

Sustainable Harvest Calculation Scoping Report

Background Information

In Washington state, the Department of Natural Resources (DNR) manages approximately 3.1 million acres of state trust lands, not including aquatic lands. State trust lands are lands held in trust for specific trust beneficiaries, such as public schools and universities. The term “state trust lands” refers to both State Lands and State Forest Lands:

State Lands (RCW 79.02.010(14)) are lands granted to the state by the federal government at statehood. State Lands are also referred to as federal grant lands.

State Forest Lands (RCW 79.02.010(13)) are lands acquired by Washington state from the counties. There are two types: State Forest Purchase Lands, which are lands purchased or acquired by the state as a gift, and State Forest Transfer Lands, which are lands transferred to the state from the counties.

As a trust lands manager, DNR’s responsibility is to manage these lands consistent with fiduciary principles, which include producing a perpetual supply of revenue for specific trust beneficiaries. On forested state trust lands, revenue is produced primarily through the harvesting of trees.

Providing a perpetual supply of revenue requires responsible management with an emphasis on long-term sustainability. A major component of DNR’s approach to sustainable management is calculation of a sustainable harvest level, which is the volume of timber to be scheduled for sale during a planning decade according to applicable laws, policies, and procedures (RCW 79.10.300(5)). Put another way, the sustainable harvest level is the amount of timber DNR can harvest from forested state trust lands on a continuing basis without major prolonged curtailment or cessation of harvest. DNR must periodically adjust acreages designated for inclusion in the sustained yield management program and calculate a sustainable harvest level (RCW 79.10.320). The sustainable harvest level is a policy decision that requires approval from the Board of Natural Resources.

The sustainable harvest level applies to all forested state trust lands located west of the Cascade Crest in Washington (approximately 1.4 million acres). These lands are divided into 20 sustainable harvest units, each of which is assigned its own sustainable harvest level for the decade.

- The west-side sustainable harvest unit consists of all State Lands (federal grant lands) and State Forest Purchase Lands located west of the Cascade Crest, with the exception of lands located inside the Olympic Experimental State Forest (OESF) and Capitol State Forest.

- OESF and Capitol State Forest consist of all State Lands (federal grant lands), State Forest Purchase Lands, and State Forest Transfer Lands located within their respective boundaries.
- Each of the 17 counties is a separate sustainable harvest unit for State Forest Transfer Lands. Each unit consists of all State Forest Transfer Lands located within their respective county boundaries, with the exception of lands located in OESF and Capitol State Forest.

The sustainable harvest level is defined in board feet, which is a unit of volume equivalent to a 12-inch square, 1-inch thick piece of wood. The level is recalculated every 10 years. To ensure one generation of beneficiaries is not favored over another, the next decade's level cannot rise or fall more than 25 percent from the previous decade's level.

DNR calculates the sustainable harvest level through a forest estate modeling process. The forest estate model is a mathematical, computer-based representation of the forest. Capable of manipulating vast quantities of data, the model is able to look across landscapes and decades to determine the sustainable harvest level that is the best balance of DNR's management objectives, which include both revenue production and ecological values such as wildlife habitat.

Public Scoping

On January 29, 2015, DNR issued a Determination of Significance and Public Scoping Notice for the proposal to establish a sustainable harvest level for the 2015–2024 planning decade for forested state trust land in Western Washington, indicating that an Environmental Impact Statement (EIS) would be prepared (Appendix A.2).

Scoping is the first formal step in preparing an EIS and initiates public comment. Analysis of comments received during public scoping helps DNR to narrow the focus of the EIS to significant environmental issues; eliminate issues that would have insignificant impacts; identify alternatives to be analyzed in the EIS; and identify mitigation measures that address potential environmental impacts of the proposal. DNR issued a scoping notice opening the public comment period on January 29, 2015. This notice was sent through U.S. Postal Service and email to a list of agencies, individuals, and organizations interested in state trust lands management decisions. In addition, the notice was posted on DNR's website at "Sustainable Harvest Calculation" as well as on DNR's SEPA Center website. DNR also issued a press release announcing a public webinar. The press release announcing the webinar was sent to individuals and organizations interested in state trust lands management decisions.

In the scoping notice, DNR provided information on two webinars. One webinar was held live at 4 pm on February 12, 2015, and a second webinar was recorded and made available for public viewing on DNR's website starting February 9, 2015. A webinar is a public meeting held over the internet. The scoping notice provided a link for anyone interested in attending the webinar to use in order to register for the webinar. DNR sent personal invitations to individuals and organizations interested in state trust land management decisions. Each registered participant received an email confirming their registration along with a webinar link. At the time of the webinar, each participant clicked the webinar link and then were

able to see and hear the presentation at their computers. The webinar discussed four topics: the environmental review steps required by SEPA, background on the purpose of scoping, how to make effective comments to the department during the scoping period, and sustainable harvest calculation proposal information.

During the webinar, participants could make comments. DNR saved these comments. Twenty-one people viewed the webinar. Attendees included unaffiliated members of the public and representatives of environmental organizations, timber industry organizations, local communities, and trust beneficiaries.

The attendees expressed their concerns about sustainable harvest level, provided suggestions as to how the level should be calculated, and provided suggestions as to how impacts should be evaluated. Additional comments were received through DNR's SEPA Center and an online comment card. The comment period ended on February 27, 2015. Twenty-two people viewed the live webinar.

During the comment period, DNR received comments from 495 different individuals or groups. The public used several methods submit comments, including an online comment box hosted by SurveyMonkey® (91 comments), email or letter (402 comments), and the live webinar messaging tool (2 comments). Commenters affiliated with stakeholder groups, including environmental advocacy and industry groups as well as local governments and beneficiaries, submitted 43 comments, while 453 comments came from unaffiliated members of the public. Form letters accounted for 388 of submitted comment submissions.

Additional opportunities for the public to comment on the sustainable harvest calculation are made at Board of Natural Resources meetings. Agendas for these meetings were posted 3 business days before the meetings and include as standing topics opportunities for the public to comment on any item of interest that they may have. In addition, when sustainable harvest calculation presentations are on the agenda, emails are sent to individuals or organizations who have expressed interest in these presentations notifying them of board meeting dates times and locations.

Website

DNR provides information about the sustainable harvest calculation on a website dedicated to the topic at www.dnr.wa.gov/shc and at the DNR SEPA Center website at www.dnr.wa.gov/sustainable-harvest-calculation-scoping. Each of these websites provided links to the scoping notice and other background documents as well as details about the comment period and the public webinar. The website was viewed 118 times as of July 6, 2016.

Issue Summary

Issues identified during the scoping processes are separated below into nine different categories.

Alternative Development

- DNR needs to evaluate an adequate number of alternatives to ensure DNR is providing the greatest return to the trust while complying with the environmental goals of the HCP.
- One alternative that should be analyzed is the removal of the HCP. Those lands should be managed in accordance with applicable state and federal laws to avoid take of listed species while providing the greatest return to the trust beneficiaries.
- The no action alternative should be the resulting sustainable harvest level of the 2004 Final EIS and board action, 636 billion board feet.
- Need adequate number of alternatives to assure greatest return to the trust while complying with HCP.
- Include a cost and benefit analysis, including staff costs, impacts on infrastructure, and job losses for each alternative.
- Current harvest level targets have been reduced from the 2004 FEIS Preferred Alternative; they are potentially below the biological potential of acres available for management. Need sustainable active management of maximum number of acres available.
- Consider various levels of natural disturbance in alternatives. This will increase with climate change and should be taken into account to avoid overestimation of the sustainable harvest level.
- A supplemental EIS or EIS is needed to address significant legal and environmental condition changes since the 2004 sustainable harvest calculation.
- Addendum would not provide opportunity for public involvement.
- Do not propose alternatives inconsistent with state law, including mandates under RCW 79.22.010.
- Consider including an alternative addressing the special status of Pacific and Wahkiakum counties with lesser emphasis on murrelet conservation and more emphasis on timber revenue.
- Use the habitat recommendations of the *Recommendations and Supporting Analysis of Conservation Opportunities for the Marbled Murrelet Long-Term Conservation Strategy* (Science Team Report and exclude those areas from the sustainable harvest calculation.
- Analyze all alternatives for impact to marbled murrelet.
- Prohibit harvest of old growth and minimize fire management techniques that reduce carbon uptake.
- Explicitly include protection of marbled murrelet.
- Only long-rotation, selective-cut forestry is sustainable.

- Has detailed economic analysis for each alternative been done showing the best economic benefits to the trusts?

Arrearage

- Including the carryover in this decade’s calculation is the fairest and most balanced option.
- DNR should make up the Olympic Peninsula arrearage in the next planning decade. If this is not possible, there needs to be an explanation why not.
- The SEPA environmental analysis should not include how the Board of Natural Resources will deal with the current arrearage. It was analyzed during the last sustainable harvest calculation.
- The total volume in arrears is the subject of debate. The first step in analyzing the arrearage must be to fully identify the location and quantity of the arrearage volume by land classification, planning landscape, and trust beneficiary in order to calculate impacts on return to the trust.
- Regarding Option 1 of rolling the full arrearage into the volume to be modeled over the next 100 years:
 - Consideration for disposal of the arrearage in many ways is nothing more than a net present value analysis. This option seems unlikely to provide any greater return to the trust than a shorter time period.
 - DNR needs to explain how the generation that should have benefitted from the current arrearage is not disadvantaged by rolling the arrearage into the inventory and modeling it over 100 years.
- Regarding Option 2 of deducting the virtual harvest of trust land transfer volume from the arrearage:
 - DNR needs to evaluate the legality of considering trust land transfer as “virtual harvest” and its inclusion as “sold volume” in the arrearage calculation.
 - DNR should analyze the volume, both disposed and acquired, in non-trust land transfer transactions and its impact on FY 2005–2014 scheduled volume.
 - If it is appropriate to deduct the trust land transfer volume, then the non-scheduled trust land transfer volume should be removed from the volume available for the updated sustainable harvest calculation prior to modeling.
 - The trust land transfer “virtual harvest” did not create economic activity, and this lack of input should be considered when analyzing this arrearage alternative.
 - The impact of this option on various trusts should be analyzed since only one trust benefitted from the trust land transfer process.

- The analysis of impacts to the trusts should include changes in anticipated volume and revenue generation through changes in age classes in affected trusts.
- Regarding Option 3 of offering the full arrearage volume over 2 years:
 - DNR should do an iterative analysis of selling the entire arrearage; it can take the form of analyzing the sale of the full arrearage over various time frames beginning with 2 years and increasing the time period by 1 year through Year 10.
 - The economics of hiring additional personnel or using third parties to accomplish the sale of the arrearage should be part of the analysis.
- There needs to be a more precise understanding of where riparian management harvest volume is located in order to understand this portion of the arrearage.
- There needs to be an understanding of the spatial relationship between completed upland harvest and scheduled riparian harvest volume.
- Substitute volume should be made available for harvest to reach the projected sustainable harvest level as soon as practical and in the economic best interests of the trust.
- Reductions of the level from the 2004 sustainable harvest calculation and the 2007 amendment would imply that the current harvest level targets are below the biological potential of the acres available for management. Instead, the harvest level is actually limited by staffing, policy, and the perceived threat of litigation.
- Sell the maximum amount of sustainable timber to generate revenue for the state and county to fulfill DNR's legislated trust mandate.
- The minimum sustainable harvest level should be at least 550 MMBF per year on the west-side trust lands, and with the additional acreage from arrearage, it should exceed 550 MMBF.
- DNR cannot presume that it will be acceptable to fold in, roll over, or incorporate into the new sustainable harvest calculation any arrearage from the previous decade.
- The analysis of the arrearage issue needs to be a stand-alone chapter so that trust beneficiaries can review it.
- Calling the arrearage discussion an "option to consider" implies that DNR has a level of latitude that it may not have.
- The statute seems to imply that the larger SEPA analysis and the arrearage analysis do not necessarily need to occur at the same time.
- The causes of OESF's arrearage need "to be further explained in a level of detail that trust beneficiaries associated with this arrearage can understand."

- The language from RCW 79.10.330 implies a specific level of assessment of arrearage and subsequent judgment of which course of action will provide the greatest return to the trusts.
- The trust land transfer option may not be applicable. The parcels identified for trust land transfer were deferred from harvest, so identifying them now as a means of identifying the inability to make harvest levels will need to be thoroughly explained.
- Need detailed economic analysis of each option for arrearage, and bring the analysis to the Board of Natural Resources for decision based on economic benefit to the trust.
- Do not subject current arrearage volume to SEPA analysis.
- Fully identify location and quantity of arrearage volume by land class, planning landscape, and trust beneficiary in order to calculate return to trust.
- Use iterative analysis of selling entire arrearage; analyze sale over various time frames.
- Include in analysis the cost of hiring expertise to accomplish sale of arrearage.
- Rolling arrearage into volume to be modeled over 100 years does not provide greater return to trust than a shorter time period.
- Intergenerational equity—explain how rolling arrearage into inventory is fair to generations that would have benefitted from current arrearage.
- Need to evaluate legality of considering trust land transfer as “virtual harvest.”
- Need to analyze volume of non-trust land transfer transactions and its impact on fiscal year 2005–2014 scheduled volume. Consider if any or all of the non-deferred trust land transfer volume was originally scheduled for harvest.
- “Virtual harvest” did not create volume that went into marketplace; lack of inputs to economy should be considered.
- Must compare which option for handling arrearage provides greatest return to the trust, paying attention to intergenerational inequities of actual revenue generation.
- Clarify precisely where riparian arrearage volume is located, especially on Federal Grant Lands, State Forest Lands and county trust lands.
- Understanding the true actual spatial relationship between completed upland harvest and scheduled riparian harvest volume is an important aspect of the analysis ... need to know where the arrearage is located spatially.
- If the foregone riparian volume cannot be harvested, should make substitute volume available for harvest to reach projected sustainable harvest volumes.

- Consider potential impacts to log market in analysis of arrearage options.
- Must accurately determine volume and location of arrearage, with economic analysis including intergenerational equity. Arrearage analysis is under RCW 79.10.330 and not necessarily part of the sustainable harvest calculation itself.
- Incorporate arrearage into the land base.
- Arrearage alternatives should inform conservation alternatives of the marbled murrelet strategy—how future harvest will be incorporated into conservation strategies to provide equitable distribution of revenues to the trusts.
- Address arrearage in counties that may have the sustainable harvest calculation overly restricted by marbled murrelet conservation strategy. Consider metering out arrearage over next 3–5 (?) years and focus arrearage harvest on counties that are bearing the burden of conservation measures in the marbled murrelet long-term conservation strategy alternatives.

Data and Analysis

- Has there been any new analysis to determine how accurate the original analysis was, and is there any explanation of differences?
- Is there an economic analysis of the past decade to show how the preferred alternative performed?
- If SEPA analysis was completed on the original sustainable harvest calculation, then does that reduce the need for additional SEPA analyses on individual sale units?
- There should be an economic analysis of the costs of preservation on the lands that are off base.
- DNR should update the total land base by trust and non-revenue production classification and identify the acres available for management versus those in long-term deferral status.
- DNR should analyze all aspects of the arrearage and sustainable harvest calculation for economic benefits and impacts to the trust beneficiaries and customers.
- DNR should analyze whether the existing infrastructure can absorb the volume in the set time period.
- Evaluate the potential revenue generated through the sale of arrearage and that of both upland and riparian harvests for fiscal year 2015–2024.
- Trust beneficiaries should understand costs and benefits of each alternative offered in both arrearage and sustainable harvest calculation analyses.
- Evaluate impacts on infrastructure and creation or loss of jobs by various alternatives.

- Evaluate impacts on the DNR's management funds and DNR's ability to accomplish both harvest activities and future stand management needs.
- Include an economic analysis of any volume excluded because of trust land transfer, including identifying intergenerational impacts associated with each trust.
- Climate change should not be part of the environmental analysis; this issue needs to be addressed first by the legislature in order to set statewide policy.
- DNR needs to review the past sustainable harvest calculation to determine which modeling assumptions may have been inaccurate, erroneous, or had specific unintended consequences. The evaluation should be made public and specify which changes will be made in the new sustainable harvest calculation.
- Volume calculations for each west-side sustainable harvest unit by specific trusts in each county should be included in the sustainable harvest calculation.
- Calculation must be correct. Was the latest forest estate model done at the scale necessary to get an accurate growth model prediction, and what range of standard error is expected with the current data? Forest measurement needs to incorporate recent plot data as well. Can DNR produce volume per acre of standing inventory based on actual field measurements?
- Modeling of decadal impacts must incorporate lands set aside via trust land transfer. 52,000 acres were removed via transfer and not assessed in previous sustainable harvest calculations.
- Need transparent process to evaluate economic impacts of both trust land transfer and the marbled murrelet long-term conservation strategy.
- Analysis must be based on updated understanding of total land base since there has been a loss of over 52,000 acres since the last sustainable harvest calculation. Acres available for management vs. those in deferral status should be analyzed.
- Timeline of sustainable harvest calculation precludes implementation of alternatives that may be in best interest of beneficiaries, potentially violating RCW 79.10.330.
- Analyze potential revenue generated by sale of both arrearage and of upland and riparian harvest for fiscal year 2015–2024.
- Include economic analysis of any volume excluded due to trust land transfer, including intergenerational impacts to each trust.
- Conduct a thorough review of the most recent science.
- Design and implement a carbon sequestration program to mitigate the impacts of climate change that includes longer intervals between harvest, more leave trees per acre, smaller harvests, and retention of

more downed wood. Incorporate financial benefits from sequestration into sustainable harvest calculations.

- There is significant new information about environmental conditions since 2004, including climate change, new federal listings and critical habitat designations, and studies showing decline of ESA-listed species affected by harvest (for example, spotted owl or marbled murrelet).
- Consider ability of counties to provide additional mitigation.
- Add a buffer area of old-growth stands less than 5 acres and exclude the entire area from the sustainable harvest calculation (to protect marbled murrelet).
- Address carbon sequestration.
- Consider how to capture funding opportunities for conserving carbon in older forests.
- Use sound, updated forest inventory data.

DNR Policies

- The marbled murrelet long-term conservation strategy and the OESF Forest Land Plan should be finalized before the level is adopted.
- Further postponement of the marbled murrelet long-term conservation strategy would impede the species' ability to recover.
- The marbled murrelet long-term conservation strategy should be finalized before conducting the sustainable harvest calculation.
- Protections provided by forest practices rules and the HCP are more than adequate; setting aside more land for conservation probably will not result in increased populations.
- The OESF Forest Land Plan must be completed before the 2015–2024 sustainable harvest level can be determined.
- Completing the long-term conservation strategy and sustainable harvest calculation concurrently makes sense. The sustainable harvest level should be one measure of the effects of the long-term conservation strategy alternatives.
- DNR should revisit the cover letter of the Science Team Report that states that the report's recommendations are not reconciled with DNR's trust obligations.
- As it is unknown which type of marbled murrelet options will be included in the sustainable harvest calculation analysis, the keep statement would be for DNR to meet its required obligations and not undertake additional restrictions, protections, or burdens at the cost to the beneficiaries.

- Extraction and conversion of biomass is new policy and should be analyzed.
- Do not manage trust lands with marbled murrelets for 100 percent habitat retention, which is inconsistent with fiduciary responsibilities.
- Sustainable harvest calculation should be based on Forest Stewardship Council® principles; they will provide a more realistic calculation of sustainability than the Sustainable Forestry Initiative®.
- Provide brief, available source of Purpose, Need and Alternatives and list the SEPA elements

Elements of the Environment

- Do not expand the elements to those outside the scope of the proposal.
- Should the Board of Natural Resources and DNR decide to include elements outside the scope of the proposal, only the best relevant science should be used.
- Do not include climate change as part of this EIS.
- Do not expand elements outside scope of proposal. If elements are added, use only best relevant science.
- Inappropriate to address climate change in this EIS absent a statewide policy.
- Include climate change and develop holistic climate policy under the *Policy for Sustainable Forests*.
- Measure how forests are serving as carbon banks—how much is stored per acre.
- Analyze all elements found in WAC 197-11-444.
- Manage rainforests to maximize ability to serve as carbon stores.
- Rely on good science principles of sustainability rather than good business principles.

Impacts and Mitigation

- Include consideration of science from the adaptive management program developed for the Forest Practices HCP, including Type N buffer treatment study, stream temperature and shade, effectiveness of riparian management prescriptions in protecting shade and temperature, and Eastern Washington Type N forest hydrology study.
- Consider NOAA and EPA findings related to adequacy of Oregon’s forestry regulations to protect coastal water quality (CZARA findings).

- Consider climate impacts of attaining the sustainable harvest calculation. Take into account direct, indirect, and cumulative effect of all emissions caused by adoption of a new sustainable harvest calculation.
- Accelerate road maintenance and abandonment to improve water quality and remove fish passage barriers.
- *Washington Environmental Council v. Sutherland Settlement Agreement* terminates with new sustainable harvest calculation approval; new EIS needed to address how significant adverse impacts to spotted owls will be addressed in new sustainable harvest calculation.
- Address marbled murrelet conservation impacts to timber counties, including knowing occupancy locations relative to county trust lands, considering proportion of county trust lands impacted by murrelets to avoid inequities among counties, and describing how the Marbled Murrelet Science Team considered Pacific and Wahkiakum counties in designating trust lands inside and outside marbled murrelet management areas.
- Consider amount of mitigation provided by other HCP permittees that have addressed murrelet impacts and conservation and ability of DNR trusts to provide mitigation.
- Existing forest practice rules have higher standards than a take-avoidance strategy—consider whether the rules sufficiently minimize and mitigate take under HCP.
- Marbled murrelet set-asides under Science Team Report disproportionately affect Pacific and Wahkiakum counties, which would impact sustainable harvest calculation and associated revenues.
- New road construction should be limited in deferred harvest areas (referencing Science Team Report).
- Using Forest Stewardship Council® standards will assure mitigation measures are maximized.
- Logging in old-growth areas, endangered species areas, and landslide-prone areas above salmon streams should not be allowed.
- Sediment delivery to streams must be avoided.
- Maintain existing old-growth stands of trees to enhance carbon storage.
- Potential for landslides needs to be addressed.
- Consider the list of rare and endangered lichen and bryophyte species prior to harvesting activities in the environmental impact statement.
- Address how helicopter spraying of herbicide is beneficial when it destroys potentially rare native plant populations and leaches into streams, causing problems for salmon migration.

Purpose and Need Statement

- Climate change should be included in the need and purpose statement because sound management of State Forest Lands will impact and will be impacted by climate change and the policies governing it.
- Specific edits to the need and purpose statement are suggested.
 - The first purpose should be changed to: “Adjust the acreages designated for inclusion in the sustained yield management program and calculate a sustainable harvest level.” (RCW 79.10.320)
 - The need statement should not include an expectation that the sustainable harvest level will meet the HCP. There is no statutory basis for that expectation.
 - Narrow scope is supported. Specific edits are suggested (redline version is attached to letter). In summary:
 - Add “Fulfill the department’s obligation under RCW 79.10.320 to calculate a sustainable harvest level.”
 - Add to first bullet under Need: “Manage the state-owned lands under its jurisdiction which are primarily valuable for the purpose of growing forest crops on a sustained yield basis ... To this end, the department shall ...”;
 - Add bullet, “DNR’s fiduciary obligations to the trusts”
 - Add to second bullet, “in order to understand the impacts of each on the sustainable harvest level”
 - Add to third bullet, “including the return to the trusts of each alternative.”
 - Eliminate “best,” and “must comply with” is a better term than “is expected to meet.”
- Support development of marbled murrelet strategy concurrently with the sustainable harvest calculation.
- Do not broaden the sustainable harvest calculation by making changes to *Policy for Sustainable Forests*.
- Support completing marbled murrelet strategy and OESF Forest Land Plan first.
- To purpose, add “Approve marbled murrelet strategy and finalize OESF Forest Lan Plan before analyzing sustainable harvest calculation”; add “revisions to the 2006 *Policy for Sustainable Forests*, new information regarding the climate impacts and carbon-storage benefits of different forest practices, ... The sustainable harvest calculation should also allow for a means by which to incorporate the economic value of forests in offsetting the emissions of carbon dioxide.”

- Add language to final alternative to include updates to the *Policy for Sustainable Forests*, marbled murrelet strategy, state greenhouse gas laws, Executive Order 14-04, and SEPA.
- Develop the marbled murrelet strategy DEIS as soon as possible to inform development of alternatives for sustainable harvest calculation.
- Clarify how the marbled murrelet strategy relates to sustainable harvest calculation, specifically, whether the strategy is designed to contribute to species recovery, although the HCP requires minimizing and mitigating take, not to providing for recovery of the species. “If DNR and trusts are required to manage for a higher standard, the state could terminate HCP and manage lands for take avoidance.”
- Emphasize Objectives 1 and 3 as reasonable marbled murrelet long-term conservation strategy alternative—do not implement 2008 Science Team Report.
- Address climate change- trees worth more standing than cut. Consider and measure carbon footprint of pollution involved in harvest and manufacture of the timber product, not just loss of the tree, when determining whether to cut or preserve the stand.
- Provide for completing marbled murrelet strategy before setting decadal sustainable harvest levels.
- Need must include commitment to making “a significant contribution to the recovery of the marbled murrelet on state-managed forestlands.”
- Add revisions to the *Policy for Sustainable Forests* to incorporate new information on climate change and carbon sequestration, including the economic value of forests offsetting carbon emissions.
- Better describe history and how sustainable harvest calculation was applied in the past and its impacts.
- Outcomes of aggressive logging in terms of environmental costs and intergenerational equity are not accurately stated, nor are benefits of long-rotation forestry.
- Purpose should make clear the commitment to allow healthy ecosystem for all native wildlife to thrive; need must commit to intergenerational equity.
- Needs to clearly explain principles of sustainability.
- Clarify impact of proposal on global warming.

Riparian

- Riparian buffers are critical for protecting water quality and salmon habitat; rethink thinning practices in these buffers.

- The two options presented do not appear to include OESF. It would be advantageous to all stakeholders to understand the relationship of the OESF riparian management expected outcomes to those of the *Riparian Forest Restoration Strategy* in the five Westside planning units. This would include added volume and acres treated to those described for the *Riparian Forest Restoration Strategy* in both options.
- A complete and thorough understanding of why riparian management under-performed so significantly is needed for both the Board of Natural Resources and for the modeling process. Interview field staff, operators, and purchasers to obtain a more complete and thorough understanding of riparian management performance.
- Option 1's opportunistic concept does not on the surface appear to align with the riparian management expectations of the HCP.
- Does Option 1's opportunistic concept align with DNR's fiduciary obligations?
- Option 1 does not seem to meet the goals of HCP riparian management expectations.
- DNR's obligations to the trust beneficiaries in terms of revenues to the current generation and foregone opportunities for the next generation to profit from growth need to be fully examined and a course correction made.
- Regarding Option 2, the upper riparian threshold:
 - It does not appear to include OESF riparian management volume.
 - This most fully represents the full implementation of the *Riparian Forest Restoration Strategy*.
- Why does Option 2 not include riparian volume in OESF?
- Option 2 should be used to measure *Riparian Forest Restoration Strategy* performance.
- The OESF riparian options need to comport to a finalized and adopted OESF Forest Land Plan. Further information on the 2013 OESF proposal as it related to current management is necessary.
- Riparian options that do not cover OESF are not clear on what is classified as "opportunistic."
- The sustainable harvest calculation discussion must clearly identify the volumes expected in the non-riparian and riparian portions of the DNR landscapes.
- DNR needs to discuss implications to the trust beneficiaries of the "forgone opportunities" not taken in the riparian zone.
- The forgone opportunities discussion should include costs associated with additional staff time, sales costs, etc. associated with riparian area sales.

- Shortfalls in harvesting within riparian areas has created loss to trusts because it is unlikely DNR will harvest those areas further. Option 2 is preferred because the upper threshold does not include riparian harvest in OESF; and it meets full implementation of the *Riparian Forest Restoration Strategy*.
- All stakeholders need to understand relationship of OESF riparian management to the expected outcomes of the *Riparian Forest Restoration Strategy*, including volume and acres treated in both options.
- If there is volume for DNR to legally harvest in riparian under HCP, should do this to meet fiduciary obligation for the trusts.
- *Riparian Forest Restoration Strategy* on course to generate too low volume to meet fiduciary responsibilities to trusts. Need course correction.
- Develop an option that maximizes harvest level allowable under HCP. We supported increased management fee in past based on understanding that the fee would fund harvest in more costly areas, with benefit to the beneficiaries.
- Do not rely on logging in riparian buffers to attain sustainable harvest calculation.

Trust Duties

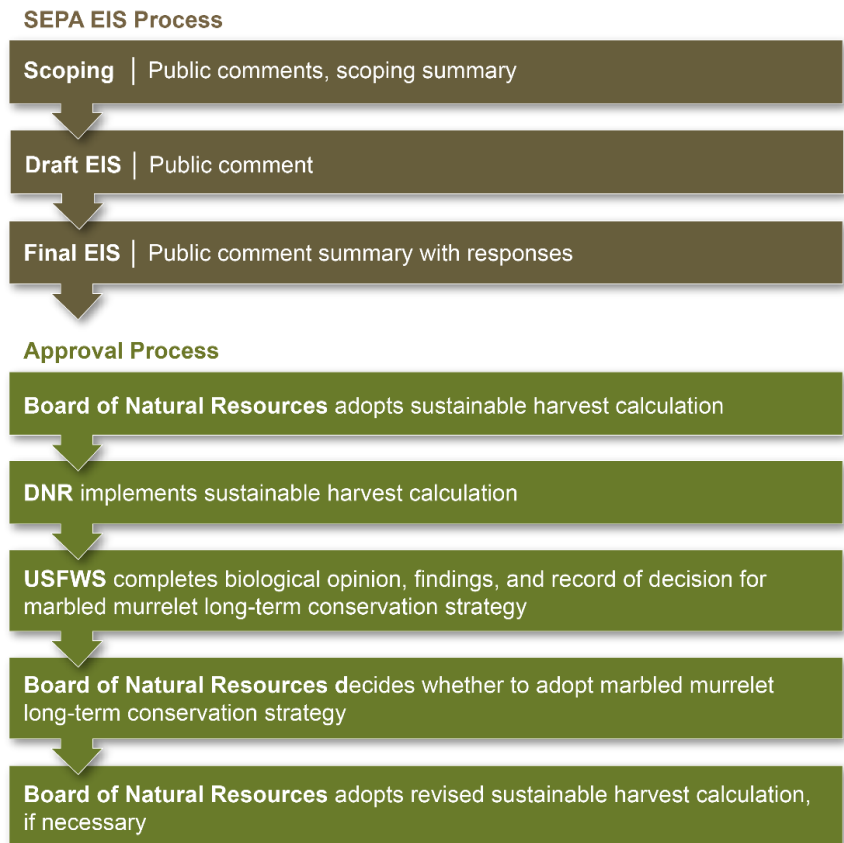
- DNR's fiduciary interests cannot trump the agency's obligations under ESA and its HCP.
- Production of sustained revenue for beneficiaries needs to be imbedded in each element of the sustainable harvest calculation.
- Examine relationship between Community Forest Trust and the new sustainable harvest calculation.

Future Steps in the Planning Process

The planning process is has several steps from scoping to adopting a sustainable harvest level (Figure A.1). The public involvement in the EIS process begins with publication of a Scoping Notice in the SEPA Register stating the lead agency’s intent to prepare an EIS and an announcement of scoping meetings, as well as a description of other environmental review activities. The remaining public involvement steps in the EIS process scoping include:

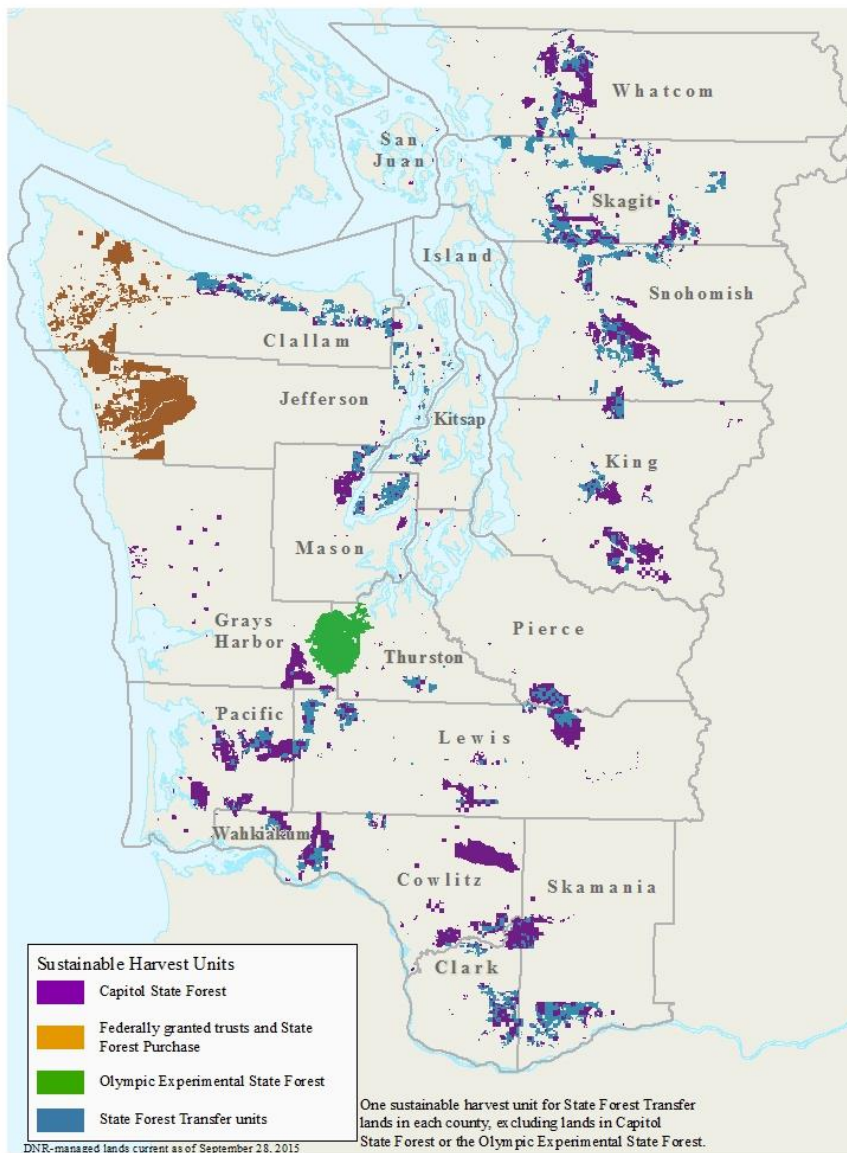
- Opportunity to comment on Draft EIS.
- Availability of Final EIS, including Response to Comments.
- Opportunity to comment to the Board of Natural Resources during board meetings.

Figure A.1. EIS and Approval Process



State Trust Lands Sustainable Harvest Units

For clarity, the map shown differs from the map presented in the determination of significance and request for comments on scope of EIS (See Appendix A.2). Note individual units for State Forest Transfer Lands in each county are not shown separately.



Determination of Significance and Request for Comments on the Scope of EIS, Including Purpose and Need Statement

Below is the Determination of significance and Request for comments on the scope of the EIS.

DETERMINATION OF SIGNIFICANCE AND REQUEST FOR COMMENTS ON SCOPE OF EIS

Description of proposal: The proposal is to establish a sustainable harvest level for the 2015 to 2024 planning decade for forested state trust land in western Washington.

Proponent: Washington Department of Natural Resources (DNR)

Location of proposal: All forested state trust lands located west of the Cascade Crest in Washington State (refer to attached map).

Lead agency: DNR

Determination: *Environmental Impact Statement (EIS) required.* The lead agency has determined this proposal potentially will have a significant adverse impact on the environment. An EIS is required under Revised Code of Washington (RCW) 43.21C.030(2)(c) and will be prepared.

Deadline for comments: Friday February 27, 2015 by 5:00 pm

Scoping notice invites comments:

Scoping is the first formal step in preparing an EIS and initiates public involvement. Through scoping, DNR seeks public input on identifying the areas that require in-depth analysis, and those areas for which a more limited discussion is appropriate. This process helps to focus DNR's consideration on the issues that are truly significant, and avoids obscuring those issues with unnecessary detail. The primary purposes of scoping are to:

- Narrow the focus of the EIS to significant environmental issues;

- Eliminate issues that would have insignificant impacts, or that are not directly related to the proposal;
- Identify alternatives to be analyzed in the EIS; and
- Identify mitigation measures that address potential environmental impacts of the proposal.

Areas for public comment:

Agencies, affected tribes, and members of the public are invited to comment on the scope of the EIS. You may comment on alternatives, mitigation measures, probable significant adverse impacts, and licenses or other approvals that may be required.

DNR welcomes all comments relevant to the scope of the EIS. If you are suggesting a particular approach or impacts to consider, please explain why. The more evidence provided in support of a comment, such as peer-reviewed studies or reports, the more useful that comment will be to DNR in its analysis. Detailed and supported comments will help in developing a robust EIS.

Suggested comment topic areas include the following:

- Probable significant environmental impacts that need to be considered in the adoption of the sustainable harvest level.
- Key environmental issues that need to be addressed and analyzed by one or more of the alternatives.
- Alternatives that need to be considered that will meet the need for, and the purpose of, the proposal.
- Specific mitigation measures that DNR should consider to avoid or minimize impacts.
- Identification of additional environmental information, studies, or reports relevant to the development of sustainable harvest level alternatives.

In the EIS, DNR will analyze the No Action Alternative and reasonable action alternatives (to be identified as a result of scoping). Alternatives to be considered in the EIS must meet the following parameters:

- DNR's trust mandate
- Applicable forest practices rules (Title 222 WAC)

- All other applicable state and federal regulations
- All current DNR policies, including the objectives of the *State Trust Lands Habitat Conservation Plan*
- Proposed purpose and need statement (attached to this notice)

You may submit these comments via one of the following methods:

- USPS mail: Department of Natural Resources, SEPA Center, MS: 47015, Olympia, WA 98504-7015
- Email: sepacenter@dnr.wa.gov
- Online comment form, via: <https://www.surveymonkey.com/s/shcscoping>

Background Information:

In Washington, DNR manages approximately 5.6 million acres of state trust lands. State trust lands are lands held in trust for specific trust beneficiaries, such as public schools and universities. The term “state trust lands” refers to both State lands and State forest lands:

- State lands (RCW 79.02.010(14)) are lands granted to the state by the federal government at statehood. State lands are also referred to as Federal Grant Lands.
- State forest lands (RCW 79.02.010(13)) are lands acquired by Washington State from the counties. There are two types: State Forest Purchase Lands, which are lands purchased or acquired by the state as a gift, and State Forest Transfer Lands, which are lands transferred to the state from the counties.

As a trust lands manager, DNR’s responsibility is to manage these lands consistent with fiduciary principles, which include producing a perpetual supply of revenue for specific trust beneficiaries. On forested state trust lands, revenue is produced primarily through the harvesting of trees.

Providing a perpetual supply of revenue requires responsible management with an emphasis on long-term sustainability. A major component DNR’s approach to sustainable management is calculation of a sustainable harvest level, which is the volume of timber to be scheduled for sale during a planning decade according to applicable laws, policies, and procedures (RCW 79.10.300)(5). Put another way, the sustainable harvest level is the amount of timber DNR can harvest from forested state trust lands on a continuing basis without major prolonged curtailment or cessation of harvest.

The sustainable harvest level applies to all forested state trust lands located west of the Cascade Crest in Washington (approximately 1.4 million acres). These lands are divided into 20 sustainable harvest units, each of which is assigned its own sustainable harvest level for the decade.

- The Westside Sustainable Harvest Unit consists of all State lands (Federal Grant Lands) and State Forest Purchase Lands located west of the Cascade Crest, with the exception of lands located inside the Olympic Experimental State Forest (OESF) and Capitol State Forest.
- The OESF and Capitol State Forests consist of all State lands (Federal Grant Lands), State Forest Purchase Lands, and State Forest Transfer Lands located within their respective boundaries.
- Each of the 17 counties is a separate State Forest Transfer unit. Each unit consists of all State Forest Transfer Lands located within their respective county boundaries, with the exception of lands located in the OESF and Capitol State Forest.

The sustainable harvest level is defined in board feet, which is a unit of volume equivalent to a 12-inch square, one-inch thick piece of wood. The level is recalculated every 10 years. To ensure one generation of beneficiaries is not favored over another, the next decade's level cannot rise or fall more than 25 percent from the previous decade's level.

DNR is required to set a sustainable harvest level by Washington state law. Specifically, DNR must periodically adjust acreages designated for inclusion in the sustained yield management program and calculate a sustainable harvest level (RCW 79.10.320). Sustained yield means harvesting on a continual basis without major prolonged curtailment or cessation of harvest (RCW 79.10.310). The sustainable harvest level is a policy decision that requires approval from the Board of Natural Resources.

DNR calculates the sustainable harvest level through a forest estate modeling process. The forest estate model is a mathematical, computer-based representation of the forest. Capable of manipulating vast quantities of data, the model is able to look across landscapes and decades to determine the sustainable harvest level that is the best balance of DNR's management objectives, which include both revenue production and ecological values such as wildlife habitat.

Notice of Public Meeting:

<p>Live webinar Meeting Date: Thursday, February 12, 2015 Meeting Time: 4:00-5:00 pm Meeting Location: https://attendee.gotowebinar.com/register/2008837794735245825</p>	<p>Recorded webinar Meeting Date: Available after February 9, 2015 Meeting Time: Ongoing Meeting Location: http://www.dnr.wa.gov/BusinessPermits/Topics/SustainableHarvestImplementation/Pages/Im_sust_harvest_implement.aspx</p>
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Responsible official: Mary Verner
Position/Title: Deputy Supervisor, Resource Protection & Administration
Phone: 360-902-1739
Address: Department of Natural Resources P.O. Box 47001 Olympia, WA 98504-7001

Date: January 29, 2015

Signature: _____

There is no DNR administrative SEPA appeal.

Sustainable Harvest Calculation Purpose and Need

PROPOSAL

The proposal is to establish a sustainable harvest level for the 2015 to 2024 planning decade for forested state trust land in western Washington.

PURPOSE

The purpose of the proposal is to:

- Analyze the sustainable harvest level associated with the Marbled Murrelet Long-Term Conservation Strategy alternatives;
- Analyze alternative courses of action regarding the arrearage from the 2004 to 2014 planning decade; and
- Incorporate new information into an updated model to calculate the decadal sustainable timber harvest level. New information includes changes in the land base, changes in forest inventory, and changes in technology.

NEED

DNR needs to calculate a new sustainable harvest level and determine the best course of action regarding the arrearage¹ consistent with state law and DNR policy.

- RCW 79.10.320 requires DNR to “periodically adjust the acreages designated for inclusion in the sustained yield management program and calculate a sustainable harvest level.”
- RCW 79.10.330 states that “[i]f an arrearage exists at the end of any planning decade, the department shall 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.”

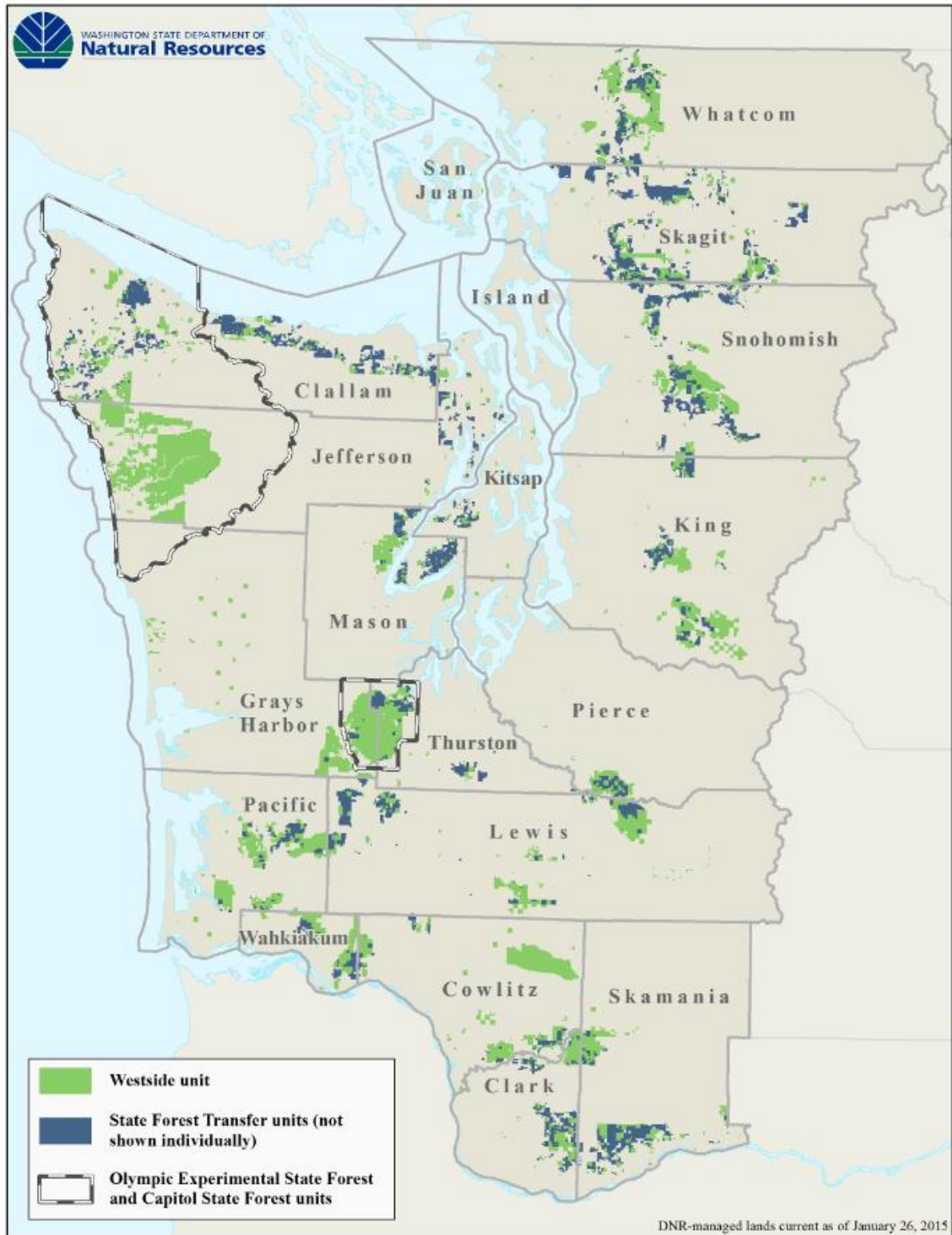
¹ Arrearage from the 2005-2014 planning decade is the difference between the harvest level and the timber sold during that decade.

- The 2006 *Policy for Sustainable Forests* states that “[t]he department, with Board of Natural Resources approval, will recalculate the statewide sustainable harvest level, for Board of Natural Resources adoption no less frequently than every ten years.”

The final selected alternative for the 2015 to 2024 sustainable harvest level is expected to meet the following:

- The *Policy for Sustainable Forest*;
- The *State Trust Lands Habitat Conservation Plan*;
- Applicable forest practices rules (Title 222 WAC); and
- All other applicable state and federal regulations.

State Trust Lands Sustainable Harvest Units



Press Release Announcing the Webinar on the Sustainable Harvest Calculation

Below is the press release announcing the webinar on the sustainable harvest calculation.

DNR TO HOLD WEBINAR ON SUSTAINABLE HARVEST CALCULATION: PUBLIC COMMENT REQUESTED ON THE SCOPE OF ENVIRONMENTAL REVIEW

News Date:

February 9, 2015

The Washington State Department of Natural Resources (DNR) will present an informational webinar on February 12, 2015, as part of the public process of determining a sustainable harvest level on forested state trust lands in western Washington. The live webinar will take place from 4:00 p.m. to 5:00 p.m. on February 12, 2015.

What:

Public meeting webinar

When:

4:00 p.m. to 5:00 p.m., February 12, 2015

During the live webinar, DNR staff will provide information and gather comments about the scope of the agency's proposal for a sustainable harvest level for the 2015-2024 planning decade as required by Washington state law. Specifically, DNR must periodically adjust the number of acres of forestland it designates for a sustained yield of timber in western Washington and calculate a sustainable level of timber to harvest from those lands over the planning decade.

Scoping, the first formal step in preparing an environmental impact statement (EIS) under the State Environmental Policy Act (SEPA), initiates public involvement in preparing the EIS. Scoping is intended to solicit information from the public, agencies and tribes to narrow the focus of the EIS to significant environmental issues and eliminate issues that would cause insignificant impacts.

A summary of comments received during the scoping process, which concludes February 27, 2015, will be posted on the DNR website. A description of the current scoping and EIS process are on the DNR website at: [/publications/amp_sepa_nonpro_sustainharv_ds.pdf](#)

COMMENT PERIOD ENDS FEBRUARY 27

The public is invited to provide comments on the proposed scope of environmental review of the sustainable harvest to DNR's SEPA Center SEPAcenter@dnr.wa.gov by 5 p.m., February 27, 2015.

Comments also may be submitted by mail and must be received no later than 5 p.m., February 27, 2015, at:

Washington State Department of Natural Resources SEPA Center
1111 Washington St SE
MS: 47015
Olympia, WA 98504-7015

SEPAcenter@dnr.wa.gov

Phone: 360-902-1739

Fax: 360-902-1789

DNR – STEWARD OF STATE'S TRUST LANDS

In Washington, DNR manages approximately 5.6 million acres of state trust lands and aquatic areas. State trust lands are lands held in trust for specific trust beneficiaries, such as public schools and universities. As a trust land manager, DNR's responsibility is to manage these lands consistent with fiduciary principles, including producing revenue for specific trust beneficiaries in perpetuity. On forested state trust lands, revenue is produce primarily through the harvesting of trees.

Media Contact: Joe Smillie, Public Information Officer, joe.smillie@dnr.wa.gov, 360-902-1523

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Date: February 9, 2015