



Solutions Table Meeting Notes

November 5, 2018, 11:00 – 1:00, conference call

The Solutions Table met by conference call on November 5, 2018. All members were present except for Patricia Jones (Olympia Forest Coalition), Lisa Remlinger (WEC), Jim Sayce (Pacific County Economic Development) and Commissioner Franz (DNR). The only agenda item was an overview of HB 2285 economic report and request for comments.

Dan Cothren (Wahkiakum County) indicated that he had to leave the call early and observed that none of the alternatives would benefit Wahkiakum County and the County continues to have concerns about the amount of land set aside there under any alternative.

Andy Hayes from DNR provided a brief introduction to the report. The purpose of the conference call is to provide an opportunity for Solutions Table members to provide comments to help clarify and improve the draft Economic Analysis report prepared under HB 2285. Once final, the economic analysis will be synthesized with the initial overview section (already reviewed by the Solutions Table members) and with any recommendations to which the Solutions Table might agree, and the package will go to the legislature in December. An opportunity for written comments also was provided, with comment due on Friday, November 9, 2018.

The report compares alternative H and the status quo, both analyzed in the RDEIS. The status quo represents current DNR management under the interim strategy. DNR and the Solutions Table acknowledge that this does not tell the full story of everything that has happened in counties since murrelet protection started – the status quo includes significant restrictions on harvest that has had significant impacts on counties. Connie Beauvais (Port of Port Angeles) suggested that, to more accurately reflect impacts to counties, the comparison should be between alternative B and alternative H. The comparison to the status quo simply does not capture impacts to counties. Brian Sims (Washington State School Directors Association) agreed and indicated that another reason to compare H to B (instead of the status quo), is because B is the option with the least impact on beneficiaries, and is being advocated by many beneficiaries, and therefore would bound the alternatives on that end.

Travis Joseph (American Forest Resources Council) asked if DNR could review and describe the status quo as used in the draft Economic Analysis. Further, he asked DNR to distinguish between the status quo policy – meaning what DNR intended to accomplish – and the actual impact (outcome) of the status quo in terms of harvest achieved on the ground in terms of trust revenue, jobs, and harvest volume. He indicated that it is difficult to understand what the baseline is from the tables and the graphs – because they don't show the current outcomes in terms of jobs, revenue, and harvest volume. For example – how is it possible that an additional

10,000 acres could be removed from the land base and result in additional jobs and revenue? Kristen Ohlson-Kiehn (DNR) responded and acknowledged that it is not intuitive – the reason is that even though there is more conservation under Alternative H, the conservation is in special habitat areas, which contain a combination of mature and young stands. Conversely, in alternative A the conservation occurs in reclassified habitat, which is largely mature forest. So, in the analysis in the first decade, the model assumes harvest of the mature forests that were captured in alternative A but are not included in alternative H. In future decades the impacts to counties will be greater than in the first decade. Travis and Connie both expressed concern that this does not show the full picture of projected impacts.

David Chertudi (DNR) further clarified that the report was intended to focus on key impacts and summarize them, that it isn't a full technical report of the full analysis or model, and it was meant to be short and succinct. The full report can be made available as it is completed. David also indicated that the first paragraph on the first page explains that the positive impacts seen in the first decade do not continue in future decades. David clarified that the impacts the report describes are only those due to murrelet conservation (the murrelet land base change), and do not include any of the other policy variants analyzed in the parallel sustainable harvest calculation project.

Brian advocated for analysis of alternative B and indicated that in a conflict between the trust mandate and the Endangered Species Act, he would prefer to err on the side of the trust mandate. Paula Swedeen (Conservation Northwest) pointed out that the conservation community doesn't think alternative H sets aside enough habitat to be approvable under the Endangered Species Act, and wonders why we would ask DNR to analyze an alternative (in B) that is not legal? Paula would strongly object to having DNR compare H to B, because no one thinks it will be acceptable under the Endangered Species Act – it doesn't seem like a good use of time. Brian responded that the technical report already has all the information to extract the results of the comparison – so it wouldn't take too much and reiterated that a lot of people are going to ask for the comparison and some people think it may be legal – or should at least be tested – so better to have that comparison come from DNR.

Brian asked if DNR was only going to present H to the Board of Natural Resources? Andy explained that the Board has provisionally already selected alternative H; before making a final decision they will consider additional information including comments on and analysis from the EIS process, negotiations with US Fish and Wildlife Service, and the trust financial analysis. Based on that information, they might suggest changes to alternative H and/or pick a different alternative. Brian noted that selection of alternative H as a preferred alternative was made before the public were made aware of the economic impacts through this Economic Analysis.

Ted Sturdevant (DNR) reviewed the conversation from the first meeting where there was a long discussion about selecting a baseline. At that meeting, the Solutions Table agreed to focus instead on a mission of achieving more in each of the dimensions they're working on (jobs, revenue, murrelet). The point of the Economic Analysis is not to provide additional information to the Board. It is to inform the work of the Solutions Table – so it is a question is what is useful to us.

Connie suggested that if the Board has not made a final selection of an alternative then the impacts of each of the alternatives should be analyzed and presented. Connie also reiterated that if DNR isn't able to describe alternative B as the minimum needed to comply with ESA, the point of comparison should go back to 1997 before the interim strategy. Clallam County has engaged with expert consulting review on the report and has multiple technical comments and questions on the report which Connie will provide separately.

Travis appreciated all the work that has gone into the report and the complexity and expressed concern about the legislature potentially taking an inaccurate message away from the report. He explained that as a lay reader without too much time to spend on the report, he thought the overall impression that would be taken away is: no problem, looks like it's pretty good for beneficiaries, jobs, and murrelet – which is not accurate. If this is the take away, it would be easy for the legislature to decide that there doesn't need to be any more time spent on this by either them or the Solutions Table. David suggested that although an input/output model approach to outyear decades wasn't appropriate in his view, the information from the forest state model might be included to give a sense of future impacts. Travis thought that would be helpful and advised that the many caveats in the report be more clearly stated at the beginning, and that the presentation of the information be significantly simplified. He wondered if more time was needed to present a clearer picture of the economics.

Ted acknowledged concerns about the report and how it would be received. He emphasized that DNR doesn't want a report that isn't true and doesn't want a report that everyone is fighting over. The desire is for the Economic Analysis to support and inform Solutions Table discussion. If anyone asserts that the analysis shows there's not a problem, no one at the table, including DNR, is going to agree with that.

Paula proposed that one way to think about the difference between the flush of timber (if it is real) in first decade vs the subsequent decades is that it gives us some time to figure out what to do about later decade impacts. She agreed that caveats should be listed clearly up front and the presentation simplified. Paula also explained that the environmental community had hoped for a broader analysis that would address other elements and interconnected elements of the economy. She also wondered if there is a way to go back to the legislature and ask for more time or funding to get at some of these issues and improve the clarity of the analysis.

Paul Jewell (Washington Association of Counties) shared concerns expressed about the report, particularly in how it could be read to misrepresent the impacts to beneficiaries by a person without much context or time to spend on the issues.

Ted asked how necessary is the information contained in the Economic Analysis for the Solutions Table? Solutions Table members weighed in that the information is very important and necessary. Paul, Travis, and others indicated that's why they have been asking for this information from the beginning. Portraying the impacts of actions will be very important to setting the context both for the types of solutions needed and for going to the legislature and asking for their help implementing solutions.

DNR thanked Solutions Table members for their engagement on the report and for all their feedback. DNR needs to consider what it heard today, particularly around how to present the

report so that it doesn't create the wrong impression about impacts; how to reflect on the ground impacts v. those projected on the paper in the comparison; and technical corrections, and determine a path forward. DNR reiterated that written comments also are welcome and asked for comments by Friday, November 9.

The next Solutions Table meeting is December 6 in Olympia and will focus on revenue to beneficiaries.