



WASHINGTON STATE DEPARTMENT OF
Natural Resources

Peter Goldmark - Commissioner of Public Lands

Board of Natural Resources Arrearage Subcommittee Report



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August 18, 2015

Arrearage Subcommittee Report

- Arrearage Overview
- Arrearage Analysis Decision
- Subcommittee Recommendations



BNR Decisions

1. Arrearage
2. Long-term HCP Strategy for Marbled Murrelets
3. Sustainable Harvest Calculation



Board of Natural Resources Update
ARREARAGE OVERVIEW



Arrearage

Arrearage – RCW 79.10

The summation of the annual sustainable harvest timber volume, less the sum of state timber sales contract default volume and the state timber sales volume deficit.

If an arrearage exists, then the Department will:

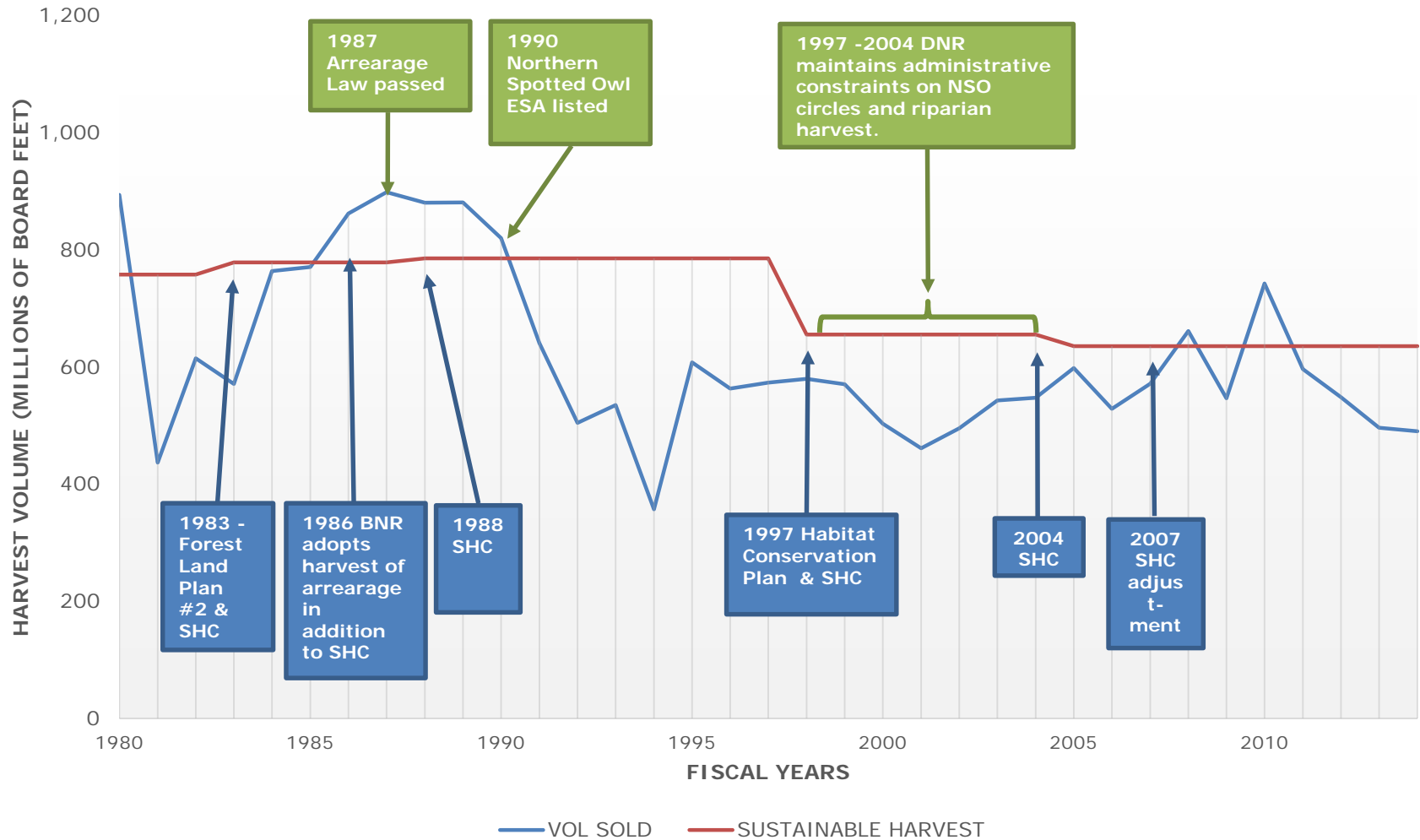
- Conduct an analysis
- Identify the greatest return to the trusts
- Offer for sale the arrearage in addition to the sustainable harvest level, if in the best interests of the trusts



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Previous Sustainable Harvest Calculations

Sold Volume and Sustainable Harvest 1980-2014



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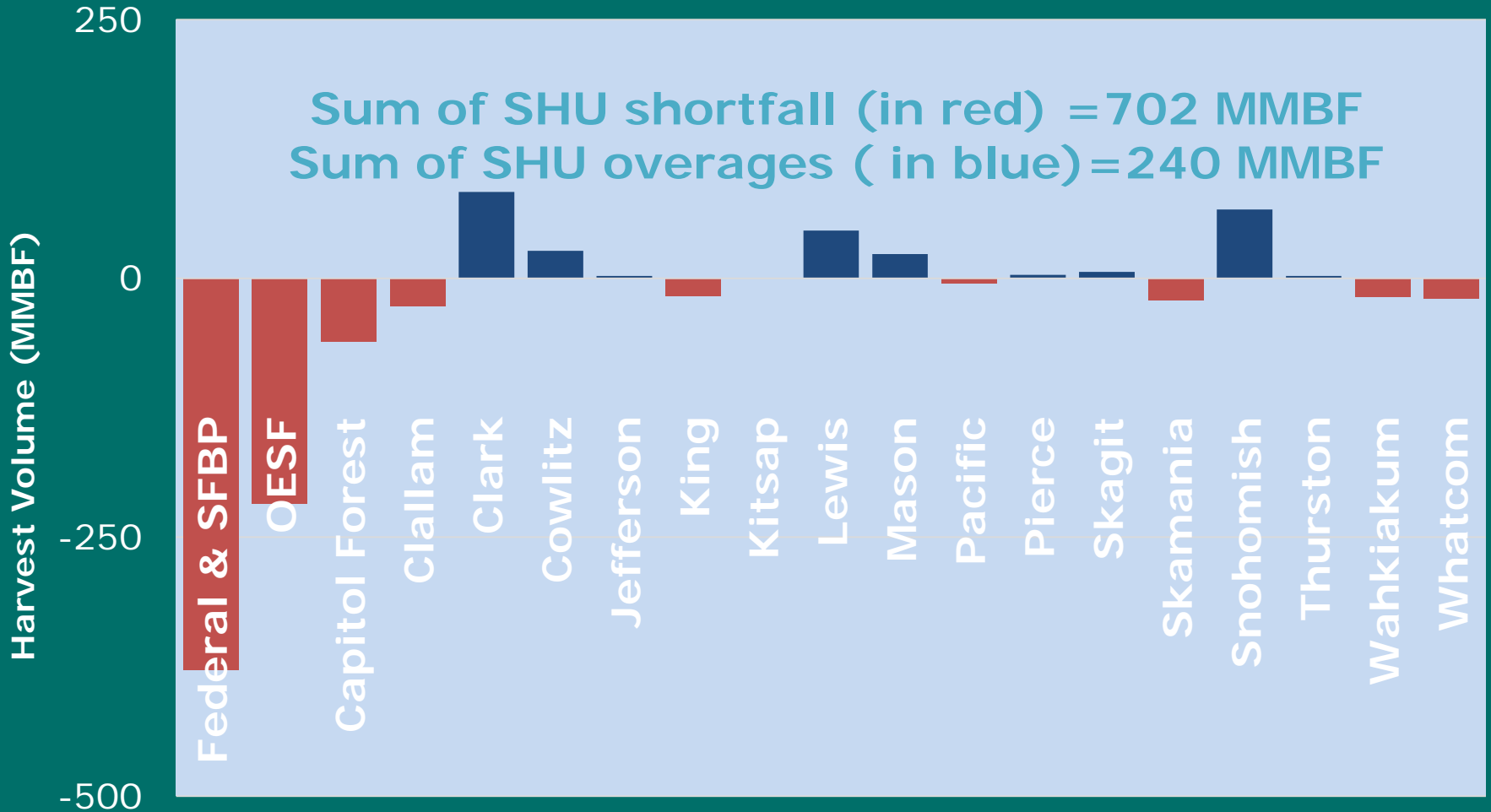
Updated Arrearage Number

- Western Washington FY 2005-2014
 - Sustainable harvest = 5,500 MMBF
 - Sold volume = 5,038 MMBF
- Arrearage
 $5,500 - 5,038 = 462$ MMBF



ARREARAGE

Sustainable Harvest Unit Performance FY 2005-2014



ARREARAGE

Reported Harvest across Land Classes

Land Classes	Harvest Volume (MMBF)		
	Regen ¹	Thinning ²	Total
UPLANDS	4,604 (108%)	386 (45%)	4,991 (98%)
RIPARIAN		48 (20%)	48 (12%)
Total	4,604 (104%)	434 (40%)	5,038 (92%)

¹ Regen = Regeneration harvests including variable retention harvests, clear cuts, seed tree establishment and other harvest activities that retained between 5 and 25 percent of the stand after harvest and include a regeneration treatment of a new commercial cohort

² Thinnings represent all types of commercial thinnings.

⁴ The percentage values in brackets corresponded to the level of attainment of the decadal target after 8 years. For example 125% percent s means the Department has harvested 4,604 MMBF out of the forecast level (4,256 MMBF) of regeneration harvest from the UPLANDS.



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Causes of the Arrearage

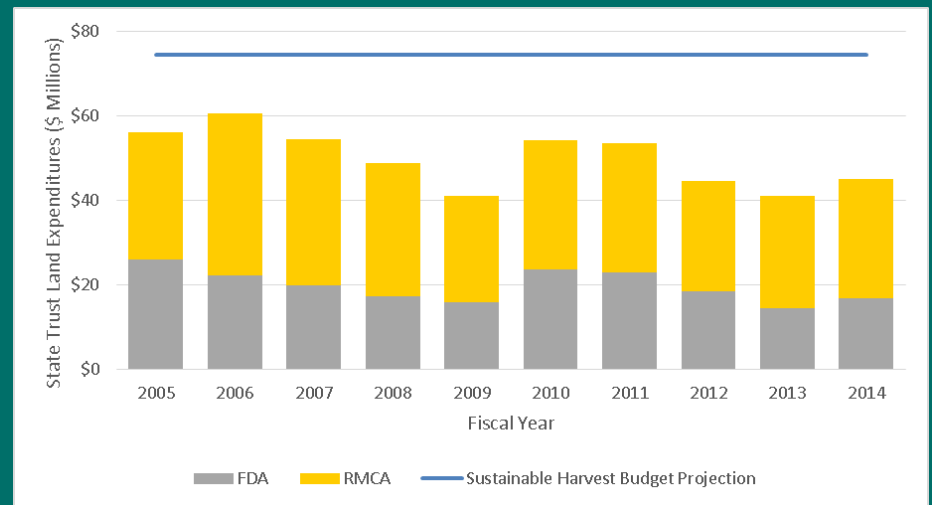
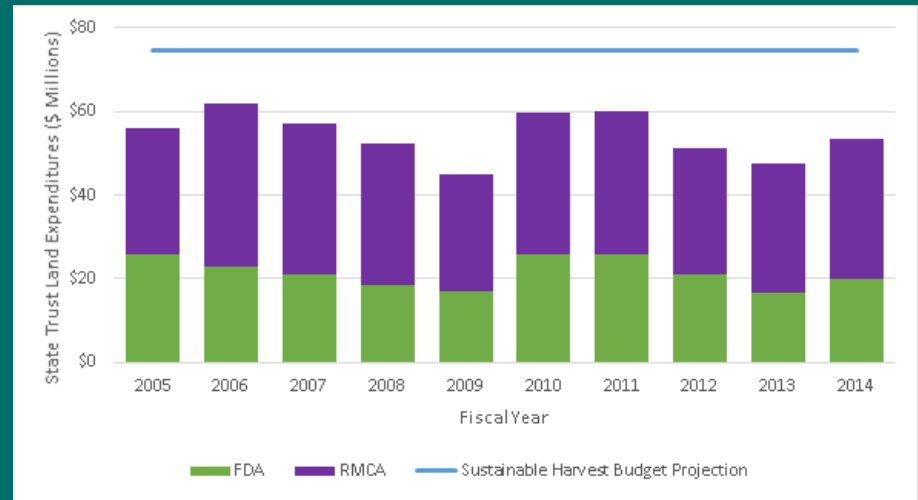
- Land Transactions
 - 302 MMBF transferred
- Marbled Murrelet Interim Habitat Conservation Strategy
 - 371 MMBF in deferred status
- Riparian
 - 346 MMBF unharvested
- Financial Resources



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Previous Sustainable Harvest Calculations

- Nominal values (i.e. not accounting for inflation)
- Real terms (base year 2005)



Board of Natural Resources Update

SUBCOMMITTEE RECOMMENDATIONS



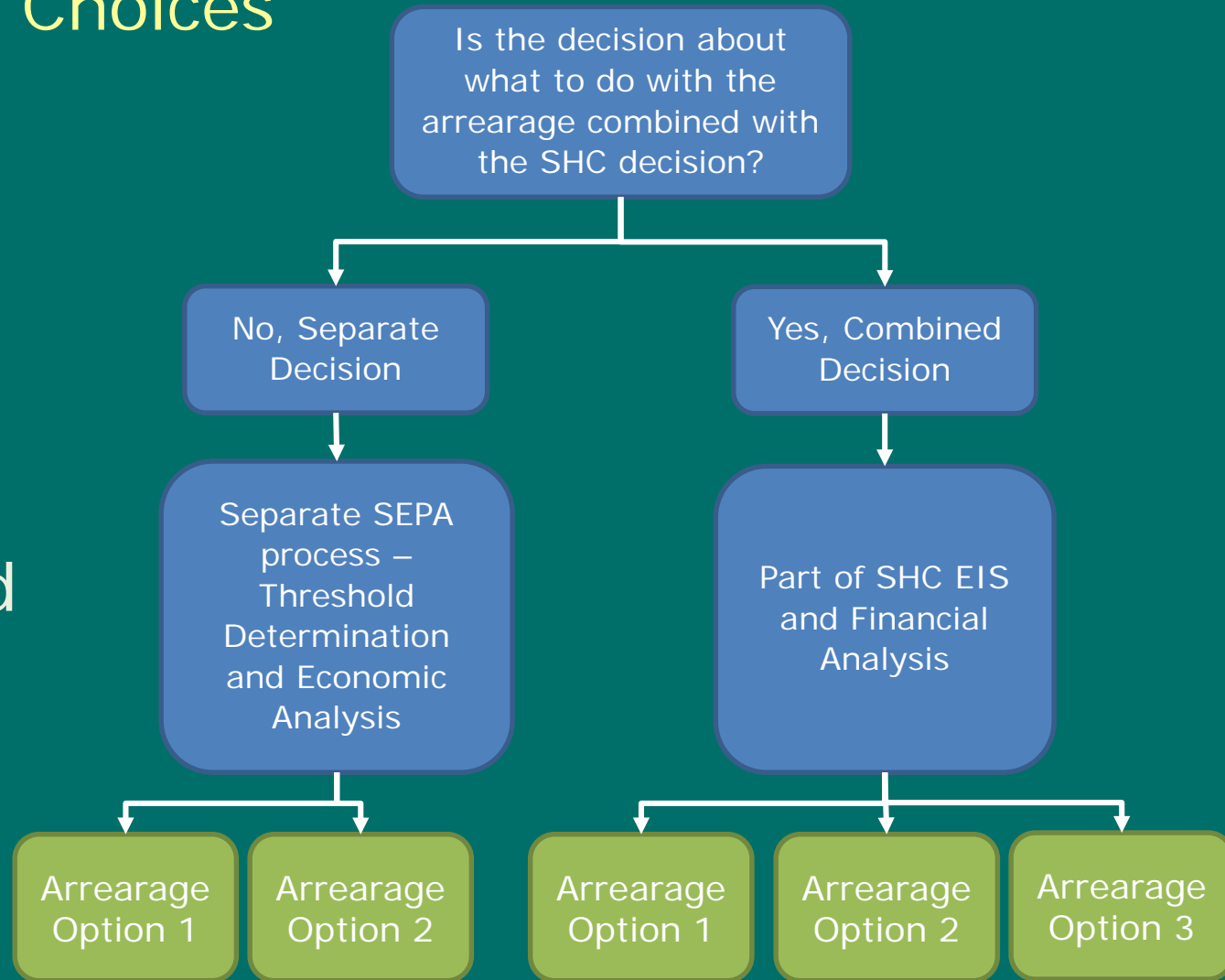
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SEPA Analysis Choices

- Separate Analysis?

OR

- Combined Analysis?



Arrearage

Options to Consider

- Option 1:

Arrearage sold over the next 5 years based upon a proportional distribution amongst the sustainable harvest units in arrears.

SUSTAINABLE HARVEST UNITS	Volume (MMBF)
Federally Granted lands & SFB Purchase	229
Olympic Experimental State Forest	132
Capitol Forest	37
Clallam County State Forest Transfer	16
King County State Forest Transfer	10
Pacific County State Forest Transfer	3
Skamania County State Forest Transfer	13
Wahkiakum County State Forest Transfer	11
Whatcom County State Forest Transfer	12
Total	462



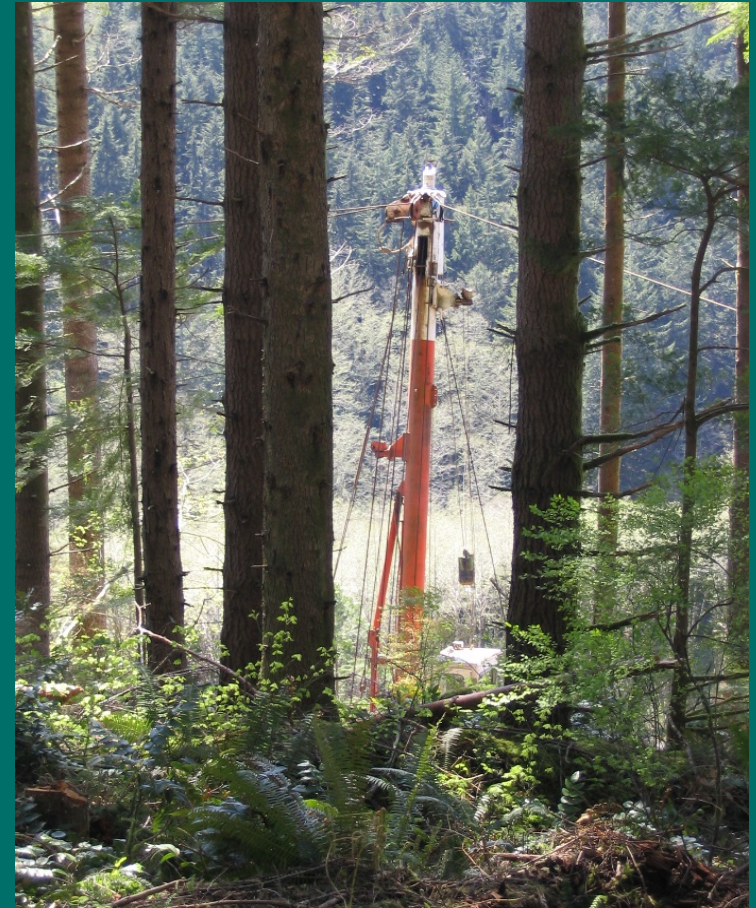
Arrearage

Options to Consider

- Option 2:

Arrearage sold over the next 10 years based upon a proportional distribution amongst the sustainable harvest units in arrears and a proportion to ecologically catchup on thinning.

462 MMBF



Arrearage

Options to Consider

- Option 2: An Example at 25% of the arrearage volume assigned to thinning

SUSTAINABLE HARVEST UNITS	REGEN	THINNING	Total (MMBF)
Federally Granted lands & SFB Purchase	172	57	229
Olympic Experimental State Forest	99	33	132
Capitol Forest	28	9	37
Clallam County State Forest Transfer	12	4	16
King County State Forest Transfer	8	3	10
Pacific County State Forest Transfer	2	1	3
Skamania County State Forest Transfer	10	3	13
Wahkiakum County State Forest Transfer	8	3	11
Whatcom County State Forest Transfer	9	3	12
Total	347	116	462



Arrearage

Options to Consider

- Option 3:

Incorporate arrearage into the starting forest inventory and schedule harvests over the planning horizon (i.e. 100 years)

462 MMBF



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Next Steps

- Final Report to the Board of Natural Resources





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