically (email or compact disk). See p.3 of NOFA_Text.doc for address information. Please contact a Program biologist (see Tables 3 and 5 of NOFA_Text.doc) if you have extenuating circumstances and are not able to meet this requirement.

In **four (4) pages maximum** please provide the following information:

1. **Project Title**: Northern Spotted Owl Habitat Enhancement on the Olympic Peninsula

2. **Project Sponsor/Organization**: Seattle Audubon Society & Rayonier
   *Organization:*___ Rayonier
   Contact Person:__Robert Meier_____
   Mailing Address:_ 3033 Ingram Street, Hoquiam, WA 98563_____
   Phone:_360-538-4560_____
   *Fax:*___360-532-5426_____*Email:*_robert.meier@rayonier.com
   *Organization:*____Seattle Audubon Society
   Contact Person:__ Shawn Cantrell_____
   Mailing Address:__8050 35th Ave NE, Seattle, WA 98115_____
   Phone:__206-523-8243 ext 15_____
   *Fax:*__206-528-7779_____*Email:*_shawnc@seattleaudubon.org
3. **Project Location**:
   a. *County*: Clallam County
   b. *WRIA name and number*:
   c. *Identify the sub-watershed, stream, and/or habitat where the project will occur. Include river mile and/or road mile where appropriate.* Lower Bear Creek
   d. *List the Township, Range, Section, and Quarter Sections containing the project location. T28N, R13W, S26, E1/2NW & W1/2NE.*

4. **What is the main focus of the project?** *See p.6 and 7 of NOFA_Text.doc and check only one of the following:*
   ___ **Aquatic/Riparian Restoration and Recovery Activities**
   _X_ **Upland Restoration and Recovery Activities**
   ___ **Assessment and Research Activities**
   ___ **Outreach and Education Activities**

5. **Degradation/Ranking**: *Identify and describe all of the major factors limiting the healthy function of the watershed/habitat. Specifically identify where and how your proposed project fits into the supporting documentation (Endangered/Threatened Species Recovery Plan, Species Action Plan, Road Maintenance and Abandonment Plan, Watershed Restoration Plan, or other similar types of documents). Describe how your proposed*

project addresses the causes of degradation rather than the symptoms, or how your project addresses species recovery needs or other species conservation needs. If the document(s) prioritizes actions, then identify the ranking for the proposed project.
This project thins young forests that would otherwise be unlikely to contribute in any way to the capacity of a highly productive spotted owl site center on the Olympic Peninsula. The thinning will space trees sufficiently to allow spotted owl flight between trees on 90 acres adjacent to the core of the site many years earlier than it would otherwise be possible. Additionally, the harvest of the 90 acres of timber will be delayed 10 years to allow this enhanced habitat condition to continue to benefit the site center from 2036 to 2046. The thinning and delayed harvest would help support the core northern spotted owls populations as described in the May 2008 Recovery Plan for the owl. The landowner has suspended thinning activities due the economic decline and it is unlikely that stands like this one will otherwise be thinned, and would remain on a standard 40 year harvest schedule. Funding organization and partners will allow harvest in 2046.

6. **Fish Passage Barriers**: Not Applicable It should be noted that there are fish bearing streams on the site and that enhanced growth of the trees after thinning should result in potentially larger LOD for the streams from the resulting Forest & Fish Buffers.

7. **Project Objectives and Benefits**: *Identify the project's objectives and benefits. The objective(s) should describe what you are going to do. The benefit(s) should be quantifiable; that is, you can measure or count the amount of habitat and/or species benefited, or the result of your project (examples: Remove 4 culverts and open fish passage to 3.7 miles of stream habitat. Propagate 1,500 endangered plants from seed and re-establish 1,000 of these plants to Site A. Install 8 signs, distribute 2 newsletters, and conduct 1 workshop.)*
This project originated out of discussions of the Forest Practices Board Work Group Washington State Northern Spotted Owl looking for voluntary measures, including financial incentives to make significant contributions to the northern spotted owl on private lands. The Policy Group previously developed and got legislative approval to expand the Riparian Open Space Program to include T&E species habitat and this proposal is being made in tandem with an application to the Riparian Open Space Program to secure support for a historically highly productive owl site center on the Olympic Peninsula. While providing real benefits for the owl the overall proposal is also a test of newly created and existing tools to advance the goals of the Policy Group.

1) Thin 90 acres of 14 year old mixed natural and planted trees in 2010 to enhance development of spotted owl dispersal habitat over time mostly within the .7 miles of a spotted owl site center and adjacent to contiguous old growth core habitat
2) Defer harvest on the same 90 acres of dispersal habitat from age 40 to age 50.
3) Allow federal or state removal of barred owls from the project area during the project time period.
4) Prevent development or road construction on the property during the project time period.

5) While not a requirement of or dependent on this proposal Rayonier will offer contiguous habitat to the east of the thinning project area to the Riparian Open Spaces Program of the State of Washington which was recently expanded to include T&E species habitat in permanent conservation easements.
6) The completion of thinning will accelerate the development of flight habitat contributory to the owl site center sooner and would enhance long term attractiveness of the property for permanent conservation.

8. **Project Description**: D*escribe what you are planning to do. Is it part of a multi-year project? If so, explain what year(s) the funding you seek will cover, and how other years of the project will be funded.*
   After approval a conservation easement will be signed to thin the stand and extend the rotation with Seattle Audubon or their designee.
9. **Partners**: *List and briefly describe the involvement of partners with this project*
   Seattle Audubon will hold the conservation easement and monitor the required activities of the landowners to assure that thinning was completed and that harvest is delayed as per the conservation agreement. Seattle Audubon would also be an active partner in outreach and education efforts to publicize this project.
10. **Monitoring**: D*escribe any monitoring plan (implementation, effectiveness) associated with this project.*
    During the project period 2010 to 2046 the project area will be available to scientists for spotted owl habitat use research and will be monitored for execution of the project over that time period by Seattle Audubon or their designee.
11. **Outreach**: D*escribe any outreach or education efforts associated with this project (may include: public workshops, tours, signs, newsletters, scientific journal articles, scientific conference presentations, educational forums, etc.).*
    Seattle Audubon and Rayonier will promote this as an example of cooperation and use of ecosystem services to solve complex environmental issues in a way that addresses landowner concerns. Specific outreach efforts will include joint activities by Rayonier and Seattle Audubon such as press releases, presentations to policymakers and interested community groups, etc.
12. **Budget**: *List the anticipated amount of*:

    a. *Direct Costs Requested*:

Thinning	90*$125/acre	$11,250
Present value @ 7% of economic impacts of deferred harvest	90*$585/ac	$52,650

    b. *Administrative costs requested (see p.9 of NOFA_Text.doc). List the dollar amount and the percentage of (a)*:

Administrative Costs Split between Seattle Audubon/Rayonier	$ 3,000	4.5%

    c. *Total Funds requested (add a + b)*: $66,900

    d. *Cost share (p.8 and 9 of NOFA_Text.doc). List the dollar amount and percentage of (e)*:

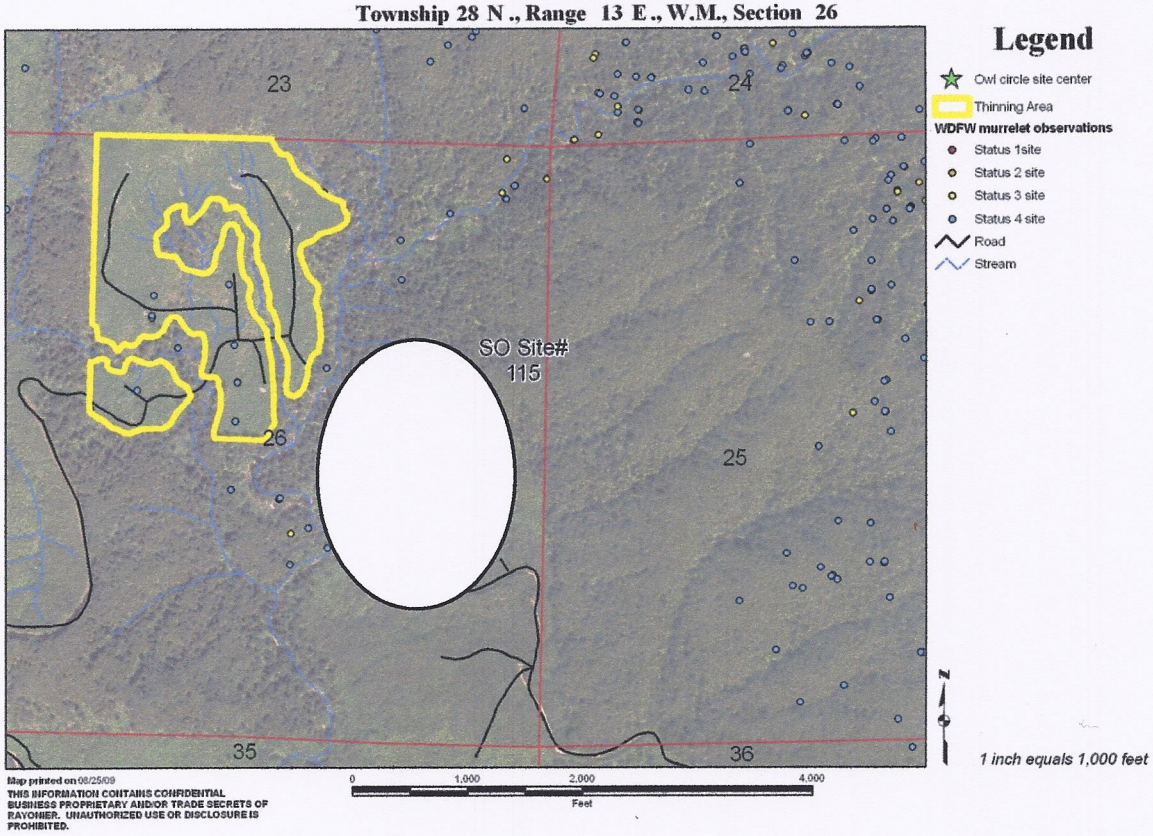
Historic cost of reproduction and land.	$35,490	35%

    e. *Total project cost (add c + d)*: $102,390

13. Funding Source: *Check the program you are specifically targeting for funding, if any:*
*PSCP____ PFW____ CFRP____ RP____ NFPP ____ WNTI ____ All that apply_X_*

Lower Bear Creek Spotted Owl Thinning/Rotation Extension Proposal

LEGAL:T28NR13WS26
Township 28 N., Range 13 E., W.M., Section 26



Map printed on 08/25/09
THIS INFORMATION CONTAINS CONFIDENTIAL BUSINESS PROPRIETARY AND/OR TRADE SECRETS OF RAYONIER. UNAUTHORIZED USE OR DISCLOSURE IS PROHIBITED.

PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)
(Implements RCW 34.05.310)
Do **NOT** use for expedited rule making

Agency: ***Forest Practices Board***

Subject of possible rule making: Northern Spotted Owl Habitat Development and Improvement

Statutes authorizing the agency to adopt rules on this subject: The Forest Practices Board's authority to adopt forest practices rules is granted under RCW 76.09.040, .050, and .370. The pilot project process is authorized by RCW 34.05.313.

Reasons why rules on this subject may be needed and what they might accomplish:
The purpose of this proposed pilot is to explore the potential to improve or create habitat for the Northern Spotted Owl in forest stands with high stem densities in the Eastern Cascades physiographic province. There are operational, economic, and rule-based explorations involved in this pilot. In general, forest stands in the eastern Cascades of Washington may meet conditions where high stem density limits the functionality of spotted owl habitat and decreases its overall longevity due to increased water stress leading to susceptibility to insect and disease infestation, and higher risk of loss to fire. These stands may be amenable to management activities that result in stands that meet the definition of Northern Spotted Owl habitat (WAC 222-16-085), have a higher proportion of larger trees, down wood and snags, and improved variable spacing, all of which can improve functionality for spotted owls and their prey. This pilot seeks to conduct management operations with the explicit goal of improving habitat quality without the deterrence of the time and expense of SEPA compliance or development of a long-term management plan. If the pilot is successful in improving habitat quality while streamlining operation costs, then one outcome may be recommendation to the Forest Practices Board of a proposed new rule allowing beneficial management activities and providing a procedure that is less administrative work for landowners.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:
Personnel from the Department of Natural Resources, the Department of Fish and Wildlife, and the U.S. Fish and Wildlife Service, along with volunteers from the Conservation Caucus, will participate in planning, field visits, and layout of management activities with staff from Longview Timber. The Forest Practices Board will be briefed on the progress and results of the pilot.

Process for developing new rule (check all that apply):

- ☐ Negotiated rule making
- ☒ Pilot rule making
- ☐ Agency study
- ☐ Other (describe) See Attachment A for description.

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:
(List names, addresses, telephone, fax numbers, and e-mail of persons to contact; describe meetings, other exchanges of information, etc.)

Mail, fax, or email comments to:
Patricia Anderson, Forest Practices Board Rules Coordinator
Department of Natural Resources
Forest Practices Division
1111 Washington Street SE, 4th floor
PO Box 47012
Olympia, WA 98504-7012
Fax: (360) 902-1428; email: forest.practicesboard@dnr.wa.gov

DATE	CODE REVISER USE ONLY
NAME (TYPE OR PRINT) Peter Goldmark	
SIGNATURE	
TITLE Chair	

Attachment A

The proposed pilot project, on lands owned and managed by Longview Timber within the Entiat or Blewett Spotted Owl Special Emphasis Areas, would explore whether management activities in overstocked stands to improve spotted owl habitat quality is operationally and economically feasible. Where high stem density conditions occur in a currently occupied circle that has less than 2,605 acres of habitat within a 1.8 mile radius of the site center (WAC 222-10-041(4)), Forest Practices regulations may classify the proposed operations as Class IV-Special (WAC 222-16-080(1)(h)) and thus require either compliance with SEPA (WAC 222-16-050(1)(b)) or a long-term management plan (a Landowner Option Plan or a Habitat Conservation Plan, WAC 222-16-080 (6)(a) or (e)). The management activities would occur in up to 640 acres located in one or more parcels, conducted under one Forest Practices application. The application will be processed as a Class III (WAC 222-16-050(5)), which requires a waiver from the existing rules for Class IV special or general applications. WAC 222-16-050(1) & (2).

Some stands may not meet the definition of Northern Spotted Owl habitat prior to management activities, and some likely will meet the definition. For stands that do not meet any owl habitat definition, prescriptions will be designed to ensure management activities result in a trajectory to meet Young Forest Marginal and Sub-Mature as future conditions. In stands that meet habitat definitions, prescriptions will be designed to enhance habitat at a future date while maintaining current habitat conditions and improving forest health.

Field visits will be conducted as will modeling during the planning stages of the pilot to determine whether prescriptions can be designed for the application area to meet the goals of the project. Personnel from the Department of Natural Resources, the Department of Fish and Wildlife, and the U.S. Fish and Wildlife Service, along with volunteers from the Conservation Caucus, will participate in planning, field visits, and layout of management activities with staff from Longview Timber.

This pilot will at a minimum involve monitoring stand conditions before and after operations to test assumptions about whether the prescriptions have the intended effects on structural attributes of spotted owl habitat. If funding is available, monitoring may be conducted on effects of thinning on spotted owl prey and on spotted owl use.

Conditions

Carrying out this pilot is contingent on the following conditions:

1. Funding is secured before operations to allow Longview Timber and its partners to carry out planning, marking, harvesting, pre- and post-harvest stand measurements, and monitoring. Longview may terminate the pilot if funding is not available by January 2012.
2. The U.S. Fish and Wildlife Service (USFWS) evaluates the application and prescriptions and concludes either that the proposed project will not likely result in a Section 9 "take" of spotted owls and issues a No Take Letter, or authorize take. If the USFWS can not issue a No Take Letter or authorize take, Longview Timber may terminate the pilot.
3. Longview Timber determines that either there is adequate financing or economic conditions for selling the resulting products.

4. The Departments of Natural Resources and Fish and Wildlife and the Conservation Caucus agree that the proposed prescriptions will improve Northern Spotted Owl habitat quality.
5. No operations will occur during Northern Spotted Owl nesting season and limited operations will occur within habitat within 0.7 miles of a Northern Spotted Owl site center.
6. Longview Timber maintains ownership of property for 10 years after the pilot project is approved by the Forest Practices Board, and if funds are available, either conducts agreed upon monitoring or allows other agencies or agreed upon groups to conduct monitoring. Longview Timber will report on the completion of the management activities for the forest practices application to the Forest Practices Board. Personnel from the state agencies and the conservation caucus will report on monitoring results to the Forest Practices Board.
7. Longview Timber may terminate its participation in the pilot if the pilot is challenged legally (including administrative appeals). Groups participating in the pilot agree not to challenge the project.
8. Longview Timber is released from any and all obligations regarding the pilot in the event of catastrophic loss due to insects and/or fire.

Rayonier: Northern Spotted Owl Site Center 115 Lower Bear Creek

The Forest Practices Board Policy Work Group, Washington State Northern Spotted Owl supported the expansion of the Riparian Open Spaces Program to include T&E species habitat including the marbled murrelet and spotted owl and secured additional funding for the program in 2009. Chuck Turley is the DNR representative on this work group. This application comes from discussions of that work group and is supported by the group as a demonstration of incentives for the protection of northern spotted owl habitat. In addition to this program application the committee has supported and Rayonier has submitted an application to USF&W Service for funding to thin and extend the rotation on land adjacent to this application to supplement support for this spotted owl site.

Note: This application is for T&E Species Habitat as passed by the Washington State Legislature in 2009 for marbled murrelets and other T&E species. We did not modify the form but the reader should understand that where ever it says CMZ use the term "qualifying land" meaning habitat for the northern spotted owl and marbled murrelet which would not otherwise generally be harvestable under forest practices rules.

Riparian Open Space Program

Application Form A
For Conservation Easements

(Landowners who wish to sell their lands should complete Application Form B)

Date Received	Application Number	Application Status
DNR staff will complete this box	DNR staff will complete this box	DNR staff will complete this box

General Instructions

Please fully read the Application Instructions before completing this form. Landowners must determine whether their property is qualifying Channel Migration Zone (CMZ) land and eligible for the Riparian Open Space Program. The application packet must include the following items:

- 1 Completed and signed application form
- 2 Completed and signed Environmental Check List
- 3 Description of the method used to determine that the land proposed is qualifying CMZ land
- 4 Map(s) of the proposed land(s) showing the CMZ and the approximate boundary between the CMZ and the Riparian Management Zone core area

Please send the completed application packet to:

Washington State Department of Natural Resources
Riparian Open Space Program
P.O. Box 47014
Olympia, WA 98504-7014

Incomplete or incorrectly completed applications may be returned for additional information before being processed.

Information about Qualifying Land *Please provide complete and accurate information to help DNR staff assess whether the proposed property may be qualifying CMZ land.*	
Applicant name	Rayonier Forest Resources, L.P.
Applicant's mailing address and phone number	**Rayonier** 3033 Ingram Street Hoquiam, WA 98550
Contact name and phone number for questions regarding this application	**Robert Meier** 360-538-4560 Robert.meier@rayonier.com
County or counties in which qualifying CMZ lands are located	**Clallam**
Tax Parcel Identification Number(s) that contain qualifying CMZ land, and county where that land is located	Tax Parcel ID # 132826120000 County Clallam
Qualifying CMZ lands must be shown on county assessor's records as currently designated as forest land under chapter 84.33 RCW or subject to current use taxation as forest land under chapter 84.34 RCW	Do all the tax parcels listed above and represented by the applicant as qualifying CMZ lands meet the stated requirements for forest land designation or taxation as described in the box to the left? _X_ Yes, all parcels meet stated requirements. ____ No, the following parcels do not meet all stated requirements:
Estimated acreage of CMZ land(s)	<40 Forested Acres of qualifying habitat outside of forests & fish riparian zones A cruise will be needed to determine the acres.
Location of land(s) by Section, Township and Range	Section(s) 26 Township 28 North Range 13 West

Landowner's Intent and Valuation	
List all persons, banks, trusts, corporations or other entities having any right or interest in the land(s) covered by this application and provide an accurate description of such right or interest. *(See Application Instructions for examples of typical interests or rights in property.)* *Attach additional sheets if needed to show all parties.*	Name #1: Rayonier Forest Resources Interest: Land Owner Name #2: N/A Interest: _____ Name #3: N/A Interest: _____
Has every holder of a right or interest in qualifying CMZ land(s) been contacted by the applicant, and do they unanimously agree to encumber lands covered by this application with a perpetual conservation easement under terms acceptable to the DNR and the landowner?	__X__ Yes ____ No If no, please explain:
Do all the holders of a right or interest in the proposed qualifying CMZ lands wish to receive compensation as prescribed in legislation creating the Riparian Open Space Program, subject to availability of funding, or do they wish to donate the lands?	_X__ All wish to receive the statutory compensation. ____ All wish to donate. ____ Applicant has included a separate explanation that fully describes which parties wish to receive compensation for granting a permanent conservation easement and which parties do not desire compensation.
Have you completed the Environmental Check List, and are you aware of any hazardous substances, conditions or practices on the proposed lands?	__X__ I have completed the Environmental Check List and am including it with this application. ____ Yes, I am aware of hazardous substances, conditions or practices on the proposed lands. __X__ No, I am not aware of any hazardous substances, conditions or practices on the proposed lands.

Describe the legal and physical access you desire to convey as part of this application. Include a legal description of the property you desire to convey, along with any associated easements and the sources of all legal descriptions provided.	Legal and physical access to the edge of the easement area is across DNR lands The legal description would be developed using subdivisions of the property sufficient to contain all timber for which payment is made and including whatever other riparian areas are necessary to develop a reasonable legal description with minimal cost.
Are you willing to pay 100% of the costs for a property survey that meets DNR standards or pay a licensed surveyor to write a legal description for any associated easements that DNR determines are necessary?	____ Yes ____ No _X__ Conditionally yes, depending on the estimated cost of survey(s) or legal description(s).
List stumpage value area and hauling zone in which the qualifying CMZ land(s) lie. *(See Instructions for reference map and link to Washington Department of Revenue website.)*	Stumpage value area: 1 Hauling zone: 5
Should DNR keep this application on file pending future funding availability, if adequate funding is not currently available to consummate conveyance of qualifying CMZ land(s)?	_X__ Yes, keep application on file for future funding. ____ No, do not keep application on file.
If your application is kept on file and selected for future funding, do you wish DNR to use the WA Dept. of Revenue's most recently published land value and stumpage value tables at the time of processing as the basis for compensation?	____ Yes, use the updated published tables. __X__ No, use the tables that were in effect at the time of the original application.

Are you aware of anything that would negatively affect DNR's ability to manage the lands proposed in this application for ecological protection or for fisheries enhancement?	NO
Are you willing to pay all costs of procuring a litigation guarantee or title history from a title company, provide DNR with complete copies of all documents obtained as part of a litigation guarantee or title history search for the property, and forward these documents to DNR when requested for the final preparation of conservation easement documents? *Note: DNR will pay for the cost of litigation guarantee or title policy for donated conservation easements acceptable to DNR under provisions of the Riparian Open Space Program.*	_X__ Yes ____ No
What interest do you propose to convey as part of the conservation easement?	_X__ Trees/timber value only. ____ Land value and trees/timber value.

Description of Land Values	
Describe the ecological value of the qualifying CMZ land(s) you propose to convey, including the importance to salmonids, and describe the sources of the information. *If additional space is needed for this information, please attach those pages to this application.*	LOWER BEAR CREEK 115 NORTHERN SPOTTED OWL AND MARBLED MURRELET OPEN SPACE PROPOSAL While the primary protection focus in this proposal is directed at spotted owls and marbled murrelets the proposed conservation area has a high density of fish and non fish streams due to the high rainfall in the area and protection of these streams will have a positive contribution to salmonid species in Bear Creek, part of the Bogachiel River system. ***Information Source*** Wildlife data is from the Washington Department of Fish and Wildlife Tracks system, Rayonier Inventory and Big Tree Inventory designed to capture information on trees greater than 30 inches in unique habitats. ***Ecological Value*** The ecologic value is inherent in the age of the timber, presence of large diameter trees and it's proximity to the site center of a highly productive spotted owl site and in the contiguous of the stand with DNR which are contiguous to USFS and ONP habitat. Timber on the site is dated by Rayonier with an origin of 1865 to 1919 although it should be noted that these dates would be for the dominate timber type and may not be representative of the oldest individual trees. It is likely a mix of old growth and "21 Blow" with residuals. "21 Blow" is a description of stands originating around 1921 following hurricane force winds which downed individual trees or completely flattened stands and created a mosaic of stand conditions across the western Olympic Peninsula. "21 Blow" stands with residual old growth trees and old growth are the typical spotted owl and marbled murrelet habitat of the western Olympic Peninsula. These stands are indicated to have potential marbled murrelet nesting platforms suggesting that they are old growth or "21 Blow" with residuals. Species composition of the stands is dominated by hemlock with very minor components of cedar and sitka spruce. Dominance of hemlock is particularly important for marbled murrelets. In tree climbing studies conducted by Rayonier in our Steamboat stand all 10 nests were found in hemlock trees even though there were a great many old growth cedar trees and some silver fir trees in the stand. Commercial volume estimates of 41 to 52 mbf per acre support the conclusion of old growth and "21 Blow" with residuals type habitat.

Describe the water quality benefits of the land(s) you propose to convey. *If additional space is needed for this information, please attach those pages to this application.*	***Water Quality*** These lands are fully functioning old growth forests supporting all the water quality benefits associated with old growth forests. Conveyance of these forests will assure than no road or harvest activity will occur within these sensitive areas.
Describe the quality of habitat found on the land(s) you propose to convey.	***Habitat Quality*** Based on the reproductive history of the Lower Bear Creek site 115 one would have to assume that it is of the very highest quality on the Olympic Peninsula. ***Fish Habitat*** Streams are running through old growth forests providing all of the necessary elements for salmonids. ***Wildlife Habitat*** Species of Special Concern which could occur in or around the habitat area on the basis of their known range and which may occur in these riparian related habitats include Pacific fisher(recently reintroduced to the Olympic Peninsula), the long-eared myotis bat, long-legged myotis bat, Pacific Townsend's big-eared bat, northern goshawk, and olive-sided flycatcher.
Describe the site significance of the land(s) you propose to convey.	***Site Significance*** **Northern Spotted Owl** The Lower Bear Creek northern spotted owl site is the most productive spotted owl site known to Rayonier on the Olympic Peninsula that is not centered on federal lands. Only one site known to Rayonier might be argued to have better reproductive history and it is located on federal lands. Because of our ownership we have access to data for most spotted owl sites on the west side of the Olympic Peninsula that impact private lands. The site was thought to be reproductive 10 or 11 years out of the 17 years between 1986 and 2002. Out of these, records show reproduction of 2 young in 4 years and 1 young in 3 years. Our records simply show reproductive or unknown in other years. Unfortunately there has been no northern spotted owl response since 2003 which may be related to barred owls in the area. It is located within the Hoh Clearwater SOSEA regulatory boundary and identified as an area targeting NRF habitat. The site is the closest non-federal or state NRF habitat to the site center and includes and is adjacent to the 70 acre nest core and 500 acre best habitat. The nest site is located on the edge of for the most part contiguous old growth and "21 Blow" spotted owl habitat and the core habitat area of the Olympic Peninsula. Although the site exceeds 40% habitat there are

	other site centers within the 2.7 mile site radius. If restoration efforts are undertaken to enhance a site center or to remove competing barred owls this is probably one of the best sites to conduct that effort given the unique historic reproductive success of this site over a long period of time. Large diameter trees are common on the property and described under the marbled murrelet. **Marbled Murrelet** The habitat is suitable marbled murrelet habitat and is contiguous to large stands of murrelet habitat which is the best situation for the protection and enhancement of marbled murrelet habitat. Stands have large diameter trees and nesting platforms. Large trees greater than 30 inches in diameter reach maximum diameters of 94 and 43" for the two stands in the proposed area. Average diameter of trees over 30"' are 42 and 36" and trees greater than 30" are found at a density of 4.4 and 12.8 trees per acre, respectively. No occupied behavior has been observed in the conservation area although murrelets have been observed overhead and occuppancy behaviors have been detected within approximately a quarter mile in three directions from the property. This particular location is accessible for adults feeding in the Pacific Ocean (10 miles) and within reach of the Straights of Juan De Fuca (23 miles) in response to prey abundance. This area supports recovery of marbled murrelets from areas previously impacted by two major oil spills and would provide feeding options in the event of a new oil spill in the ocean or straits. Murrelets nesting in this area likely feed in the Quillayute Needles National Wildlife Refuge and Olympic Coast National Marine Sanctuary.

WAC 222-23-025 sets three priorities for conveyances under the Riparian Open Space Program: order of receipt of applications, ecological value and landowner's immediacy of need. Please describe the immediacy of need. *(Examples of immediacy of need: economic hardship, substantial burden in complying with rules, presence of threatened or endangered species, etc.)*	Rayonier purchased these lands in 1950 for the purpose of growing and harvesting timber as an investment. Rayonier was unable to harvest this timber due to spotted owl rules of the Forest Practices Board. Rayonier participated in and ultimately supported the Forests & Fish Rules with the condition that the Riparian Open Spaces Program be developed and funded. Rayonier participation in development of the program included supporting language in the Forests & Fish Report, legislation and assisting DNR and other TFW members in final rule development. Through our membership in WFPA we have continued to support the program as an integral part of Forests & Fish and in 2008 suggested the expansion of the program to include T&E Species habitat. DNR subsequently developed proposed legislation and it was introduced in 2009. The Commissioner of Public Lands, the Forest Practices Board Spotted Owl Committee, including Audubon, WDFW, DNR, WFPA, Rayonier and others provided supporting testimony before the State House and Senate committees and the Legislation was passed unanimously and signed by the Governor in 2009. The Forests Practices Rules including rules related to the northern spotted owl, marbled murrelet and Forest & Fish prevent Rayonier from managing large amounts of it's timberland for commercial purposes. In addition, the impact of Forests & Fish buffers on landowners in coastal areas has been significant compared to landowners in other parts of the state due to the much higher density of streams in coastal areas. New requirements for road repair and the layout of timber harvest units have dramatically increased costs. Rayonier has also been heavily impacted by protection requirements for the marbled murrelet, which nest within 50 miles of the coast, and spotted owls in the Hoh Clearwater SOSEA, both in terms of high costs of identifying and surveying habitats as well as requirements to leave high value stands of timber as habitat and buffers. Rayonier, with almost exclusively coastal holdings and significant CMZ lands and owl and murrelet habitat has thus been one of the most heavily impacted landowners in Washington State. Rayonier has worked hard to achieve conservation goals, while meeting the necessary financial obligations and goals of a publicly traded corporation, which require that we produce an investment quality return through the sale of

	timber or land. When lands become unavailable for timber harvest, we sell land for other uses, including conservation or replacing lost revenue through the conversion and sale of these or other lands. Current economic conditions in the industry have significantly reduce capital available for reforestation, pre-commercial thinning and RMAP salmon enhancement projects. A conservation easement will help offset lost income during this economic recession. With the expansion of the Riparian Open Space Program, we are pleased to provide this premier conservation opportunity to the Washington Department of Natural Resources. This proposal is subject to prior sales and corporate approval once final values are calculated.

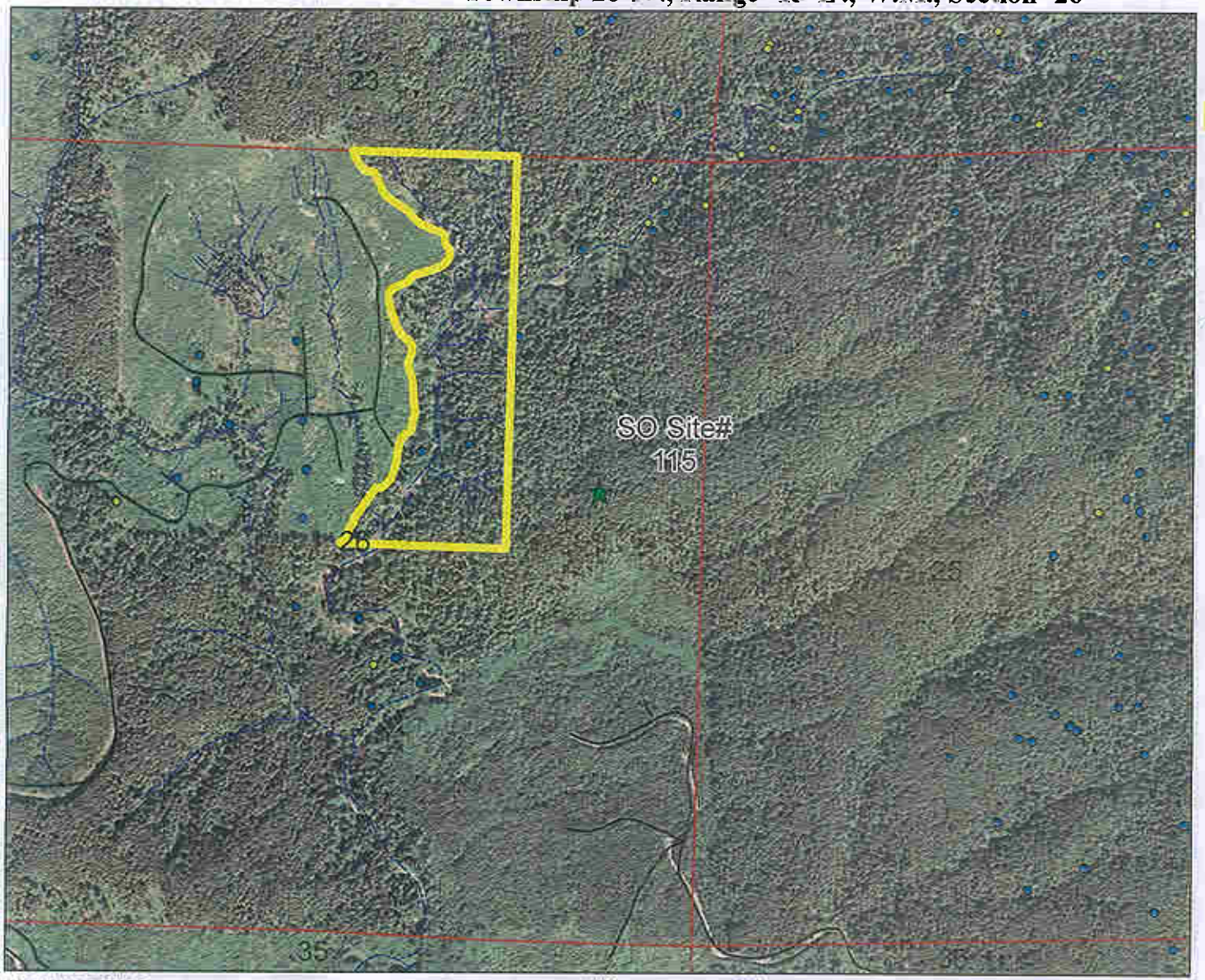
Certification and Signature

My signature below certifies that the information contained in this application or submitted in conjunction with this application is correct, and I desire that this application be processed by DNR under the statutes and procedures currently in effect for the Riparian Open Space Program. I understand that this is a competitive program with limited funding and that my property ultimately may or may not be selected for participation in the program.

Applicant's signature _____ Date 10/7/09

Lower Bear Creek Spotted Owl and Marbled Murrelet Easement Proposal

LEGAL:T28NR13WS26
Township 28 N., Range 13 E., W.M., Section 26



Legend

- Owl circle site center
- Easement Area

WDFW murrelet observations

- Status 1site
- Status 2 site
- Status 3 site
- Status 4 site
- Road
- Stream

N

1 inch equals 1,000 feet

0 1,000 2,000 4,000
Feet

Map printed on 08/25/09

November 3, 2009

Robyn Thorson
Pacific Regional Director
US Fish & Wildlife Service:

Dear Director Thorson:

This letter is from the Washington Forest Practices Board's Northern Spotted Owl Policy Working Group, which represents various timber, conservation, and government interests. Our group also serves as Washington's Non-Federal Landowners Work Group of the USFWS Spotted Owl Recovery Plan Implementation Structure. Our Charter asks us to recommend measures that will result in strategic contributions from non-federal lands in Washington to the broader goal of conservation of a viable population of northern spotted owl.

We are writing you to request your support for the following provisions for the enhancement of spotted owls in Washington State through inclusion in the Recovery Plan cost estimates, USF&WS Budgets or other programs as you feel are appropriate.

1. Continued funding support for Section 6 acquisition and enhancement. The Spotted Owl Policy Working Group has developed a Section 6 concept for the protection of spotted owl habitat that it will implement in the next funding round for Section 6.
2. Provide fiscal support of the Washington State Habitat Conservation Easement Program (HCEP). The legislation authorizing this program was developed and endorsed by the Northern Spotted Owl Policy Group as a tool for conservation of the northern spotted owl and other T&E species in forest habitats. The program acquires perpetual conservation easements on forest lands occupied by T&E Species. The smaller, predecessor program to HCEP is credited with triggering the 4,500 acres Hoh River acquisition by Western Rivers. We would ask that you budget $10 million annually to expand this program, dedicating the funds to easements of timber that can support spotted owls.
3. Please provide funding for eastside restoration and forest health operations on private lands in eastern Washington. The group is developing a pilot project on the east side that will likely require economic support to be viable and envisions that a successful activity could spawn additional funding needs to advance owl protection.
4. Please include a budget provision for the development and or restoration of habitat on west side lands that might be used to thin stands for flight space, rotation extension or other silvicultural treatment that would enhance private forest lands for use by the northern spotted owl. One trial project is currently being proposed to be funded through Section 6, but we believe a specific budget item should be included in the recovery plan. Since we are unsure of the potential use of this fund we would suggest an increasing level from $250,000 to $1million per year over several years.
5. Please provide funding for private landowner technical support sufficient for implementation of the above programs and other technical support that may be necessary.

Washington Department of FISH and WILDLIFE

Audubon WASHINGTON

Weyerhaeuser

Washington FARM FORESTRY ASSOCIATION

WASHINGTON STATE DEPARTMENT OF Natural Resources
Peter Goldmark - Commissioner of Public Lands

WFPA

Seattle Audubon Society
for birds and nature

As our group launches the implementation phase of conservation for the northern spotted owl with landowners in Washington it is very important that we have your support and the support of the Recovery Plan. We hope to review all of the proposals of the Spotted Owl Policy Working Group with you upon completion of our work. Until then we felt that it was particularly timely that we make these requests. If you have any questions please feel free to contact any of the members of the team.

Sincerely

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Mankind's greatest achievements have come about by talking, and its greatest failures by not talking [...] Our greatest hopes could become reality in the future. With the technology at our disposal, the possibilities are unbounded. All we need to do is make sure we keep talking.

~ Stephen Hawking