



P.O. Box 1350
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Board of Commissioners
Steven Burke, *President*
Colleen McAleer, *Vice President*
Connie Beauvais, *Secretary*
Executive Director
Karen Goschen

March 3, 2020

Representative Mike Chapman
Washington State House of
Representatives
132B Legislative Building
PO Box 40600
Olympia, WA 98504

Representative Steve Tharinger
Washington State House of
Representatives
JLOB 314
PO Box 40600
Olympia, WA 98504-0600

Senator Kevin Van De Wege
Washington State Senate
PO Box 40424
Olympia, WA 98504-0424

Dear Legislative Leaders,

RE: Support for an Independent Review of DNR's Sustainable Harvest Calculation through JLARC
(Section 103(5) of ESSB 6168)

The Port of Port Angeles supports the proposal contained in the Senate's proposed operating budget for the Joint Legislative Audit and Review Committee (JLARC) to oversee an independent, third-party review of the Department of Natural Resources (DNR) Sustainable Harvest Calculation (SHC) and inventory for state-managed trust lands in western Washington.

The Port of Port Angeles is a beneficiary of revenues generated from DNR trust lands. We have been deeply involved in DNR's multi-year process related to the marbled murrelet and the sustainable harvest calculation over concerns for reduced future harvests because past actual harvests have been below planned harvest levels. Reductions in DNR timber harvests greatly impacts our community far beyond the challenges of decreased revenue for junior taxing districts. The loss of living wage jobs is of critical concern, as well as the domino effect of the flow of logs and fiber within the very complex and integrated local forest products industry.

The large reduction in sustainable harvest adopted in December from DNR lands does not align with the type, quality and quantity of habitat necessary for the marbled murrelet, nor does it take into consideration the available habitat on federal lands. It also conflicts with the active and sustainable forest management required of DNR as trustor for Clallam County trust lands.

Indeed, the Lands Commissioner has acknowledged that DNR needs outside expertise to assist them in understanding what is driving the harvest levels down to the adopted levels. The Port agrees with the Commissioner. We strongly believe it needs to be an independent review based on the lack of transparency in the current model and/or the lack of ability to adequately explain the model and reconcile the model results with actual on-the-ground inventory.

We also believe the review, contained in Section 103(5) of ESSB 6168, is critically important to many communities, beneficiaries, and local industries that have been impacted by reductions in sustainable timber harvests from state trust lands. The cumulative reductions in sustainable harvest adopted by DNR will lead to the loss of over 2,700 direct jobs in the forest products industry and the annual loss of \$58.8 million in timber revenues to fund public services. Much of those impacts could occur on the Olympic Peninsula.

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Section 103(5) of ESSB 6168 as adopted by the Senate includes \$280,000 for JLARC to contract for an independent, third-party review of the inventory, data, assumptions, and policy decisions that inform future iterations of the SHC.

The results for the 2015 to 2024 sustainable harvest calculation missed its relevant planning deadline. It is important to have a valid and reliable model for the next decadal sustainable harvest calculation that is based on good “ground-truthed” data. DNR must again initiate the sustainable harvest calculation process in about two years, accordingly, now is the time to conduct such a review. It will inform the next iteration. Without such a review, trust beneficiaries and the state will be faced with a potentially flawed harvest calculation for more than a decade.

Thank you for your consideration.

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