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**Board of Commissioners**  
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Connie Beauvais, *Vice President*  
Steven Burke, *Secretary*  
**Executive Director**  
Karen Goschen

May 19, 2017

The Honorable Derek Kilmer  
1520 Longworth House Office Building  
Washington D.C. 20515

Dear Congressman Kilmer,

The Port of Port Angeles (Port) wants to express its support for your efforts to re-authorize the **Secure Rural Schools Program**. The Port appreciates you joining with Clallam County Commissioner Randy Johnson to co-author the March 27<sup>th</sup> editorial in the Peninsula Daily News. The editorial provided North Olympic Peninsula residents an excellent overview of the issue.

The federal government owns and manages much of the land base in this region. It is vital that our communities continue to receive federal support since these lands are exempt from property taxes which fund much of the services in this area. Reduced timber harvest on federal lands has contributed to the continuing importance of the Secure Rural Schools Program. As you know, 2015 was the last year the program was authorized. The hardships from the lack of funding continues to grow.

Thank you for co-sponsoring this important legislation.

#### **Olympic Peninsula Timber Supply**

The Port of Port Angeles's responsibility under its enabling legislation is to promote economic prosperity for Clallam County. The forest products industry continues to play a vital role in the economy of the North Olympic Peninsula. However, past decisions on the management of federal and state lands have reduced the supply of timber on the Olympic Peninsula, with dramatic, and long-lasting impacts to our economy and communities.

The Port is apprehensive about the prospect of losing even more timber supply because of pending decisions on both federal and state lands. The state, through the Board of Natural Resources, is in the process of updating their management plans for the marbled murrelet and establishing a new ten-year sustainable harvest for state lands. Their decisions could have profound impacts on the predictability and supply of timber to the businesses and communities on the Northern Olympic Peninsula.

The Port retained Olympus Consulting to establish baseline metrics to assist in analyzing the options presented by the Board of Natural Resources. Some key findings include:

- In Clallam County, every 20 MMBF (million board feet) that is harvested results in 24 full time direct jobs in forestry, harvesting and manufacturing. Each direct job supports another 0.55 indirect jobs in the supply chain, and 0.76 induced jobs in the general economy. Therefore, every 20 MMBF harvested results in,
  - 24 full time direct jobs,
  - 13.2 indirect jobs,
  - 18.24 induced jobs,
  - For a total of 55.5 jobs for every 20 MMBF of harvest

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- The total public and private timber harvest in the Olympic Peninsula region (Olympic NF, OESF, Clallam, Jefferson, and Mason counties) supporting our businesses and communities has averaged 697 MMBF per year over the last decade. This harvest has resulted in:
  - 836 full time jobs,
  - 460 indirect jobs,
  - 635 induced jobs,
  - For an average of 1,931 jobs per year.
- Harvest from the 633,000-acre Olympic National Forest has only contributed 23 MMBF per year over the last decade, about three percent (3%) of the total harvest on the Peninsula.
- Harvest on state managed lands contributes between 17%-22% of the total timber supply in the Olympic Peninsula region.
- Harvest on state trust lands in Clallam County contributes, on average, about 7.5% of the total Olympic Peninsula timber supply. Harvest from these lands makes up about 29% of the total harvest from state lands on the Peninsula. The county, and Port, receive more revenues from harvests off these lands than other state lands.
- State planning documents and annual reports show that more than 700,000 acres of state managed, west side forests (or about 48% of west side lands) are either withdrawn from management or managed under restrictive conservation objectives.

#### Next Steps

The catastrophic wildfires in Central and N.E. Washington are a wake-up call that we need to work together to achieve a balanced long-range plan across both state and federal lands.

The decisions on timber harvest levels on state, federal and private lands will impact our communities, our economy and our landscapes for decades. The Port urges you, and your team, to stay informed on the decisions related to the management of state lands on the Olympic Peninsula.

Additionally, we believe it's timely to initiate a re-examination of the management plan for the Olympic National Forest. Clearly, the Olympic National Forest can contribute more timber for our local economy without jeopardizing environmental and recreational benefits. The Port would like to work with you, and other stakeholders, to identify options for more active management of these important lands on the Peninsula.

Thank you.



Colleen M. McAleer  
President



Connie L. Beauvais  
Vice President



Steven D. Burke  
Secretary



## Background – Timber Supply & Harvest

May 26, 2017

### Olympic National Forest & Wild Olympics

- Olympic National Forest:
  - ~633,000 acres
  - Average annual timber sale target (ten-year) = 23 MMBF
  - Average annual timber volume awarded (ten-year) = 26 MMBF
  - Pre-Northwest Forest Plan - 250-280 MMBF of annual timber sales from the Olympic National Forest
  
- 2010 - The Port Commission adopted Resolution #10-997 expressing opposition to the Wild Olympics Wilderness and Scenic Rivers Proposal.
  
- 2012 - The Port of Port Angeles, Clallam County and City of Forks engaged Olympus Consulting to analyze the impacts of the revised 2012 Wild Olympics legislation.
  - The analysis estimated a loss of 25 jobs and over \$1 million in lost wages due to reduced timber harvests.
  - Further job losses could result from suppliers and services provided to sawmills, pulp and paper manufacturers, and co-generation facilities.
  
- 2013 - the Port Commission President submitted a statement in opposition to the Wild Olympics citing the proposal's anticipated economic impacts.
  - The Port also expressed concern that changes in management due to Wild Olympics would prevent thousands of acres from growing into suitable spotted owl habitat.
  
- 2016 – In April, the Port wrote to the Chair, Subcommittee Chair, and Northwest members of the Senate Energy and Natural Resources Committee expressing continued concern about reductions in harvestable timber that could result from enactment of the Wild Olympics Wilderness and Wild and Scenic Rivers Act.
  - The Port did acknowledge the work of the Olympic Peninsula Collaborative as a positive step towards resolving this issue.
  
- 2017 Wild Olympics Legislation – The Port's understanding is that the current legislation mirrors the 2012 legislation. The Port appreciates the work that has been done between the 2010 and 2012 Wild Olympics proposal to ease potential adverse impact on future timber harvest. The Port is apprehensive to lose any harvestable timberlands. The Port is interested in working towards, at a minimum, a net neutral impact to working forests on the Olympic National Forest.



### **DNR Marbled Murrelet Plan and Sustainable Harvest Level**

Washington's Board of Natural Resources (BNR) is in the process of evaluating options, completing an environmental impact statement, and seeking input on two major decisions;

1. Management of state lands to address the needs for the marbled murrelet.
2. Establishment of a new, ten-year sustainable harvest for state managed lands.

The Port retained Olympus Consulting to establish baseline metrics to assist in analyzing the options presented by the Board of Natural Resources.

#### **Some key findings include:**

- In Clallam County, every 20 MMBF that is harvested results in 24 full time direct jobs in forestry, harvesting and manufacturing. Each direct job supports another 0.55 indirect jobs in the supply chain, and 0.76 induced jobs in the general economy. Therefore, every 20 MMBF harvested results in,
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## Management of State Lands

### Recommendations submitted by the Port of Port Angeles

Statewide, the BNR is analyzing options that could produce between 398 and 550 MMBF per year. The Olympus Consulting analysis shows that the options analyzed by the BNR can have dramatically different impacts on individual counties.

*The Port of Port Angeles has expressed support for a modified version of BNR Alternative 2, one of the five alternatives analyzed in the Draft Environmental Impact Statement. In summary:*

- Adoption of Alternative 2 will add an additional 110 MMBF of harvest over the ten-year period in Clallam County. *The Port is urging this harvest volume to be scheduled on an “even flow” basis over ten years.*
- Add back 92 MMBF of “arrearage” volume from previous years to the ten-year harvest level.
  - For perspective, between 2006-2014, Clallam County and junior taxing districts have foregone an estimated \$12.5 million in revenues due to the arrearage volume.
- Urge the BNR to renew their focus on thinning in riparian areas and other overstocked stands to enhance fish and wildlife habitat and add economic activity.
- Allow for a 10% increase, year to year, to accommodate market conditions, but without exceeding the ten-year harvest level.

The benefits of these recommendations include:

- Increases the Net Present Value of benefits to the North Olympic Peninsula by more than \$57 million over the current plan. These benefits accrue in wages, benefits, business taxes and excise taxes to junior taxing districts.
- Allows for stability and predictability of wood supply.
- Provides for the protection of fish, water, wildlife and other environmental values.