

## **Solutions Table**

### **What We Believe:**

#### **The Principles Upon Which We Are Proceeding**

- DNR rejects the premise that we must choose between a species and ensuring critical services and opportunities for our communities, from education, human services, and public safety to jobs and economic health. Instead, DNR believes we should together assume the responsibility of supporting our communities and the marbled murrelet ("murrelet") with all the intelligent strategies we can find. Embracing this broader responsibility demands complex solutions, collaborative engagement, and statewide resources. While more challenging than simply advocating one side or the other, it also has the potential to deliver more impactful and enduring outcomes.
- Following this belief, the Solutions Table ("Table") was created to achieve interlocking outcomes in the areas of murrelet habitat conservation, trust revenue, timber volume, and timber jobs. All four of these outcome areas are legitimate goals, and we are committed to achieving all of them.
- DNR's HCP marbled murrelet long-term conservation strategy ("LTCS") entirely fulfills DNR's obligations under the Endangered Species Act. The conservation of additional marbled murrelet habitat on DNR-managed lands is a policy choice, not an obligation. The Table may add to conservation accomplished through the LTCS, but it may not undo the balance of outcomes achieved through the LTCS, specifically the defined "give" of murrelet habitat conservation for the defined "get" of permitted incidental take of murrelets.
- Identically, the LTCS entirely fulfills DNR's obligations to its trust beneficiaries. Replacing trust revenue lost as a result of the LTCS is a policy choice, not an obligation.
- Replacing trust revenue lost through the conservation of additional murrelet habitat on DNR-managed trust lands--above and beyond the LTCS--is an obligation, not a policy choice. Conserving additional murrelet habitat on DNR-managed trust lands without fully compensating the trusts would undo the balance of outcomes achieved through the LTCS and would damage the trusts.
- Additional murrelet habitat conservation and replacement trust revenue must be coincident in time, from the moment DNR's amended incidental take permit is signed by Secretary of The Interior. DNR cannot "front-end load" additional murrelet habitat conservation (i.e., defer timber harvest on lands selected for additional murrelet habitat conservation) while waiting for funds to replace lost revenue. This would undo the balance of outcomes achieved through the LTCS, and would breach DNR's duty to manage trust assets with undivided loyalty to the beneficiaries.
- That said, the thought that DNR can instantaneously provide replacement revenue for many thousands of acres of additional murrelet habitat conservation is unrealistic. With the Table's support, DNR will work to develop a "bridge mechanism" for compensating affected trusts for the financial impacts of front-end loaded habitat conservation while long-term replacement of trust revenue is underway. Such a mechanism would avoid both irretrievable loss of habitat conservation opportunities and unacceptable financial impacts to trust beneficiaries. Unless and until such a mechanism is in place, additional front-end loaded murrelet habitat conservation is not possible.

**DRAFT      DRAFT      DRAFT**

- Beyond trust revenue, pursuing timber volume and timber jobs outcomes as these relate to Washington's timber economy and the welfare of rural communities is a policy choice, not an obligation. DNR recognizes the critical role that timber processing infrastructure and timber jobs play in supporting DNR's responsibilities to sustainably manage the forested trust lands, improve forest health, and generate revenue for trust beneficiaries. DNR has demonstrated its commitment to these outcomes through its encumbered lands work that has resulted in \$14 million in legislative appropriations to replace and permanently conserve State Forestlands where timber harvest has been deferred under DNR's HCP marbled murrelet interim conservation strategy. DNR will continue to request these biennial appropriations.
- DNR believes that by adhering to these principles and being mindful of the interlocking nature of the outcomes--in both space and in time--we can achieve significant, positive outcomes in all four areas.

**Note: Outcomes described in Layers 1 and 2 in following table are contingent upon approval of the Board of Natural Resources ("Board"), as a separate matter unconnected to the LTCS.**

| Layer of Effort | Solutions Table Outcomes  |  |   |   |   |
|-----------------|---|--|---|---|---|
|                 | Murrelet Habitat Conservation   | Trust Revenue  |   | Timber Volume   | Timber Jobs   |
|                 |   | Counties   | Other Trusts  |   |   |
| Layer 1. LTCS   | <p><u>required?</u> NO<br/> <u>ST work needed?</u> NO<br/> <u>notes:</u><br/>                     - conservation is provided through the LTCS</p> | <p><u>required?</u> NO<br/> <u>ST work needed?</u> YES (policy choice)<br/> <u>target outcome:</u> restore 100% of the revenue reduction difference between LTCS alternatives H and B for Pacific and Wahkiakum counties<br/> <u>notes:</u><br/>                     - achieve at least 80% of this level of revenue restoration by acquiring working forest lands in the same county (as opposed to other asset types or locations)<br/>                     - continue biennial State Forestland Replacement appropriation requests until this outcome is achieved</p> | <p><u>required?</u> NO<br/> <u>ST work needed?</u> NO</p> | <p><u>required?</u> NO<br/> <u>ST work needed?</u> YES (policy choice)<br/> <u>target outcome:</u> 80% of the timber volume difference between LTCS Alternatives H and B for Pacific and Wahkiakum counties</p> | <p><u>required?</u> NO<br/> <u>ST work needed?</u> NO (passive outcome)<br/> <u>target outcome:</u> commensurate with timber volume</p> |

| Layer of Effort   | Solutions Table Outcomes  |   |              |   |   |
|---|---|---|--------------|---|---|
|   | Murrelet Habitat Conservation   | Trust Revenue   |              | Timber Volume   | Timber Jobs   |
|   |   | Counties  | Other Trusts |   |   |
| Layer 2. Additional Murrelet Habitat Conservation (above and beyond the LTCS) | <p><u>required?</u> NO<br/> <u>ST work needed?</u> YES (policy choice)<br/> <u>target outcome:</u> conserve 100% of the current habitat acres difference between LTCS Alternatives H and G (approximately 38,000 acres) on DNR-managed forest trust lands<br/> <u>notes:</u><br/>                     - in selecting specific acres for additional murrelet habitat conservation, DNR will be guided by the Marbled Murrelet Coalition's conservation priorities<br/>                     - conservation cannot be front-end loaded unless and until a bridge mechanism to compensate affected trusts for the financial impact of timber harvest deferrals is in place: otherwise, additional habitat cannot be conserved until replacement revenue is in place</p> | <p><u>required?</u> YES<br/> <u>ST work needed?</u> YES (required)<br/> <u>target outcome:</u> replace 100% of the revenue reduction resulting from additional murrelet habitat conservation<br/> <u>notes:</u><br/>                     - affected trusts must be fully compensated for the financial impacts of additional murrelet habitat conservation<br/>                     - conservation cannot be front-end loaded unless and until a bridge mechanism to compensate affected trusts for the financial impact of timber harvest deferrals is in place: otherwise, additional habitat cannot be conserved until replacement revenue is in place</p> |              | <p><u>required?</u> NO<br/> <u>ST work needed?</u> YES (policy choice, to the extent this is not addressed through "Trust Revenue")<br/> <u>target outcome:</u> 80% of the timber volume difference between the LTCS and additional murrelet habitat conservation<br/> <u>notes:</u><br/>                     - silvicultural treatments to enhance habitat development on additional acres conserved is permissible under the LTCS</p> | <p><u>required?</u> NO<br/> <u>ST work needed?</u> NO (passive outcome)<br/> <u>target outcome:</u> commensurate with timber volume</p> |

| Layer of Effort               | Solutions Table Outcomes  |   |   |   |             |
|-------------------------------|---|---|---|---|-------------|
|                               | Murrelet Habitat Conservation   | Trust Revenue   |   | Timber Volume   | Timber Jobs |
|                               |   | Counties  | Other Trusts  |   |             |
| Layer 3. Actions by the Table | <p><u>required?</u> NO<br/> <u>ST work needed?</u> YES (policy choice)<br/> <u>target outcome:</u><br/>                     - help DNR develop a bridge mechanism to compensate affected trusts for the financial impact of temporary timber harvest deferrals on acres selected for additional murrelet habitat conservation<br/>                     - help DNR develop funding approaches to move acres selected for additional habitat conservation into permanent conservation status<br/>                     - statement of support emphasizing the importance of small forest landowners' lands to habitat conservation and economic outcomes<br/>                     - work directly with small forest landowners to better understand what they need to be successful and to improve/expand assistance programs for them<br/>                     - explore with U.S. Fish and Wildlife Service and other organizations possibilities around accelerating/</p> | <p><u>required?</u> NO<br/> <u>ST work needed?</u> YES (policy choice)<br/> <u>target outcome:</u><br/>                     - recommend to the Board that the Sustainable Harvest Calculation ("SHC") include an estimate of riparian timber harvest volume in the SHC, allow DNR to credit riparian volume timber harvests towards achievement of its stated SHC<br/>                     - recommend to DNR that it appoints an expert panel to advise on the SHC<br/>                     - statement of support for DNR's ongoing efforts to modernize and update its inventory of state trust lands<br/>                     - request DNR to report to the legislature about its substantial silviculture budget shortfall and silviculture steps necessary to maximize return on investment for state trust lands<br/>                     - statement of support for DNR's efforts to develop 2, 3, and 5-year timber sale plans in each region<br/>                     - statement of support for DNR' strategic and appropriate use of "region sales" to expedite low-volume timber sales<br/>                     - statement of support for DNR's Trust Lands Performance Assessment and efforts to increase DNR's ability to manage the portfolio more nimbly</p> | <p><u>required?</u> NO<br/> <u>ST work needed?</u> YES (policy choice)<br/> <u>target outcome:</u><br/>                     - statement of support encouraging the State Legislature to continue to support DNR's implementation of its Good Neighbor Agreement with USDA Forest Service, with the goal of accelerating the pace and scale of forest treatments on Federal lands.</p> | <p><u>required?</u> NO<br/> <u>ST work needed?</u> YES (policy choice)<br/> <u>target outcome:</u><br/>                     - develop recommendations and/or initiatives to support wood processing and manufacturing innovations and increase use of Washington-based wood products in construction<br/>                     - explore with U.S. Fish and Wildlife Service and other organizations possibilities around accelerating/developing marbled murrelet habitat including forest treatments, artificial nest platforms, incentives on private lands, research, etc.</p> |             |

| Layer of Effort | Solutions Table Outcomes  |               |              |               |             |
|-----------------|---|---------------|--------------|---------------|-------------|
|                 | Murrelet Habitat Conservation   | Trust Revenue |              | Timber Volume | Timber Jobs |
|                 |   | Counties      | Other Trusts |               |             |
|                 | developing marbled murrelet habitat including forest treatments, artificial nest platforms, incentives on private lands, research, etc. |               |              |               |             |