

Appendix M

Policy on End of Decade Analysis: Arrearage Proposed for Adoption

Draft

END OF DECADE ANALYSIS: ARREARAGE

Document #POXX-XXX	POLICY	Approved: TBD	Revised:	Page 1 of 2
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DISCUSSION:

At the end of any sustainable harvest planning decade, the department must determine if an arrearage exists. The arrearage definition in RCW 79.10.300(1) involves a summation of the timber volume that was authorized for sale, but was either defaulted or not sold since July 1, 1979. A decadal arrearage exists if the actual volume sold and not defaulted is less than the sustainable harvest level for the decade. If a decadal arrearage exists, RCW 79.10.330 directs the department to “conduct an analysis of alternatives to determine the course of action regarding the arrearage which provides the greatest return to the trusts based upon economic conditions then existing and forecast, as well as impacts on the environment of harvesting the additional timber. The department shall offer for sale the arrearage in addition to the sustainable harvest level adopted by the board of natural resources for the next planning decade if the analysis determined doing so will provide the greatest return to the trusts.”

When the department calculates a sustainable harvest level, it forecasts the volume available for sale based on a series of assumptions about past, future, and current conditions including but not limited to forest yields, operable acres, land transfers, and management strategies. A decadal shortfall in sold volume could result from several reasons: 1) if the assumptions used to calculate the sustainable harvest level were inaccurate, the associated timber volume may not have actually been available for sale during the decade, 2) the department failed to sell otherwise available volume, or 3) purchasers defaulted on their contracts.

The first step of the decadal analysis is to determine how much of the shortfall in volume is actually available for sale. The second step of the analysis must consider the economic and environmental consequences of selling the arrearage volume in the following decade. The department staff will present the results of this analysis and any recommendations to the Board of Natural Resources, which, in turn, must determine the course of action that provides the greatest return and is in the best interest of the trusts.

POLICY:

- **Before the Board of Natural Resources approves a decadal sustainable harvest level, the department will determine whether an arrearage exists for the prior decade. A decadal arrearage exists if the actual timber volume sold and not defaulted for the decade is less than the sustainable harvest level for that decade.**
- **If a decadal arrearage exists, the department will conduct an analysis. The analysis should:**
 - **Determine how much of the shortfall in volume is actually available for sale.**

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Document #POXX-XXX	POLICY	Approved: TBD	Revised:	Page 2 of 2
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- Identify the shortfall volume available for sale by the sustainable harvest units used in the sustainable harvest calculation.
- Consider the economic and environmental impacts of alternative courses of action to address sale of the additional timber in the following decade.
- The Board of Natural Resources will consider the analysis and adopt a course of action to address the decadal arrearage that is in the best interest of the trusts.

IMPLEMENTATION:

Forest Resources Division Manager and Region Managers

Approval Date: _____ Approved By: _____
Month-Day-Year Name of Signer
Title of Signer

SEE ALSO

RCW 79.10.300(1)
RCW 79.10.330

REVISION HISTORY

Date	Comments/ Summary of changes