

THE WHITE HOUSE
WASHINGTON

April 13, 1994

Carol,

A copy of this document was hand-
delivered to Mike Schmidt this date.

Pat

Pat
12:10 pm
4/13

Hanna —
file where ever the
issue is (ie. Forest Service
Plan, Forestry)

APR 13 REC'D

059194SS

Document No.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/13 ACTION/CONCURRENCE/COMMENT DUE BY: 3:00PM, TODAY!!!!

SUBJECT: COMPLETION OF THE NORTHWEST FOREST PLAN

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NUSSBAUM	<input type="checkbox"/>	<input type="checkbox"/>
McLARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	QUINN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LADER	<input type="checkbox"/>	<input type="checkbox"/>	RASCO	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ICKES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RUBIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PANETTA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SEGAL	<input type="checkbox"/>	<input type="checkbox"/>
BAGGETT	<input type="checkbox"/>	<input type="checkbox"/>	SEIDMAN	<input type="checkbox"/>	<input type="checkbox"/>
EMANUEL	<input type="checkbox"/>	<input type="checkbox"/>	STEPHANOPOULOS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GEARAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	TYSON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GERGEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	VARNEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GIBBONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WATKINS	<input type="checkbox"/>	<input type="checkbox"/>
GRIFFIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WILLIAMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HERMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
LAKE	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
LINDSEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
McGINTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
MYERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: *The President needs to sign this afternoon. Please comment ASAP, but no later than 3:00pm to Paul Richard (x62702). Record of decision and*

RESPONSE: *appendex available in SS office.*

The President needs to sign this afternoon. Please comment ASAP, but no later than 3:00pm to Paul Richard (x62702). Record of decision and appendex in Staff Secy office.

JOHN D. PODESTA
 Assistant to the President
 and Staff Secretary
 Ext. 2702

THE WHITE HOUSE

WASHINGTON

94 APR 7 P5:31

DECISION MEMORANDUM FOR THE PRESIDENT

FR: KATIE McGINTY

DATE: April 7, 1994

RE: COMPLETION OF THE NORTHWEST FOREST PLAN

The memorandum is to describe for your review and approval the final adjustments made to the forest plan since the issuance of the final Environmental Impact Statement (FSEIS) in January of this year. These adjustments reflect the consensus recommendations of the Departments of Agriculture, Interior, Commerce, EPA and Justice. Secretaries Espy and Babbitt, who will sign the formal decision document, have reviewed and approved the final plan. Both the formal Record of Decision and its Appendix are attached.

Since the final EIS was issued, we have had very little opportunity to make anything but minor changes. To do otherwise would require us to reissue the EIS as a new draft for additional public comment. This would require us to ask the court to extend the schedule once again, and further delay implementation of the plan. We therefore do not have major issues to present for your decision apart from the fundamental question of proceeding, but I wanted to apprise you of the overall setting of the final plan.

PROCEDURAL SETTING

Secretaries Espy and Babbitt have approved the final plan. If you approve, they will file it with the court on April 14th, and ask the court to lift the injunctions and allow us to implement it immediately. Industry and environmentalists will challenge the plan immediately, and there is a very real question of whether the court will allow us to proceed with implementation while the litigation continues. If the court does not lift the injunction and allow us to proceed, we will probably not have a timber sale program this year and the pressure for an interim legislative "fix" will build significantly.

KEY CHANGES TO THE PLAN SINCE ITS PROPOSAL

Changes Made in the final EIS from the earlier draft EIS.

As indicated to you in an earlier memorandum, after receiving 110,000 comments on the draft, the Interagency Team made literally hundreds of minor boundary adjustments in the land categories which resulted in a net increase of 775,000 acres of additional land placed into reserves where only limited timber harvesting will occur. They decreased substantially the rotation periods for harvesting timber in California (from 180 year to 80 year rotations) to make

more timber available over the long-term. They increased the size of the buffer strips along the smallest streams to increase aquatic protections and to benefit other selected species. They also included a "survey and manage" commitment for those species and habitats for which little information is now known. The overall net effect of these changes was a reduction in the average annual timber sale quantity from 1.2 billion board feet to 1.1 bbf. In addition, the Team discovered a significant error in their previous calculation of job impacts in the earlier draft, causing them to double their estimated job losses from 5,000 to 10,000 (down from 126,000 to 116,000 jobs).

Changes from the FSEIS to the final plan.

Since the final SEIS, we have been engaged in fine-tuning the plan with three goals: to ensure that the courts will approve the plan; to simplify implementation of the plan; and as a corollary to the second, to adjust certain short-term requirements to ensure that the Forest Service and the Bureau of Land Management will be able to resume a limited timber sale program as soon as possible after the plan is approved. In particular, we will propose a phasing in of several of the monitoring and assessment requirements over a period of years to allow us to conduct a timber sale program while the assessment protocols are being developed and implemented. This phasing in will prove controversial because the environmental litigants will argue that it will increase risks of environmental damage to unacceptable levels.

KEY POINTS OF CONTROVERSY

1) JOBS.

Industry will argue that the plan imposes unacceptable job losses, citing higher job losses than are currently projected. The idea that your plan is "costing" jobs is 180 degrees wrong. The purpose of this plan is to put the timber sale program back on track and save jobs that would otherwise be lost completely if the injunctions continue. That total employment will be less than employment during the boom period of the 1980s should surprise no one: those employment levels were sustained by a sale program that was illegal -- and that led to the injunctions that now blanket forest management in the region. Moreover, the unprecedented \$1.2 billion in community assistance and worker retraining is expected to create 13,000 employment and training opportunities and thousands of additional new job opportunities.

2) TIMBER SALE PROJECTIONS.

The interagency team calculated in the FSEIS that the average annual sale level based on the final plan will be about 1.1 billion board feet -- down from 1.2 bbf as projected in the draft plan. Arguments are now occurring over whether that 1.1 figure is accurate or too optimistic. At this juncture, we are maintaining that the estimate is the best possible given the information we now have.

3) NO MONEY FOR IMPLEMENTATION.

Industry will also attack the plan on the grounds that we have not provided enough money in the budgets to implement it. We have, in fact, funded the mandatory requirements in the 1994 budget, but there is a legitimate issue of whether the Forest Service may suffer some short-falls in its regional budget. We are working actively with OMB and the agencies to address the issue and ensure that adequate resources are made available.

4) **TOO FEW TIMBER SALES IN THE SHORT TERM.**

Industry will also attack the plan on the grounds that in the next few years we will not be able to produce the full 1.1 billion board feet of new sales per year. They are right, and we are acknowledging that, as a practical matter, it will take us several years to get up to the full sale program. We will work to gear up as quickly as possible, but there are very real and unavoidable constraints -- like the practical, on-the-ground requirements of planning individual timber sales according to the new rules given the limits of available money and people.

THE CONSTITUENCIES

Congress

Senator Murray and Reps. Dicks and Unsoeld have been very supportive of your efforts to end the gridlock. Rep. DeFazio is strongly opposed to the plan because it hits southwest Oregon particularly hard because of the bad condition of the forests in the region. Most of the remainder of the Democrats in the delegation have remained largely distant, hoping that it gets resolved administratively. The committees of jurisdiction are not anxious to jump into it legislatively.

Governors

The Governors are also keeping their distance and, by and large, holding their fire and hoping that the courts will lift the injunctions. Roberts nor Lowry have explicitly supported your efforts to develop a defensible plan, but they are not actively engaged.

Industry and Labor

Industry and Labor oppose the plan because it will result in significant reductions in the long-term timber program from the boom years of the 1980s. They will attack it, try to defeat it, and hope that the continuing stalemate will force Congress to enact something more to their liking. The most probable result of their strategy -- if successful -- is no new legislation over the short term, a continuation of the injunctions, no timber sale program, and major job losses as a result.

Environmentalists

The environmentalists will attack the plan because it allows the continued harvesting of a significant amount of old growth forest. They will argue that it does not provide enough protection for certain at-risk species, and that the flexibility that we have tried to allow for a short-term phase-in of the plan is illegal.

The general public

The region is tired of this issue and wants it solved. The success or failure of our efforts will be determined not by the details of the plan itself but by whether it settles the issue, ends the warfare and gridlock, and allows the region to move on.

CONCLUSION

The amount of time, effort and energy invested by the political and career staff of the agencies both here in Washington and within the region in developing this forest plan has been extraordinary. The plan itself will in my judgment constitute a genuine watershed event in the evolution of land management policies in this country, and I believe that when the dust settles it will serve as a positive and constructive force for change in the region.

This is not meant to underplay the level of controversy that is associated with this effort. The key constituencies remain very polarized, and that will not change over the short-term. Litigation is guaranteed, but we have done our best to minimize our risks.

My major concern is with the complexity of the plan itself and our ability to implement it promptly and thoroughly. We are intending to oversee the implementation of the plan closely, but it will not be easy.

Ultimately, the key to our success from a political and substantive standpoint is to proceed in a steady and predictable way with plan implementation, all the while continuing our significant efforts at assisting those communities who are very much in the throes of major transformations.

RECOMMENDED DECISION

The Secretaries of Interior and Agriculture and the Interagency Steering Committee recommend that you approve the submission of the attached Record of Decision to the federal district court for its approval.

Agree _____ Disagree _____ Discuss _____

DATE: July 12, 1993
TO: Carol Rasco
FROM: Mike Schmidt *fill*
RE: More Forest Management Stuff

I attended a meeting today on the Forest Management Policy Economic Adjustment Package implementation process. I have attached a handout from that meeting for your consideration. As you may recall, the Management Plan announced by the President called for a short-term "incident command" structure to be set up quickly in the Northwest to deal with the economic side of this crisis. The incident command team would be made up of representatives of the Departments of Agriculture, Commerce, Labor, Interior, and the Environmental Protection Agency, and would be placed "on the ground" in the northwest quickly to coordinate economic assistance. Over the long term, this team would evolve into a more permanent structure that would offer some sort of innovative "one-stop shopping" assistance to affected communities.

Hovering above all of this incident command structure will be a Washington D.C. - based Management Committee made up of designated representatives of the following principals:

- The Secretary of Commerce
- The Secretary of Labor
- The Secretary of Interior
- The Secretary of Agriculture
- The Secretary of HUD
- The Secretary of Transportation
- The Administrator of the Environmental Protection Agency
- The Director of the Office of Management and Budget
- The Chairman of the National Economic Council
- The Director of the Office of Environmental Policy

The group putting this together wants to know whether the Domestic Policy Council would like to participate as a member of this Management Committee. The Committee will be doing some serious work over the next several months, as page two of the attached handout makes clear, such as developing a strategic plan and an implementation plan for the incident command team. The Committee will also resolve any disputes that arise between agencies at the incident command level. Over the next week or two, the group will work on getting all parties involved on the Committee to sign the draft Memorandum of Understanding (MOU) that I have attached.

I have two questions for you regarding this issue:

- **Do we (DPC) want to participate on this Management Committee?**
- **Who from DPC should be designated to attend?**

If you decide that you want DPC to participate, the second question -- who from DPC should attend -- is not as obvious as it seems. Kathi Way could be our designee, based on her level of authority as a Special Assistant and her knowledge of the issue. However, I know how busy Kathi is and I am in no way trying to push this off on her (she would kill me if I tried!). I also could be our designee, based on my experience working with this issue, and would do so if you so decide. However, it makes sense to consider having Brian Burke attend as our representative, because he will be working with other environmental issues that are sure to overlap with the Committee's work at some point in the future. It would also give him a chance to meet with some of the environmental policymakers that he will be dealing with in his work on environmental issues for the DPC.

Let me know what else I can do for you on this issue.

(Ty)

DRAFT--7/6/93

MEMORANDUM OF UNDERSTANDING

Chair of Group -- White House

I. PARTIES

TEN

This is an agreement among ~~ten~~ parties:

- the Secretary of Commerce;
- the Secretary of Labor;
- the Secretary of Interior;
- the Secretary of Agriculture;
- the Administrator of the Environmental Protection Agency;
- the Director of the Office of Management and Budget; and
- the Chairman of the National Economic Council.

- HUD
- Transportation
- OEP

OPK?

- states must interact somehow

II. PURPOSE

Tracking, evaluation

The purpose of this Memorandum is to enhance the delivery of economic adjustment assistance to timber dependent communities in the Pacific Northwest by improving interagency cooperation. ~~Although this is not a legally binding or enforceable document,~~ this memorandum establishes the principles that will guide the parties' cooperation in this undertaking, sets forth the objectives of this collaborative effort, and outlines the responsibilities of the parties.

III. STRUCTURE

- A. *Equal Status:* The parties are equal members of this cooperative relationship.
- B. *Management Committee:* The Secretaries, the Administrator, the Director, and the Chairman shall, within 15 days of signing this Memorandum, each designate a deputy to serve as the liaison with the other parties and to report directly to the principal. These deputies will comprise the Management Committee. The Committee, under the guidance of the principals, will have oversight and policymaking authority and responsibilities.
- C. *Incident Command:* The Secretaries and the Administrator shall, within 15 days of signing this Memorandum, each designate a representative to participate in the Incident Command based in the Pacific Northwest region. The Command, under the guidance of the Management Committee and the parties, will have daily implementation and decision authority as consistent with the Strategic Plan described in Part IV.

IV. Nexus

- ① acting for jobs acts
- ② referring re the doc.

Reference to permanent structure?

IV. RESPONSIBILITIES OF THE PARTIES

A. Development of Strategic Plan

Tribes

Working with representatives of Oregon, Washington, and California, with representatives of the affected counties and communities, and other persons the parties deem appropriate, the Management Committee shall prepare and the parties shall approve a Strategic Plan for Economic Adjustment. The Plan should be approved within 30 days of the signing of this Memorandum. The Plan should address a three year period and include:

- a detailed statement of the goals of the Plan;
- quantifiable benchmarks of progress, such as new jobs created, numbers of persons retrained, numbers of community facilities funded, and capital investment levels, and related timetables; and
- a detailed description of the relationship among the federal, state, and local parties.
- Assess & Evaluate situation to determine when transition to more "permanent" structure should take place

B. Development of Implementation Plan

Working with state and local officials, the Incident Command, and other persons the parties deem appropriate, the Management Committee shall prepare an Implementation Plan within 30 days of the parties' approval of the Strategic Plan. The Implementation Plan should address a three-year period and include:

- a detailed plan for the programs and services of the Departments of Labor, Commerce, Interior, and Agriculture, and the Environmental Protection Agency;
- a detailed plan for a clearinghouse of services for state and local officials, individuals, and firms;
- a detailed and comprehensive list of temporary legislative and regulatory provisions necessary for the prompt and efficient delivery of assistance to affected communities and individuals; and
- a detailed plan and timetable for actual receipt of assistance by affected communities and individuals.

The parties and the Governors of Oregon, Washington, and California shall approve the Implementation Plan within 45 days of the approval of the Strategic Plan.

C. Execution

The parties shall make available the resources necessary to execute the implementation plan, including the financial resources set forth in Part V.

Working with state and local officials and other persons the parties deem appropriate, the Incident Command will execute the three-year Implementation Plan.

The Command will identify options for improving the Plan and recommend any such improvements to the Management Committee. The Management Committee must act on any

D. - Man Comm will deal with transition to more permanent structure

such suggestions within 30 days.

V. FINANCIAL COMMITMENTS

The parties agree to make available the following financial resources under the following specified conditions:

VI. REPORTS

Every six months, the Management Committee shall promptly prepare and file with the parties and the Governors of the three States an evaluation report which

- assesses the progress made in the preceding period toward the goals and objectives identified in the Strategic Plan; and
- suggests any adjustments or amendments in the cooperative relationship that the parties consider desirable.

VII. LIABILITY

No party assumes any liability for any third-party claims arising out of this agreement.

VIII. TERMS

The term of this agreement is forty months from the date of execution. At that time, the parties may, by unanimous action, extend this agreement for any additional period. This agreement may be amended by unanimous consent of the parties. This agreement may be terminated by any of the parties, without cause.

AGREED:

file

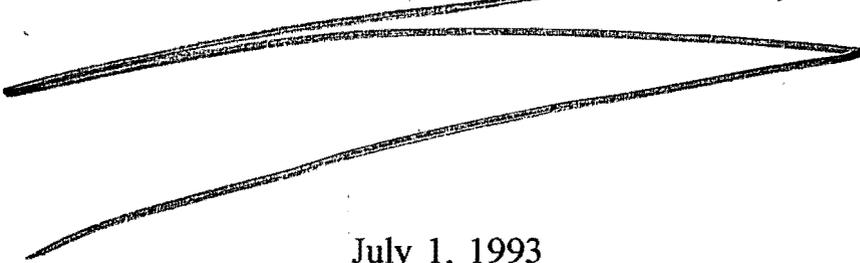
THE FOREST PLAN

FOR A SUSTAINABLE ECONOMY
AND A SUSTAINABLE ENVIRONMENT



A large, stylized handwritten signature in black ink, appearing to read "W. Clinton".

PRESIDENT WILLIAM J. CLINTON
VICE PRESIDENT ALBERT GORE, JR.



July 1, 1993
Washington, D.C.

THE FOREST PLAN: FOR A SUSTAINABLE ECONOMY AND A SUSTAINABLE ENVIRONMENT

President Clinton's Forest Plan for a Sustainable Economy and a Sustainable Environment is a comprehensive and innovative blueprint for forest management, economic development, and agency coordination aimed at strengthening the long-term economic and environmental health of the region. For too long, contradictory policies from feuding agencies have blocked progress, creating uncertainty, confusion, controversy and pain throughout the region. President Clinton's plan reflects his commitment to break the gridlock with a courageous, new approach that balances economic and environmental concerns.

The Forest Plan provides:

- o A sustainable harvest that will allow timber sales and logging based on a scientifically-sound and legally-responsible plan, improving forest management and ending the confusion and uncertainty of past policies;
- o New economic assistance to help local workers, businesses and communities to strengthen the region's economy, create family-wage jobs, offer new economic opportunities and ensure the region's long-term economic health, confronting economic issues ignored by past Administrations;
- o An innovative, new approach to environmental protection focusing on key water supplies and valuable old growth forests, that will once again base forest management on science and a respect for existing law;
- o A comprehensive system of old growth reserves to protect old growth ecosystems;
- o New opportunities for people in the region to participate in decisions regarding management of the nation's forests for the economic and environmental benefits they provide and to help plan for their future;
- o Improved coordination among federal agencies responsible for managing federal lands, ensuring that federal agencies will work together, with state and local officials, with tribes, and with private landowners for the best interests of the people and communities in the region, instead of working against each other, undermining the law and creating gridlock.

BACKGROUND

On April 2 in Portland, Oregon, President Clinton convened the Forest Conference as the first step toward a balanced and comprehensive policy that would recognize the importance of the forests and timber to the economy and jobs in the region and recognize the importance of America's old

growth forests, and the rivers and streams and wildlife that are so much a part of America's national heritage and the region's natural treasures.

The Forest Conference fulfilled a commitment President Clinton made to the people of the Pacific Northwest and Northern California to break the gridlock that has blocked progress on these issues with a comprehensive, innovative, and balanced plan for the region's long-term economic and environmental health.

"The most important thing we can do," President Clinton said in opening the conference, "is to admit, all of us to each other, that there are no simple or easy answers. This is not about choosing between jobs and the environment, but about recognizing the importance of both and recognizing that virtually everyone here and everyone in this region cares about both."

At the Forest Conference, the President, the Vice President, key members of the Cabinet and other top Administration officials talked with people from throughout the region representing a broad range of views and perspectives -- many of them adversaries who had spent more time fighting each other than working together. The Forest Conference provided a first-hand understanding of these issues and how the people in the region have been and will be affected.

At the close of the Forest Conference, President Clinton directed his Cabinet to action with five fundamental principles to guide them. President Clinton said:

- o "First, we must never forget the human and economic dimensions of these problems. Where sound management policies can preserve the health of forest lands, sales should go forward. Where this requirement cannot be met, we need to do our best to offer new economic opportunities for year-round, high-wage, high-skill jobs.
- o Second, as we craft a plan, we need to protect the long-term health of our forests, our wildlife, and our waterways. They are ... a gift from God and we hold them in trust for future generations.
- o Third, our efforts must be, insofar as we are wise enough to know it, scientifically sound, ecologically credible, and legally responsible.
- o Fourth, the plan should produce a predictable and sustainable level of timber sales and non-timber resources that will not degrade or destroy our forest environment.
- o Fifth, to achieve these goals, we will do our best to make the federal government work together and work for you. We may make mistakes but we will try to end the gridlock within the federal government and we will insist on collaboration, not confrontation."

Three working groups were established immediately after the Forest Conference: 1) Ecosystem Management Assessment to focus on forest management; 2) Labor and Community Assistance to focus on economic development; and 3) Agency Coordination to focus on how federal agencies work together. These working groups were comprised of scientists and experts from across the agencies involved (the Departments of Agriculture, Interior, Commerce, and Labor, as well as the Environmental Protection Agency, the White House Office on Environmental Policy, the National Economic Council, the Office of Science and Technology Policy, the Office of the U.S. Trade

Representative, the Council of Economic Advisors, the Office of Management and Budget, and the Domestic Policy Council). They conducted exhaustive research and analysis and met with a wide range of groups and individuals from a broad range of perspectives before issuing their reports to the White House on June 2. It is their work, and the ideas and opinions of the scores of people they consulted that provides the foundation for the President's Forest Plan for a Sustainable Economy and a Sustainable Environment.

FOREST MANAGEMENT

The President's Forest Management Plan offers an innovative new approach which uses key watersheds as its basic building blocks and offers new possibilities for environmental and scientific research through the creation of Adaptive Management Areas.

Recently, forest management proposals have been driven either by an approach based on protecting areas inhabited by specific species, such as the spotted owl or marbled murrelet, or, by an approach based on protecting a specific type of forest.

The President's plan offers a different approach, based on sound science and a commitment to existing law, which is built around identifying and protecting key watersheds and old-growth forests. Such an approach takes great steps to protect the region's drinking water and represents an obvious and essential step toward restoring a healthy salmon industry. It protects threatened species, such as the northern spotted owl and the marbled murrelet, scores of other species (including fish now considered "at risk" under the law), as well as the most valuable old growth forests.

Ten Adaptive Management Areas provide opportunities for federal, state and local officials, industry, community, and environmental organizations, tribes, and others to work together to develop innovative management approaches, such as the Applegate Project and the Douglas Project in Oregon and the Hayfork Adaptive Management Area in Northern California. These areas provide for intensive experimentation and innovation to demonstrate new ways to achieve ecological, economic, and social objectives and allow for local involvement. A rigorous monitoring and research program will ensure the development and analysis of scientific data to assess the effectiveness and impact of these approaches.

Key elements of the President's plan include:

- o Watersheds as the fundamental building block;
- o Reserve areas based on watersheds and old growth that include the most valuable old growth forests and designated conservation areas to protect specific species. Only very limited activities would be permitted in the reserves, including salvage and thinning where the primary objective of that salvage and thinning is to accelerate the development of old growth conditions.

- o Ten Adaptive Management Areas of 78,000 - 380,000 acres each for intensive ecological experimentation and social innovation to develop and demonstrate new ways to integrate ecological and economic objectives and allow for local involvement in defining the future;
- o The development of a new rule from the Fish and Wildlife Service to ease restrictions on timber harvest from certain non-federal lands (modifying what have been known as "owl circles"), possible because the President's plan improves management of federal lands; and, encouraging private companies to commit the timber released by these changes to processing in domestic mills;
- o Federal assistance to bring to market backlogged timber sales from Indian reservations.

The President will submit his forest management plan to the court and will do everything possible to resolve the legal challenges and lift the injunctions that have stopped timber sales so that both the Forest Service and the Bureau of Land Management can implement a sale planning and preparation program as quickly as possible. He is asking the Secretaries of Agriculture and Interior to take any other available actions consistent with our legal obligations to revive the timber sale program.

And, because the President believes the workers, businesses, and communities in the region need help as quickly as possible, the President is directing his Cabinet to work with all those who share his determination to resolve these issues in a fair and balanced way to develop the most effective means to implement this plan and move timber sales forward as quickly as possible.

Harvest levels in the President's plan take into account the fact that previous Forest Service management plans have significantly overestimated the amount of timber available for harvest every year, presenting unrealistically high harvest levels that cannot be sustained even under existing forest management plans. The President's plan provides for a sustainable timber harvest of 1.2 billion board feet annually on the spotted owl forests. In addition, the expected release of sales stopped by injunction, steps to move timber from Indian lands, and other measures are expected to increase that figure as the program is implemented.

The President's Forest Plan focuses on management strategies to resolve the long-standing court challenges over management of the spotted owl and old growth forests on the west side of the Cascade Mountains. Management of east side forests will need to focus on restoring the health of forest ecosystems impacted by poor management practices of the past.

The President is directing the Forest Service to develop a scientifically sound and ecosystem-based strategy for management of the east side forests. This strategy should be based on the forest health study recently completed by agency scientists as well as other studies. Consistent with this strategy, the President also is directing the agency to accelerate efforts to prepare timber sales to harvest dead and dying timber on the east side.

ECONOMIC DEVELOPMENT

Unlike his predecessors, President Clinton recognizes that the Northwest forest crisis involves important economic and social as well as environmental concerns. Recognizing the importance of timber and forests to the economy and jobs in the region is central to the President's Forest Plan for a Sustainable Economy and a Sustainable Environment.

The President's plan will provide immediate and critical support for economic adjustment and diversification in the region, including expanded funding for business development, economic planning, infrastructure development and worker retraining to help build a foundation for long-term economic strength and environmental health. The President's plan will help existing companies grow and attract new businesses. It will add more jobs for the timber harvested by encouraging value added manufacturing and help those workers and those communities who rely on a future in wood.

The plan will provide \$270 million in new funding for FY 1994 -- \$1.2 billion over five years -- including a new Northwest Economic Adjustment Fund. While estimates indicate that the forest plan will directly impact 6,000 jobs, in 1994, the plan would create more than 8,000 jobs and fund 5,400 additional retraining opportunities.

Key elements of the President's plan include:

- o For workers and families, increased funding under the Job Training Partnership Act for job search assistance, retraining, and relocation; overall, a 110 percent increase in funding from \$20.2 million to \$42 million;
- o A three-part strategy for business development in the Pacific Northwest and Northern California, including improved access to capital, expanded technical assistance, and enhanced access to domestic and international markets; overall a 47 percent increase in funding from \$163 million to \$239.7 million;
- o For communities, established levels of financial assistance to timber counties, replacing the roller coaster of payments tied to timber harvests with a reliable schedule of payments, creating a sound fiscal environment for county governments, businesses, and financial institutions; strengthening community capacity to plan for economic development and diversification, and improving the infrastructure needed for such development through Community Development Block Grant lending, Rural Development Administration community facilities, and the RDA water/wastewater program; overall a 25 percent increase in funding from \$298.6 million to \$373.6 million;
- o To protect the environment and create jobs, investments in watershed maintenance, ecosystem restoration and research, environmental monitoring and forest stewardship, all of which will also improve water quality and increase salmon stocks to avoid listing of salmon species under the Endangered Species Act and to improve commercial fishing; in addition, forest stewardship will be expanded to help small landowners manage their forests; overall, a 19 percent increase in funding

from \$438.2 million to \$519.8 million.

- o Support for the elimination of tax incentives for the export of raw logs; and, the President is directing his cabinet to study effective ways to make it more difficult for companies to avoid export limitations on raw logs.

- o Directing his Cabinet to identify and implement, in a priority manner, the best ways to strengthen small businesses and secondary manufacturing in the wood products industry, including a review of increasing the supply of federal timber set aside for small businesses and possible preferences for bidders who contract for domestic secondary processing. The President also is directing his administration to encourage improved and effective community partnerships to bring together those with different perspectives on forest management. (Secondary manufacturing generates from four times to 25 times more jobs per billion board feet than primary manufacturing)

The Northwest Economic Adjustment Initiative would be implemented through an innovative partnership among state, local, and federal agencies, as well as community and business leaders, to help local families and workers caught in the middle of this crisis. The President is directing that federal agencies implement this innovative approach to economic adjustment by creating a unified management system that will bring the various agency efforts in each state together into a single team. This will coordinate the related activities of federal, state, and local agencies and provide a unified point of contact and procedures for workers, firms, and local communities.

The President's proposal, supported by Governor Barbara Roberts of Oregon and Governor Mike Lowry of Washington, represents a comprehensive experiment in "reinventing government" -- improving the way the government works to make it more responsive, more effective, and more efficient. The plan calls for replacing restrictions on the use of federal funds with performance-based measures, making new use of leveraged private resources, and creating new processes and institutions responsive to local needs and priorities.

The President's plan provides a substantial infusion of new federal assistance through innovative programs to both provide economic relief to timber communities as soon as possible and to encourage long-term economic development and diversification.

AGENCY COORDINATION

Too often in the past, different federal agencies have acted in isolation or even at cross purposes in managing federal forest lands in the Pacific Northwest and Northern California. In practice, they have seemed more interested in undermining the law and each other than in developing and implementing sound forest management practices. Instead of working to confront existing problems, they have contributed to them, creating confusion and controversy. At the Forest Conference, President Clinton made clear "we will insist on collaboration, not confrontation."

Because of the President's clear direction to improve inter-agency coordination, an entire working group was created to focus on these issues. In addition, throughout this process, an inter-

agency approach, involving the key federal agencies involved, has been in use. The implementation of a new forest management strategy provides the ideal opportunity to correct past practices and improve inter-agency cooperation and, in the process, forest management.

The President's plan will improve inter-agency coordination by:

- o Creating a new focus for forest planning based on watersheds and "physiographic provinces" that base management on the unique ecology of each region;
- o Immediately creating a new inter-agency Geographic Information System data base to allow land management and resource agencies to coordinate their efforts in the collection and development of research and data;
- o Creating provincial-level teams that would develop analyses for physiographic provinces and particular watersheds. These teams would include the relevant federal agencies, state officials and tribes and, when individual watersheds are analyzed, the objective would be to involve all affected parties in discussions on biological, timber, community, and other needs. An Inter-agency Executive Committee would coordinate and provide direction for the work of the provincial teams;
- o Revising the consultation process under the Endangered Species Act to emphasize an integrated ecosystem approach. This would include the Fish and Wildlife Service and the National Marine Fisheries Service early in the process so that the views of these agencies can be made known when the land management agencies begin to develop their plans for a particular area, instead of later in the planning process as is now the case. It would also involve the use, where appropriate, of regional consultations.

CONCLUSION

The President's Forest Plan for a Sustainable Economy and a Sustainable Environment represents a comprehensive, innovative and balanced approach to the economic and environmental challenges facing the region. It is the result of extensive research, analysis, and cooperation among federal agencies and extensive discussions with a wide range of individuals and groups including business, labor, environmentalists, tribes, community groups, and Members of Congress. The President and his entire Administration intend to continue to seek the support and opinions of these groups to implement this plan and break the gridlock that has blocked progress on these issues.

As the President said at the close of the Forest Conference: "If we don't give up or give in to deadlock or divisiveness or despair, I think we can build a more prosperous and a more secure future for our communities and for our children." This Forest Plan is an important step toward that future.

##

APPENDIX

Background

Forests of the Pacific Northwest and Northern California

The issue is how best to manage and protect federal forest lands in the Pacific Northwest and Northern California. Years of short-sighted and contradictory policy-making by previous Administrations have fueled a region-wide battle that has polarized communities, totally blocked any rational policy making, and left decision-making in the courts.

What has been needed and what President Clinton provides today is an innovative, comprehensive, and balanced blueprint for forest management, economic development, and agency coordination aimed at strengthening the long-term economic and environmental health of the region. The President's plan provides for a sustainable harvest based on scientifically-sound and legally-responsible forest management, new job-creating investments in the region's environment, innovative protections for valuable old growth forests, and new economic assistance to help workers, businesses and communities to provide long-term, family- wage jobs and long-term economic development.

THE PROBLEM:

The debate centers on how all public forest lands should be managed to recognize the need to protect and preserve old growth forests, fish, wildlife, and water as well as the needs of the workers, businesses, and communities dependent on timber sales. Old growth forests are those at least 200 years old or older. Most remaining old growth forests are on federal lands. Nearly 90 percent of the region's old growth forests already have been logged. An estimated 8 to 9 million acres of old growth forest remain today.

Throughout the Bush Administration, key agencies responsible for managing federal forest lands (Forest Service in the Department of Agriculture and the Bureau of Land Management in the Department of Interior) simultaneously pursued not only contradictory policies, but policies the courts have ruled were in violation of federal laws (principally the Endangered Species Act [ESA], the National Environmental Policy Act [NEPA], and the National Forest Management Act [NFMA]). The debate was polarized, and gridlock ensued. As a result, court injunctions have stopped most Forest Service and some BLM timber sales, with serious economic consequences for the region.

FEDERAL FOREST LANDS:

Federal land managers historically, and through the Bush Administration, emphasized commodity uses of federal lands, e.g. logging, mining, and grazing, over conservation of natural ecosystems. Easily accessible old growth forests on federal and private lands were extensively logged long ago, creating increasingly heavy reliance on the remaining old growth forests on federal lands. These old growth forests are in demand because of the size and quality of the trees

to the timber industry. Second growth forests on most private lands are still 15 to 20 years away from harvestable age.

The old growth forests support a broad range of plants and animals and the health of these forests impacts further on the area's rivers and streams -- meaning that fish also are affected by the state of these forests. For example, the region's salmon industry, which employs an estimated 60,000 people, has already been affected by reduced fish harvests due, in part, to habitat degradation of rivers and streams in logged areas. Destroying the old growth forests has a domino effect on entire communities --reducing jobs in tourism and fishing, recreational opportunities, hunting and fishing, and endangering water supplies. Old growth forests also contain a number of known and unknown species which offer promise, such as the Pacific yew tree, whose bark yields taxol, a possible cure for breast cancer.

THREATENED SPECIES

The law requires protections for the spotted owl, the marbled murrelet, and certain species of fish. In the past, legal action has centered on the spotted owl, the first species to be listed as threatened.

The northern spotted owl range is located in the forests west of the Cascade Mountains in Washington, Oregon, and Northern California. Within that range, the owls preferred habitat is old growth forests.

The Department of Agriculture's Forest Service manages 23 million acres in spotted owl range. The Department of the Interior's Bureau of Land Management (BLM) manages 2.4 million acres in spotted owl range in Oregon and Northern California.

The debate has focused on the environmental and economic benefits and costs of protecting the northern spotted owl. From 1984, when the Forest Service adopted guidelines for managing the owl's habitat on national forests in Washington and Oregon through today, this debate has been marked by contradictory and sloppy policy-making that has forced the issue into the courts.

The debate intensified over the past five years, particularly since the Fish and Wildlife Service listed the northern spotted owl as threatened in July 1990. The courts during this time repeatedly concluded that the Bush Administration was acting in violation of existing laws and issued injunctions stopping major timber sales. The Bush Administration, for example, agreed to list the owl as threatened but refused to act to protect the areas where the owl lives. Later, unhappy with the findings of the Interagency Scientific Committee, which was charged with examining the issues, the Bush Administration convened its own task force that produced a 1-1/2 page press release asking Congress to pass legislation enabling certain Forest Service and BLM timber sales to proceed and be insulated from forest management laws.

Using the Endangered Species Act (ESA) and the National Forest Management Act, environmental groups have challenged Forest Service and BLM plans to sell timber in spotted owl habitat. The ESA prohibits agencies from taking actions which will "jeopardize the continued existence" of an endangered or threatened species, a determination which the Fish and Wildlife Service makes.

A series of injunctions by the Seattle District Court and the Ninth Circuit Court of Appeals have stalled almost all timber sales in spotted owl habitat in Washington, Oregon, and Northern California since 1989.

Almost routinely, the courts said the Bush Administration abused its discretion, acted arbitrarily and capriciously and violated the law. For example, in May 1991, Judge William Dwyer in Seattle District Court ruled that, "...a deliberate and systematic refusal by the Forest Service and the Fish and Wildlife Service to comply with the laws protecting wildlife ...[demonstrates] a remarkable series of violations of the environmental laws."

SCIENTIFIC REPORTS

The scientific understanding of the old growth forest ecosystem has evolved significantly in the past five years. Scientists have conducted three key independent assessments:

- 1) The Interagency Scientific Committee (ISC) in 1990
- 2) The Scientific Panel on Late Successional Forest Ecosystems in 1991
- 3) The Scientific Analysis Team (SAT) of the Forest Service in 1993

All three have confirmed the need to set aside larger areas of habitat to protect species which depend on old growth forest ecosystems, such as northern spotted owls, marbled murrelets, and several species of salmon.

ECONOMIC ISSUES

The forests of the Pacific Northwest and Northern California have provided the foundation for the region's economy for the past century. Though historically important as a source of employment in the northwest, the timber industry has been declining in importance as other sectors of the economy have grown. In 1970, timber-related jobs accounted for about 10 percent of total regional employment. By 1989, timber employment was at about 140,000 jobs or about 4 percent of total regional employment. However, some rural areas depend almost totally on forest industries.

In the northwest region, economic growth in the past two decades has diversified a regional economy that was once much more heavily dependent on manufacturing and timber. While many rural counties are vulnerable, overall economic conditions and trends in the northwest show substantial strength. After many years of somewhat sluggish economic growth,

the Pacific Northwest economy has shown strong growth since 1986. The rate of employment growth in Oregon and Washington exceeded the U.S. average in every year since 1986.

About 43 percent of the timber land in the affected region is owned by the federal government, with the remainder in state or private hands. Federal timber sales provide local communities receipts of between \$200 and \$500 million dollars annually.

During the 1980s, the northern spotted owl region (public and private lands) accounted for more than 30 percent of the lumber produced in the United States. Because about one-third of recent timber harvests in the owl region occur on federal lands, about 10 percent of domestic timber supply potentially is affected by spotted owl protection.

Increased harvest levels have failed to increase jobs proportionately. Increased mechanization in harvesting, transporting, and milling has lowered the labor required for producing lumber. During the 1980s, for example, the number of jobs in the lumber and wood products sectors declined from 10 jobs per million board feet of harvest to below 8 jobs per million board feet. From 1981 to 1989, while harvest levels increased by 44 percent in Oregon and Washington, there was no increase in employment in forest products.

Mill closings follow a similar trend. In 1968, Oregon had 300 sawmills; by 1988 the state had 165 mills. In Washington, the number of mills fell from 182 in 1978 to 118 mills in 1988, while the total number of wood processing establishments (including veneer and plywood, pulp, shake and shingle plants and other operations) fell from 764 in 1978 to 351 in 1988.

These trends preceded the old-growth controversy. While the spotted owl often is blamed for weak employment, the long term projections indicate steady declines in employment for any given level of timber harvest.

It is important to note that by law, logs from federal lands cannot be exported and log exports from state-owned lands will be prohibited by legislation President Clinton is signing today. However, substantial volumes of timber cut from private lands in the northwest are exported to Japan, Korea, and China with minimal domestic processing.

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THE WHITE HOUSE
Office of the Press Secretary

Friday, May 7, 1993

** MEDIA ADVISORY **

MISSION STATEMENT FOR FOREST CONFERENCE WORKING GROUPS

The mission statement that follows has been provided to members of the three inter-agency working groups created to help meet the President's mandate to his cabinet to craft a plan to break the gridlock over forest management in the Pacific Northwest and northern California. It reflects guidance given to the working groups when they were created and sets the parameters for their recommendations.

The three working groups are:

- o Ecosystem Management Assessment to identify alternative strategies for a scientifically sound, ecologically credible, legally responsible basis for managing the federal forests of the Pacific Northwest and northern California;
- o Labor and Community Assistance to identify alternatives for assisting individuals and communities affected by changes in federal timber sales programs and policies in the region;
- o Agency Coordination to identify opportunities to improve the working relationships among federal and state agencies in the region to reduce impediments to stronger cooperative, working relationships among all parties.

The names of working groups members also follow here.

##

May 7, 1993

TO: FOREST CONFERENCE INTER-AGENCY WORKING GROUPS
Ecosystem Management Assessment
Labor and Community Assistance
Agency Coordination

FROM: FOREST CONFERENCE EXECUTIVE COMMITTEE
Department of Agriculture
Department of Interior
Department of Labor
Department of Commerce
Environmental Protection Agency
Office on Environmental Policy
Office of Science and Technology Policy
National Economic Council
Council of Economic Advisors
Office of Management and Budget

RE: STATEMENT OF MISSION

Together, we are working to fulfill President Clinton's mandate to produce a plan to break the gridlock over federal forest management that has created so much confusion and controversy in the Pacific Northwest and northern California. As well, that mandate means providing for economic diversification and new economic opportunities in the region. As you enter into the critical phase of your work reviewing options and policy, this mission statement should be used to focus and coordinate your efforts. It includes overall guidance and specific guidance for each team.

BACKGROUND

President Clinton posed the fundamental question we face when he opened the Forest Conference in Portland:

"How can we achieve a balanced and comprehensive policy that recognizes the importance of the forests and timber to the economy and jobs of this region, and how can we preserve our precious old-growth forests, which are part of our national heritage and that, once destroyed, can never be replaced?"

And, he said, "the most important thing we can do is to admit, all of us to each other, that there are no simple or easy answers. This is not about choosing between jobs and the environment, but about recognizing the importance of both and recognizing that virtually everyone here and everyone in this region cares about both."

The President said five principles should guide our work:

"First, we must never forget the human and the economic dimensions of these problems. Where sound management policies can preserve the health of forest lands, sales should go forward. Where this requirement cannot be met, we need to do our best to offer new economic opportunities for year-round, high-wage, high-skill jobs.

"Second, as we craft a plan, we need to protect the long-term health of our forests, our wildlife, and our waterways. They are, as the last speaker said, a gift from God; and we hold them in trust for future generations.

"Third, our efforts must be, insofar as we are wise enough to know it, scientifically sound, ecologically credible, and legally responsible.

"Fourth, the plan should produce a predictable and sustainable level of timber sales and non-timber resources that will not degrade or destroy the environment.

"Fifth, to achieve these goals, we will do our best, as I said, to make the federal government work together and work for you. We may make mistakes but we will try to end the gridlock within the federal government and we will insist on collaboration not confrontation."

ECOSYSTEM MANAGEMENT ASSESSMENT

Our objectives based on the President's mandate and principles are to identify management alternatives that attain the greatest economic and social contribution from the forests of the region and meet the requirements of the applicable laws and regulations, including the Endangered Species Act, the National Forest Management Act, the Federal Land Policy Management Act, and the National Environmental Policy Act. The Ecosystem Management Assessment working group should explore adaptive management and silvicultural techniques and base its work on the best technical and scientific information currently available.

Your assessment should take an ecosystem approach to forest management and should particularly address maintenance and restoration of biological diversity, particularly that of the late-successional and old growth forest ecosystems; maintenance of long-term site productivity of forest ecosystems; maintenance of sustainable levels of renewable natural resources, including timber, other forest products, and other facets of forest values; and maintenance of rural economies and communities.

Given the biological requirements of each alternative, you should suggest the patterns of protection, investment, and use that will provide the greatest possible economic and social contributions from the region's forests. In particular, we encourage you to suggest innovative

ways federal forests can contribute to economic and social well-being.

You should address a range of alternatives in a way that allows us to distinguish the different costs and benefits of various approaches (including marginal cost/benefit assessments), and in doing so, at least the following should be considered:

- timber sales, short and long term;
- production of other commodities;
- effects on public uses and values, including scenic quality, recreation, subsistence, and tourism;
- effect on environmental and ecological values, including air and water quality, habitat conservation, sustainability, threatened and endangered species, biodiversity and long-term productivity;
- jobs attributable to timber harvest and timber processing; and, to the extent feasible, jobs attributable to other commodity production, fish habitat protection, and public uses of forests; as well as jobs attributable to investment and restoration associated with each alternative;
- economic and social effects on local communities; and effects on revenues to counties and the national treasury;
- economic and social policies associated with the protection and use of forest resources that might aid in the transitions of the region's industries and communities;
- economic and social benefits from the ecological services you consider;
- regional, national, and international effects as they relate to timber supply, wood product prices, and other key economic and social variables.

As well, when locating reserves, your assessment also should consider both the benefits to the whole array of forest values and the potential cost to rural communities.

The impact of protection and recovery of threatened and endangered species on non-federal lands within the region of concern should be minimized. However, you should note specific non-federal contributions that are essential to or could significantly help accomplish the conservation and timber supply objectives of your assessment.

In addition, your assessment should include suggestions for adaptive management that would identify high priority inventory, research and monitoring needed to assess success over time, and essential or allowable modifications in approach as new information becomes available. You should also suggest a mechanism for a coordinated inter-agency approach to the needed assessments, monitoring, and research as well as any changes needed in decision-making procedures required to support adaptive management.

You should carefully examine silvicultural management of forest stands -- particularly young stands -- especially in the context of adaptive management. The use of silviculture to achieve those ends, or tests of silviculture, should be judged in an ecosystem context and not solely on the basis of single species or several species response.

Your conservation and management assessment should cover those lands managed by the Forest Service, the Bureau of Land Management, and the National Park Service that are within the current range of the northern spotted owl, drawing as you have on personnel from those agencies and assistance from the Fish and Wildlife Service, the National Marine Fisheries Service and the Environmental Protection Agency. To achieve similar treatment on all federal lands involved here, you should apply the "viability standard" to the BLM lands.

In addressing biological diversity you should not limit your consideration to any one species and, to the extent possible, you should develop alternatives for long-term management that meet the following objectives:

- maintenance and/or restoration of habitat conditions for the northern spotted owl and the marbled murrelet that will provide for viability of each species -- for the owl, well distributed along its current range on federal lands and for the murrelet so far as nesting habitat is concerned;

- maintenance and/or restoration of habitat conditions to support viable populations, well-distributed across their current ranges, of species known (or reasonably expected) to be associated with old-growth forest conditions;

- maintenance and/or restoration of spawning and rearing habitat on Forest Service, Bureau of Land Management, and National Park Service lands to support recovery and maintenance of viable populations of anadromous fish species and stocks and other fish species and stocks considered "sensitive" or "at risk" by land management agencies, or listed under the Endangered Species Act; and,

- maintenance and/or creation of a connected or interactive old-growth forest ecosystem on the federal lands within the region under consideration.

Your assessment should include alternatives that range from a medium to a very high probability of insuring the viability of species. The analysis should include an assessment of current agency programs based on Forest Service plans (including the final draft recovery plan for the northern spotted owl) for the National Forests and the BLM's revised preferred alternative for its lands.

In your assessment, you should also carefully consider the suggestions for forest management from the recent Forest Conference in Portland. Although we know that it will be difficult to move beyond the possibilities considered in recent analysis, you should apply your most creative abilities to suggest policies that might move us forward on these difficult issues. You also should address short-term timber sale possibilities as well as longer term options.

Finally, your assessment should be subject to peer review by appropriately credentialed reviewers.

LABOR AND COMMUNITY ASSISTANCE WORKING GROUP

Resolving the forest management issues confronting this region must involve addressing related economic and community issues. The forests of the Pacific Northwest and northern California have provided a foundation for the region's economy for the past century. And, while economic growth has diversified a region that was once much more heavily dependent on timber manufacturing, some rural areas depend almost totally on forest industries not just for jobs but for revenues from timber sales. The work of the Labor and Community Assistance Working Group should proceed from the following:

- o The economic development and assistance plan should be far-sighted and comprehensive. As noted at the Forest Conference, many species are at risk in old-growth forests. Just as the Ecosystem Management Assessment working group must focus on an 'ecosystem' approach that takes into account the region's vast and varied natural resources, the economic plan must focus on the regional economy and take into account its resources and needs. The plan must be long-term and address not just temporary efforts but economic development and diversification over time.
- o Government policy should accommodate properly functioning markets and facilitate the transitions inevitable in the modern global economy. The American economy is more dynamic than ever before. The federal government may be able to play a role in directing the development of the economy but it cannot overcome large-scale market forces. Economy policy here should encourage necessary adjustments and ease inevitable transitions.
- o Some region-specific community and worker assistance will be necessary because of the unique circumstance surrounding this issue. However, the economic plan must be consistent with national policies. The Labor and Community Assistance working group should develop a comprehensive plan for economic dislocations whether those are caused by slack demand, productivity growth, technological advances, or structural changes in the economy. This approach would mark a dramatic improvement over the current patchwork of programs, which are both inefficient and inequitable.
- o Any assistance plan should be open to all displaced forest industry workers, regardless of the precise cause of their dislocation. Revolutions in technology, improvements in productivity, and the development of new products are changing the nature of forest industries. We should reach out to all forest industries workers who are affected without distinguishing the cause of the impact.
- o Policies should be coordinated among federal and state agencies to maximize benefits to affected communities and workers. More than a dozen federally-funded programs currently provide assistance to timber workers and their communities. A coordinated federal response would make the system more accessible and more efficient.

o State and local governments are best situated to direct economic development. Federal policy should not attempt to dictate preferred paths for economic development but instead should build upon the independence and strength of these communities and their residents and provide them with the tools needed for economic revitalization based on their own needs and on potential new opportunities in forest related employment..

AGENCY COORDINATION WORKING GROUP

Too often in the past, various federal agencies with responsibility for some aspect of forest management in the Pacific Northwest and northern California have acted in isolation or even at cross-purposes. This problem becomes even more critical as we move toward an ecosystem approach to forest management where a number of agencies must be involved in planning and implementing a management strategy. We must improve the working relationships among federal and state agencies in the region and eliminate impediments that block coordinated action. The efforts of this working group are key to our success in this area.

To help identify new means to encourage coordination at all levels, we believe you should examine a range of issues.

Identify structural and procedural problems that in the past have made coordinated action difficult and suggest solutions or procedures for reaching solutions to those problems.

Identify ways the federal land management agencies can and should work together in the future to achieve coordinated management strategies that take into account the statutory mandates of those agencies.

Identify and suggest ways for dealing with issues concerning agency coordination related to implementing strategies currently being developed by the Ecosystem Management Assessment working group.

Identify ways to improve the process in which the land management agencies are required to consult with the Fish and Wildlife Service and the National Marine Fisheries Service concerning their responsibilities under the Endangered Species Act.

Identify ways to improve coordination between the land management agencies and the Environmental Protection Agency.

And, identify ways to improve working relationships between federal and state agencies in the region and suggest a course of action for involving those state agencies in the implementation of strategies being developed by the Ecosystem Management Assessment working group.

As you develop your recommendations, you should continue to call on personnel from the Forest Service, the Bureau of Land Management, the Fish and Wildlife Service, the National Marine Fisheries Service, the Environmental Protection Agency, and others as appropriate, as well as on advice from the states in the region.

CONCLUSION

We appreciate your efforts and recognize, as President Clinton did, that these are difficult issues with difficult choices. And, we'll remind you of something else the President said at the Forest Conference, talking to the people of the Pacific Northwest and northern California: "We're here to begin a process that will help ensure that you will be able to work together in your communities for the good of your businesses, your jobs, and your natural environment. The process we [have begun] will not be easy. Its outcome cannot possibly make everyone happy. Perhaps it won't make anyone completely happy. But the worst thing we can do is nothing."

##

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TALKING POINTS

o **President Clinton's Forest Plan is balanced, innovative, and comprehensive, aimed at strengthening the long-term economic and environmental health of the region by providing a sustainable harvest level, incentives and loans to create new jobs, retraining for workers, and help for forest communities.**

o The President is showing real courage by confronting these issues. He is the one person who is both willing and able to bring together all parties. For many people in the region, the worst thing would be to do nothing. They want resolution of this debate. They want to be able to plan ahead. By acting decisively on difficult issues, the President is allowing them to do just that and more -- to plan for a future with a sustainable, strong economy and environment.

o President Clinton's Forest Plan uses an innovative, new approach based first on protecting critical water supplies and designing from there a management strategy that balances the interests of loggers, the forests, fishermen, families, and communities. The President's plan puts sound science back into forest management and includes economic transition and worker training. Long term, we're going to continue cutting timber from these forests, though less than in the past. But we're also going to protect the last old growth forests and key rivers and streams.

o The President's plan is about protecting water: it takes great steps to protect the quality of the region's drinking water, and, it is an obvious and essential step toward protecting the future of the entire salmon industry and the tens of thousands of jobs it provides.

The President's plan represents a fundamental shift in land management planning -- a shift away from planning based on political boundaries to planning based on ecological boundaries --namely watersheds that are the vascular system for the forests and all the wildlife, fish, and other resources they support. The vast majority of species within the forest ecosystem are riparian-based. By concentrating on watersheds we cover more species and render less likely the chance of species by species crises.

o We can't go back to the unrealistically high and unsustainable timber cuts of the past. We're paying now for shortsighted overcutting. There is no doubt that the President is facing tough choices. We will do everything we can to increase the timber yields but we are also obliged to act within the law and within the management plan we are proposing. The timber yields are low. The President doesn't like it. The Cabinet doesn't like it. But the overcutting and poor management of the past demands action now if we're going to provide

for a sustainable, strong economy in the future and protect the old growth forests and the wildlife, waters, and fish they support.

o Doing nothing is not an option. Because of the failed policies of the past, we are under a court order issued during the past Administration. We must, by July 16, submit to the court a plan that complies with the law. We intend to do that.

o President Clinton is determined to break the gridlock that has prevented progress and created uncertainty. The President's plan will allow timber sales to move, create new and sustainable economic opportunities, and help communities add their own interests to our management of the forests. No longer will federal agencies be fighting each other or working to undermine the law. Under President Clinton's plan, they will be working together and working with state and local officials in the best interests of the people and communities of the region.

o Delays will hurt everyone. They will stop timber from moving forward. They will ensure continued injunctions and court battles. And, they will intensify the confusion, uncertainty and pain already faced by too many people, communities, and businesses in the region. It is time for tough choices and determined action. That is what President Clinton is proposing.

o From the beginning of this process, the President and his entire Administration have reached out across the region to listen and learn from people with a broad range of perspectives and experience. That's what the Forest Conference was about. And since then, we have continued the dialogue with Members of Congress, with state and local officials, with community, environmental, labor, and industry organizations, with representatives of tribes and others who share the Administration's concern and commitment. We want to continue to work with all those in the region in a cooperative effort that will ensure the long-term economic and environmental health of the region.

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Questions and Answers
on
President Clinton's Forest Management Plan
July 1, 1993

President Clinton announced his comprehensive forest management plan for the Pacific northwest today. The following Qs and As have been prepared in anticipation of questions that might arise relating to the forest management aspects of the President's plan.

1. PROTECTING OLD GROWTH. How much old growth is going to be protected?

Answer. The President's plan represent the most ambitious and far-reaching land management proposal in the history of public lands stewardship in this country. There are about 8.5 million acres of late successional forests on Federal forest lands in the Pacific northwest, and under the President's plan the vast majority of it -- about 6,623,000 acres or about 80% -- would be protected. But let us emphasize at the outset that this plan is not just about trees and old growth, it is also about protecting the essential rivers and streams -- the watersheds -- that lie at the core of the extraordinary richness and diversity of the region.

2. LOGGING OWL GROWTH. Wouldn't the President's plan allow for continued harvesting of old growth, and if so, how much would go?

Answer. The President's plan protects the most valuable old growth and the vast majority of old growth forests in the region through both the old growth reserves and the riparian reserves. The plan does not, however, lock up every last bit of the old growth, and just over 20% would remain within the areas that would be suitable for some harvesting activities.

3. TIMBERING IN RESERVES. What kind of timber activities are going to be allowed in the Reserves?

Answer. The President's plan would allow for only very limited activities within the reserves, including salvage and thinning where the primary objective is to accelerate the development of old growth conditions. The details vary depending on the type and location of the reserve, but several points deserve emphasis. First, there are significant areas within the Reserves that are not, strictly speaking, old growth -- they are younger stands and mixed age stands as well. Some limited salvage sales (harvesting dead or dying trees) would be permitted with the Reserves IF an Interagency Team says that the salvage will not cause any harm to the old growth ecosystem within the Reserve. Also, some thinning activities would be permitted of younger trees (under 80 years) in the Western portion of the owl range.

4. TRUST THE FOREST SERVICE? How can we trust that the Forest Service will enforce these restrictions?

Answer. First, no thinning or salvage will be allowed in the Reserves unless they are first screened by an Interagency Team, which will have to give the O.K. before any salvage can occur. So, you don't have to trust the Forest Service because it will not be just the Forest Service involved in these decisions.

Secondly, it is a new day at the Forest Service, as evidenced best by what we're doing here today. Under this Administration, the Forest Service will prove itself the most progressive manager of our natural resources, and it will become the standard-setter for good stewardship. That, in the end, is what this issue is all about.

5. ADAPTIVE MANAGEMENT AREAS. Aren't you turning over large portions of our national forests to local control, and thus abandoning your stewardship responsibilities?

Answer. No. First, the 10 Adaptive Management Areas will remain the responsibility of the Federal government, and we do not intend to turn them over to local control. Having said this, the idea that local communities may care about their forests and surroundings and may have good ideas on how to care for them is one that this Administration supports. Properly structured local involvement is a good thing that should be promoted.

6. POLITICS GENERATED OPTION 9. The President's plan adopts an option that was produced by the Scientific Team to generate larger timber yields after Washington leaned on the Scientific Team to come up with more timber.

Answer. False. All of the options were conceived, developed, analyzed and reshaped by the Ecological Management Assessment Working Group without any outside influence or interference. Each option was then put through an elaborate review to evaluate it from a number of perspectives, including its ability to protect old growth and related species, its economic impacts and its effect on long-term timber yields. The results of this work by the Working Group will be available for public review, including all of the analysis of the President's plan.

Stepping back from the details, let us not lose sight of the fact that politics didn't generate this plan, hard work, creativity and extraordinary innovation produced it. This land management proposal represents a profoundly important watershed event for the management of our Federal public lands in the region. It is the most significant shift in public lands stewardship this century.

7. THE CONGRESSIONAL ROLE. What do you see will the Congressional role in all of this? Will you be submitting legislation, and if so what and when?

Answer. First, we have been closely consulting with the Congressional and Committee leaders on the elements of this program and will continue to do so.

Second, it must be emphasized that the Administration is

committed to submitting this program to the court by July 16th and to implement this program administratively, and it intends to honor that commitment.

Finally, because we believe the workers, businesses and communities in the region need help as quickly as possible, the President is directing his Cabinet to work with all those who share his determination to resolve these issues in a fair and balanced way to develop the most effective means to implement this plan as rapidly as possible and resume a solid, defensible sales program.

8. LEGISLATIVE PROPOSAL. Will the President be submitting legislation on his forestry plan?

Answer. As noted above, the President is committed to submitting his plan to Federal court on July 16th, and he intends to honor that commitment and proceed to implement it administratively, as the law requires. Beyond that, no decisions have been made about whether to submit legislation on the plan. The President is committed to implementing this plan as expeditiously as possible and he intends to confer with all interested parties about how to do so.

9. SUFFICIENCY. Will the President submit legislation to insulate the plan from lawsuits, as has been reported?

Answer. The President believes that his plan meets the requirements of Federal law. He intends to stand behind it, and he has no intention of seeking to insulate it from judicial review. Secondly, he is very interested in speeding up the implementation of the plan so that the injunctions can be lifted and sales in conformity with the plan proceed. This could be done in any number of ways. He has made no decision on the best method to achieve that goal, and will not make any decision on it until he can continue his discussions on it with all of the interested parties.

10. MULTIPLE SPECIES and TRAINWRECKS. Fish stocks are in tough shape, and many stocks will probably be listed under the ESA in the near future. How does the President's plan deal with the potential for future trainwrecks like fish?

Answer. Good question. This is perhaps the toughest of the long-term issues confronting forest management in the region because, quite simply, owls and murrellets are not the only thing we're going to have to worry about.

The answer is twofold. First, the short answer on fish is that we don't expect additional trainwrecks on Federal forest management because we're already doing whatever we can to protect fish habitat under this plan. This plan prescribes the most ambitious fish habitat protection regime for any Federal public lands in the United States. It is an extraordinary model that will, I believe, represent a genuine watershed event in our efforts to protect aquatic habitat. (Excuse the pun.) It is our expectation that if and when additional stocks of fish are listed under the ESA, they will not cause significant disruptions in the Federal forest regime proposed here because, quite simply, we are

already doing whatever we can to protect fishery habitat, and that all that we can be expected to do under the ESA or other laws.

The more complicated answer is that the President's plan represents a fundamental shift in land management planning -- a shift away from planning based on political boundaries and to planning based on ecological boundaries -- namely watersheds. Why this shift? Because the watersheds are the vascular system for the forest ecosystem, and the vast majority of species within that ecosystem are riparian based. We should concentrate harder on watersheds so we can cover more species -- and render less likely the risk of frequent species-by-species trainwrecks.

11. PHASE IN. Will the President propose a phase in of the plan, as has been widely reported.

Answer. The world of preparing and selling timber is not quite so simple as the concept of a phase-in would suggest. The President has instructed the Secretaries of Agriculture and Interior to begin preparing timber sales that reflect his plan as promptly as possible and to get as much of those sales into the pipeline as soon as possible. His objective is to get as much of the timber to hard-hit communities as quickly as possible. Frankly, the question of when and how much timber can be prepared and sold is much more a function of on-the-ground mechanics than it is of tidy graphs of phase-ins.

12. ASQs. What is the allowable sale quantity under the President's plan?

Answer. Harvest levels in the President's plan take into account that the previous Forest Service estimates significantly overestimated the amount of available timber, presenting unrealistically high harvest levels that cannot be sustained even under existing forest management plans. Under the President's plan, the overall allowable average annual harvest for the region is 1.2 billion board feet for the spotted owl region, which does not include the East side. In addition, the expected release of sales stopped by the injunctions, steps to move timber from Indian lands and other measures are expected to increase that figure as the program is implemented.

13. MOVING TIMBER. How much timber will move under this plan over the next couple of years?

Answer. Ultimately the answer depends upon two factors. First, when will the injunctions be lifted and sales allowed to proceed. And second, how much timber will the agencies be able to prepare for sale?

We anticipate that we will be able to move approximately 2.2 billion board feet during the next year from both BLM and Forest Service lands. In addition, the President has directed the Secretaries of Agriculture and Interior to mount an aggressive sales preparation program to build and maintain a sustainable sales program in the next several years, all of which will be consistent with the plan and other applicable law.

14. PRIVATE LANDS. What about private lands?

Answer. The President's plan is a plan for Federal lands, and does not directly affect non-Federal lands (state and private). However, the adoption of the President's plan is anticipated to establish a new more effective conservation regime for listed species like the owl. With this new program, we anticipate that the rules under the ESA governing activities on private lands can be loosened substantially.

Accordingly, as a part of the President's overall program, the Secretary of the Interior is immediately proceeding to develop a rule under the Endangered Species Act to ease the current restrictions on state and private forestry activities, working on close consultations with the three states. The Secretary will convene a working group with the state representatives next week to begin the process.

15. PERMANENT RESERVES. Will the plan include reserves that are permanently established?

Answer. The Scientific Team has specifically recommended that the President not fix into place permanently the boundaries they have developed for any of the options on the grounds that new information may reveal that the boundaries should change in order to provide greater or more effective protection. In short, nothing is perfect, and they recommend retaining the flexibility to improve the Reserves.

Having said this, the question of permanency is clearly one of interest to many, and the President remains committed to addressing it in due course after the public has an opportunity to review the Reserves and his entire forestry plan.

16. VIABILITY RATINGS. Isn't it necessary for any option to achieve a high viability rating in order to meet the requirements of the NFMA, and doesn't Option 9 fail for several species, including fish?

Answer. The Scientific Team designed a complicated three-tiered system to evaluate the ability of each option to protect owls, old growth, fish and over 400 old growth dependent species. The first tier was an internal review of each option, the second tier was the convening of separate "viability panels" to render their own judgments on each option, and the third tier was an external blind peer review of each option. When compared to the process used in earlier reports on how to conserve the spotted owl, this is the most thorough and comprehensive analysis to date.

Based upon the most comprehensive analysis of the effects of a proposed land management scheme to date, we believe that the President's plan will meet all of the requirements of Federal law.

17. VIABILITY AND OUTCOME B. Will not the President's plan result in some gaps in the species distribution over time within the region, and if so, does it not fail to meet the requirements of the law?

Answer. We believe the President's plan will meet all of

the existing requirements of Federal law. Yes, under the plan, not all species will be in all areas throughout the region. Take fish. Under any of the options, it is a simple fact that none of the options and nothing we could do would result in fish stocks returning to all of that possible habitat on Federal lands throughout the region because of problems relating to those stocks that are unrelated to their habitat on the Federal forest lands. In short, the President's plan will provide the most comprehensive and ambitious program to restore fish habitat, and it will more than suffice to meet the requirements of Federal law.

18. VIABILITY on BLM LANDS. Isn't the decision of the President to apply a viability standard to the O&C lands illegal, and doesn't it reflect a strong green bias, notwithstanding his rhetoric about balanced solutions?

Answer. No on both counts. Three points deserve emphasis. The President decided at the beginning of this process to end the seemingly endless in-fighting between the agencies that had been at the heart of the gridlock over the last several years. As a part of this decision, he instructed both agencies to work from the same scorecard and use a common conservation standard so that each could pursue a compatible ecosystem-based approach. It makes good sense and good policy.

Second, it is absolutely compatible with BLMs mandate for managing their O&C lands. The perception that the O&C lands are dedicated to timber harvesting is grossly oversimplified. In fact, protecting watersheds and pursuing long-term sustainable forest management is at the heart of the statutory mandate, and those objectives are at the heart of what the President's plan is about.

Finally, in the end this is an esoteric argument between the lawyers because the biologists tell us that it doesn't make a difference from a timber yield perspective once the decision is made to protect fish. The Endangered Species Act requires us to protect owls and murrelets and it doesn't make any difference whether we do it under the ESA or a viability standard. We could, it is true, ignore fish and drop some of the watershed protections in the President's plan for the O&C lands, but to do so makes no sense because additional fish listings under the ESA are clearly on the horizon -- if not closer. Once those listings occur, we will have to move quickly to protect fish habitat under the ESA, and any timber sales that pose a risk to that habitat would be subject to lawsuits and injunctions. It makes absolutely no sense for the President to put a plan into placed today that will be useless tomorrow. Protecting fish makes sense.

19. CONGRESSIONAL OPPOSITION. Are the press reports accurate that the votes aren't there for this plan and is the Speaker is dead set against it?

Answer. The President and the Cabinet have been consulting with many members of Congress on his plan and he is very encouraged by the general statements of support for the progress

thus far. No-one, including the President, is under any illusions that this plan will make everyone happy or prove easy to accept. It is a very tough situation and there are, in the end, few options. But the President remains heartened that the Speaker, the delegation, the Governors and the Congressional leadership understand the tough situation that he has inherited and that they remain committed to working with him on solving it.

20. JOBS. What are the expected job losses in the region?

Answer. The Administration expects a direct loss of about 6,000 jobs from implementation of the President's plan. To offset it, the President is planning an aggressive community assistance package that will provide \$270 million in new Federal funding for the next year alone -- \$1.2 billion over the next five years and estimated to create over 8,000 new jobs and fund 5,400 retraining opportunities.

The issue of job losses is both important and complicated, and several points deserve emphasis. First, it should be noted that more than 20,000 jobs within the region have been lost to the timber industry in the region over the last two years, a testimonial to the enormous transformation that industry is undergoing. Second, it is clear from the economic analysis that the job losses from all of the options fell within a very close range of one another, indicating how very few options are available. Finally, it should be emphasized that in our current situation we have no timber program and we are completely tied up by court injunctions. This is the legacy left to the region by the last Administration. If the President continued the do nothing approach of his predecessors, the region, its residents, communities and businesses would be far worse off.

21. REDUCED HARVEST LEVEL BASELINES. Why are the baseline for the ASQs reduced 20% -- 30% over what they were?

Answer. The timber yields for the entire region have recently been reviewed on a forest-by forest basis to ensure that the estimates of available timber would be as reliable as possible. No more pie in the sky numbers. Although there were many technical details on how the adjustments occurred, the review contained a fundamental shift in the approach to estimating yields.

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FOREST CONFERENCE JOB LOSS TALKING POINTS

I. Job Loss

- We anticipate a **direct job loss** of 6,000 jobs.
- **Over the past two years**--in part due to a general contraction in the timber industry and in part due to the recession--**more than 20,000 timber workers** have lost their jobs.
- Many of those workers (we estimate 5,000-10,000) have not found other work. Our economic plan was developed to address the needs of both of these groups of workers, without regard to the particular cause of their economic dislocation.
- You will hear much higher numbers, particularly from labor and industry--numbers in the 70-90,000 range are likely. The primary difference between their estimates and ours:
 - **Multipliers**--Industry figures include not just direct job loss, but also "indirect" and "induced" job loss. The industry assumes that for every timber job lost, another 1.2 jobs elsewhere in the economy (in grocery stores, or suppliers, or restaurants) are also lost. We have taken a different approach and focused only on *direct* job loss. Here's why: our economic plan is designed to create family-wage jobs, in mills, in the forests, in other businesses and industries. We believe that those family-wage jobs will support other indirect and induced jobs, just as the timber jobs did. In short, it doesn't matter to the grocery store owner or the restaurant worker whether the customers are cutting timber or bulldozing roads closed, or milling window frames. This difference in approach accounts for about half of the difference in estimates.
 - **Baseline**--Industry figures are based on a much higher baseline. We began from 1992 employment levels and added in a figure to take into account current unemployment. The industry began from employment in the 1980s, which were extraordinarily--and unsustainably--high harvest years. This accounts for about a quarter of the difference in estimates.
- The impact in the region: timber workers represent less than 5 percent of the region's workforce. (Note: Boeing's planned layoff is about 15,000.) **However, the impact is highly concentrated in rural communities that have timber-dependent economies.**

II. Comparisons to Other Federal Decisions

Why special assistance is due the Northwest:

- these communities and workers have long relied on federal policy and practice (as well as formal and informal agreements), which assured a constant high volume of timber from federal lands and thereby encouraged the development of many of the affected communities.
- these communities are particularly dependent on timber industries; in some more than 25 percent of the workforce is directly employed in these industries. Thus, the effects of an ecosystem management program is qualitatively different from that caused by a displacement of the same absolute size occurring in an urban area with a diversified economy.
- local governments are directly and heavily reliant upon federal monies through revenue sharing. Revenue sharing accounts for more than 30 percent of the revenue of at least 20 participating counties; reduced logging threatens the continued viability of many of these governments.

III. The Plan and Job Creation

- Our program provides an **integrated package of short-term assistance and longer-term economic development strategies** that will provide workers and their families with relief for the next several years, while improving economic conditions and creating economic opportunities--both within and outside of the forest products industry--for these communities. The plan provides loans and grants to new and growing businesses, stabilizes payments to county governments, and creates new jobs in forest and watershed restoration--all through an innovation delivery system that provides state, local, and community officials with greater control and discretion in economic planning and development.
- **The President's plan will create more than 13,000 new economic opportunities (8,000 jobs and 5,400 retraining opportunities) in the first year.** Over five years, the plan will create more than 30,000 economic opportunities.

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TALKING POINTS ON TIMBER NUMBERS

- * Our conservative estimate is that we can move 2.2 billion board feet of timber on Forest Service and BLM land during the remaining portion of FY 93 and FY94.
 - We have 709 million board feet of timber sales on Forest Service land which has been prepared for sale and would be available for harvest once injunctions are lifted. There also is 217 million board feet on BLM land.
 - We have 1.1 billion board feet of timber on Forest Service land which already is under contract and can be harvested immediately. There also is 193.4 million board feet of timber under contract on BLM land, that is, sales already sold.
- * In addition, with aggressive direction from the President, we believe we can prepare between 400 million board feet and 1 billion board feet of new timber sales between now and the end of 1994.
- * All of these sales would be consistent with the President's Forest Plan.
- * By way of comparison, the old forest plans -- the historically high and unsustainable levels in place during the 1980s -- would have allowed annual Forest Service timber sales of 5.1 billion board feet, even though approximately 4.3 billion board feet was actually sold.
- * When the old forest plans were revised in the 1990s, a new annual sale level of 3.4 billion board feet was established.
- * The first spotted owl report said that protection of that species would not allow an annual sale greater than 2.6 billion board feet. The Spotted Owl Recovery Plan re-estimated that level to be 2.2 billion board feet.
- * History shows that timber estimates often have exceeded what was actually accomplished, and that both environmental and industry advocates have missed the mark in terms of what could or should be done.
- * In 1991, when timber sales were enjoined by Judge Dwyer, a timber sales program was set at 3.2 billion board feet but few sales were sold because of the injunction. Harvest of previously sold volume continued.
- * Currently, sales of approximately 470 million board feet outside the injunctions have been awarded and that level is expected to drop to about 400 million board feet if the present situation doesn't change. Harvest continues on the remaining 1.8 billion board feet under contract, some portion of which was sold before the injunctions, but that volume should be exhausted by the end of this year.

EVERYTHING YOU ALWAYS WANTED TO KNOW ABOUT "OPTION 9" (But Were Afraid to Ask)

BACKGROUND: WHAT IS "OPTION 9"?

On April 2 in Portland, Oregon, President Clinton convened the Forest Conference as the first step toward a balanced and comprehensive policy that would recognize the importance of the forests and timber to the economy and ecology of the Pacific Northwest. At the close of the conference, the President established three interagency working groups -- Ecosystem Management Assessment, Labor and Community Assistance, and Agency Coordination -- to study the situation and come up with a comprehensive forest management policy that would allow a sustainable timber harvest based on a scientifically-sound and legally responsible plan. Following this mandate, the Working Group on Ecosystem Management Assessment analyzed ten ecosystem management options that allowed a range of annual timber harvests from .2 to 1.7 billion board feet (bbf). Option 9, which offered the highest level of timber harvesting allowable under current environmental laws (1.2 bbf per year), was chosen by the President to offer as a solution to the crisis in the Northwest.

WHAT DOES OPTION 9 DO?

Option 9's most significant features include the following:

- An approach to ecosystem management that uses key **watersheds** as its basic building blocks. This approach not only protects the most valuable old-growth forests, but also takes steps to safeguard the region's drinking water, restore the region's ailing salmon industry, and protects a wide range of threatened species.
- A **sustainable timber harvest of 1.2 billion board feet annually** on the protected forests. This level may be "phased-in" gradually, allowing for slightly higher levels of harvest in the first few years declining to slightly lower levels in later years (as long as the average over a period of time is 1.2 bbf per year). In addition, the expected release of sales stopped by injunction, steps to move timber from Indian lands, and other measures are expected to increase this figure as the program is implemented.
- **Reserve areas** based on watersheds that include the most valuable old growth forests and designated conservation areas to protect specific species. Only very limited activities would be permitted in the reserves, including salvage and thinning where the primary objective of that salvage and thinning is to accelerate the development of old growth conditions.
- **Ten Adaptive Management Areas** of 78,000 - 380,000 acres each for intensive ecological experimentation and social innovation to develop and demonstrate new ways to integrate ecological and economic objectives and allow local involvement in defining the future.

CONSTRAINTS NARROWING THE RANGE OF OPTIONS

In developing an ecologically and economically sound Forest Management Plan, three important constraints severely narrowed the range of viable options:

- **Compliance With Environmental Laws:** Because of current court injunctions that have frozen timber sales over the past three years, no option exists that can comply with current environmental laws (primarily the Endangered Species Act and National Forest Management Act) and still produce a sustainable annual harvest of 2 billion board feet -- the minimum level of harvest that industry and labor groups demand.
- **A Limited Timber Base:** The disappointing harvest numbers are only in part a function of compliance with environmental laws. When the scientific team looked at the Forest Service timber base, it found that previously-generated forest plans overestimate by 20 to 30 percent the average sustainable annual timber sale level -- the base was much smaller than previously thought.
- **The Viability of Threatened Species:** The harvest numbers are further driven down by the impact of earlier overcutting on the viability of various species. Until now, attention has been focused primarily on the spotted owl and its habitat needs. But it is now apparent that the protection of marbled murrelets and several fish species that will likely be listed under the Endangered Species Act within the next year will have at least as much effect on timber harvests as the owl.

DATE: June 8, 1993
TO: ~~Carol Rasco~~
FROM: ~~Mike Schmidt~~
RE: Update on the "Forest Summit" Process

Thank you for
the excellent memo.
I stand ready to
help. CRR

On Friday, I attended a meeting of the Forest Management Executive Committee. This committee, headed by Katie McGinty, includes all of the top White House, Department of Interior, and Department of Agriculture staff who have been most involved in this process. At this meeting, the Committee laid out its strategy for implementing a new Forest Management Plan in the Northwest. Handouts from the meeting are attached. Key points include:

Carol
latest word is
this process may
change again! I
will keep you
posted.

- **Accelerated Schedule:** The Office of Environmental Policy has received reports from all three working groups and is currently synthesizing them into one comprehensive document. The Executive Committee's plan is to accelerate the normal internal White House clearance process. As the attached schedule indicates, it is hoped that the deputies will sign off on the Executive Committee's recommendations quickly (by this Friday, June 11). If the deputies reach consensus, a Decision Memorandum will go to the President ASAP and we can begin serious negotiations on the Hill. If there is disagreement among the deputies, then a Principals Meeting will have to be called.
- **Reasons for the Accelerated Schedule:** Essentially, there are four factors driving this accelerated schedule:
 - heightened anxiety in the region;
 - the increased possibility of leaks now that the working groups have reported;
 - Court-imposed deadlines (the first is July 16), and;
 - the need to get the Northwest timber program going again before the pipeline of logs runs dry.
- **Scientific Team Findings:** Last Thursday, the Committee was briefed on the Scientific Team's findings. The projected timber harvest levels were disturbing -- much worse than expected -- and leave very little decisionmaking flexibility. Labor and Industry Groups in the Northwest are hoping for, at a minimum, harvest levels around 2 billion board feet per year. The Scientific Team has come up with a set of options with harvest levels ranging from .25 to 1.7 billion board feet per year. To put these numbers in context, average yearly harvests in the 1980s averaged 4.6 billion board feet. The two major constraints on harvest levels are the limited old-growth reserves (most were cut in the 1980s) and legal constraints (Environmental Species Act, etc).

- **The Most Promising Scientific Option:** On the positive side, the Scientific Team is still working on the option that seems most promising -- a Unified Reserve System Approach. This approach calls for intense management and protection of key watershed areas that frees up timber in other areas for harvesting. This option will also identify Adaptive Management Areas where innovative forestry methods (community forestry, etc.) can be tested on a large scale. Overall, it is hoped that this option will free up a bit more timber for harvesting -- we will know for sure this Wednesday when the Team finishes its viability studies and reports its findings.
- **Political Sensitivity of Harvest Estimates:** Over the next few weeks, we must be very careful about keeping a lid on any timber harvest estimates. These numbers are political dynamite and will sink us if they are not presented in the proper context. Bottom line: we can't allow ourselves to get pulled into the "numbers game" because it distracts from what we are trying to do.
- **Involving the Hill:** We have many allies on the Hill from the Northwest that are eager to help on this issue. We need to begin bringing them on board as soon as possible (possibly as early as this week). They have cooperated so far in keeping quiet in the face of tremendous pressure from constituents, but they will begin to take public stands on the issue if we don't involve them soon. It is in the President's best interests to have the support of as many Members from the Northwest (and also Governors and local government leaders if possible) as possible when he announces the new forest management policy.
- **Communicating the New Policy:** Finally, in communicating the new forest management policy, our primary message has to be that we are dealing with a situation that has changed dramatically since the harvesting frenzy of the 1980s. Sustainable harvest levels are going to be low because there is not much Old-Growth left to cut. The harvesting levels of the 1980s, which represents reality for many loggers, were unrealistic, dangerous, and unsustainable. Therefore, the baseline that we are now working from is lower and much less flexible than it was in the 1980s.

SCHEDULE FOR CONTINUED ACTION ON FOREST PLAN

1. WEDNESDAY, JUNE 2.
** RECEIPT OF ALL REPORTS.
2. THURSDAY, JUNE 3.
** JACK WARD THOMAS ET AL. BRIEFING
3. FRIDAY, JUNE 4
** BEGIN SYNTHESIS OF INDIVIDUAL REPORTS INTO SINGLE COORDINATED DECISION MEMO
4. MONDAY, JUNE 7 - TUESDAY, JUNE 8
** DISCUSSIONS WITH EXECUTIVE COMMITTEE AS TO RECOMMENDED POLICY OPTIONS FOR SYNTHESIS DOCUMENT/DECISION MEMO
5. WEDNESDAY, JUNE 9 - *start meetings w/ legislators*
** EXECUTIVE COMMITTEE MEETING TO REVIEW DECISION MEMO
6. THURSDAY, JUNE 10
** DISTRIBUTION OF FINAL SYNTHESIS DOCUMENT TO DEPUTIES
7. FRIDAY, JUNE 11
** SIGN OFF ON DECISION MEMO BY DEPUTIES (If there is consensus among the Deputies, then a DECISION MEMO WILL BE SENT TO THE PRESIDENT; if there is disagreement, then a PRINCIPALS MEETING will have to be called).
8. MONDAY, JUNE 14
** PRESIDENT SIGN OFF ON DECISION MEMO
9. TUESDAY, JUNE 15
** BEGIN DISCUSSIONS WITH KEY HILL AND INTEREST GROUP CONSTITUENCIES
10. MONDAY JUNE 21 - FRIDAY, JUNE 25
** CONTINUED INTENSIVE DISCUSSIONS; DEVELOPMENT OF OVERALL POLICY (Administrative and Legislative); COALITION BUILDING
11. TUESDAY, JUNE 29 - THURSDAY, JULY 1

a contraction of normal decision making process

Factors driving schedule

- ① Anxiety ↑ in Region
- ② ~~people~~ Now that we do have documents, possibility of leaks ↑
- ③ Court deadlines (1st one July 16)
- ④ Need to get Timber program going again

** DISCUSSIONS WITH KEY GROUPS CONTINUE

12. FRIDAY, JULY 2

** EXECUTIVE COMMITTEE MEETING TO ADDRESS ISSUES RAISED IN KEY INTEREST GROUP DISCUSSIONS; MAKE DECISIONS AS NECESSARY (Deputies/Principals/President involvement as necessary)

13. MONDAY, JULY 5

** CONGRESSIONAL RECESS (5-12)

** CONTINUED DISCUSSIONS WITH KEY INTEREST GROUPS

14. WEDNESDAY, JULY 7

** DEPUTIES MEETING TO REVIEW/APPROVE "FINAL" PRODUCT

** DECISION MEMO TO THE PRESIDENT - make sure he still approves of "revised" plan

15. THURSDAY, JULY 8 - FRIDAY, JULY 9

** DRAFTING OF POLICY CONTINUED/COMPLETED

16. MONDAY, JULY 12

** BRIEF THE PRESIDENT

17. TUESDAY, JULY 13

** ANNOUNCE OVERALL POLICY PACKAGE

** INTRODUCE LEGISLATION/BEGIN HEARINGS AND MARKUP PROCESS

18. FRIDAY, JULY 16

** DELIVER SUPPLEMENTAL ENVIRONMENTAL IMPACT STATEMENT TO JUDGE DWYER

19. PASSAGE OF LEGISLATION BEFORE AUGUST RECESS

FOREST CONFERENCE FOLLOW-UP

6-4-93

I. THE ECOSYSTEM MANAGEMENT OPTIONS

- o Decision space very limited
 - limited resources
 - question is reserve/matrix split
 - bounded by conservation requirements of the law
 - options clustered --- and largely unacceptable
- o New Option
 - "Unified Reserve System" (efficiencies by achieving conservation objectives in a concentrated land space rather than linking of individual conservation blocks)
 - "Adaptive Management Areas" (9 identified; areas of intense experimental forestry; allows community involvement; allows research and monitoring; suggests new administrative approaches; potential to create trust funds from timber receipts to re-invest in the area. Very creative; touches suggestions of privates; states; some Congressional delegation members. However, harvest still low).

II. OTHER POTENTIAL PIECES TO OVERALL POLICY

- o Habitat conservation plans//remove owl circles on private lands (States/privates)
- o Accelerated land exchange programs//easements (privates)
- o Possible 400 mbf on BIA land (tribes)
- o Exports
 - FSC
 - Voluntary export restraints
 - Processed log ("cants") definition
 - Tightened substitution rules
- o Community forestry
- o Some sufficiency language
- o Phasing in

III. PROPOSED SCHEDULE OF ACTION

- o Driving forces
 - anxiety on Hill and interest groups
 - possibilities of leaks; decreased leverage

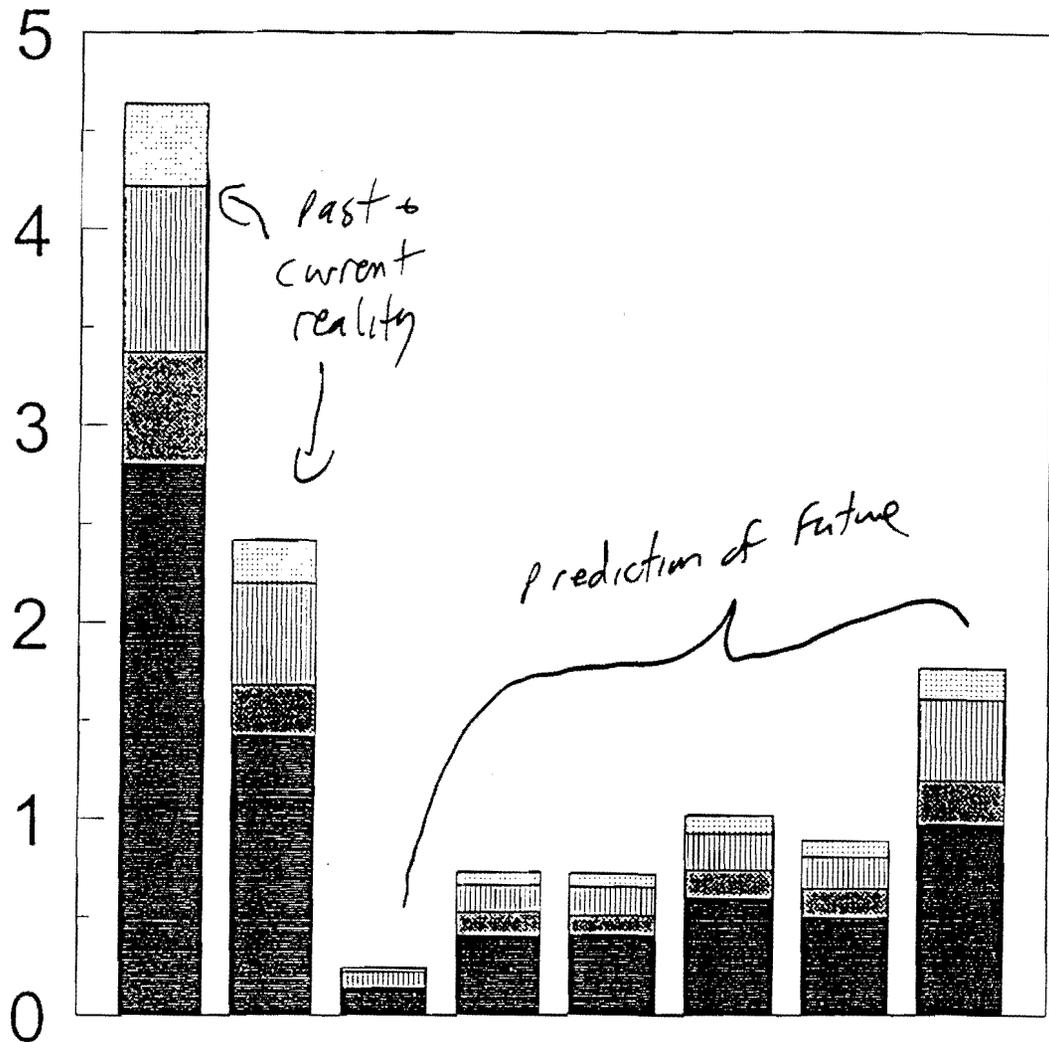
--court deadline July 16
--need for timber program this year

o Risks

--scientific analysis of options not complete
--but, further viability assessments today and
ASQs known to within 10% confidence
--possible discomfort of top levels in agencies//White
House

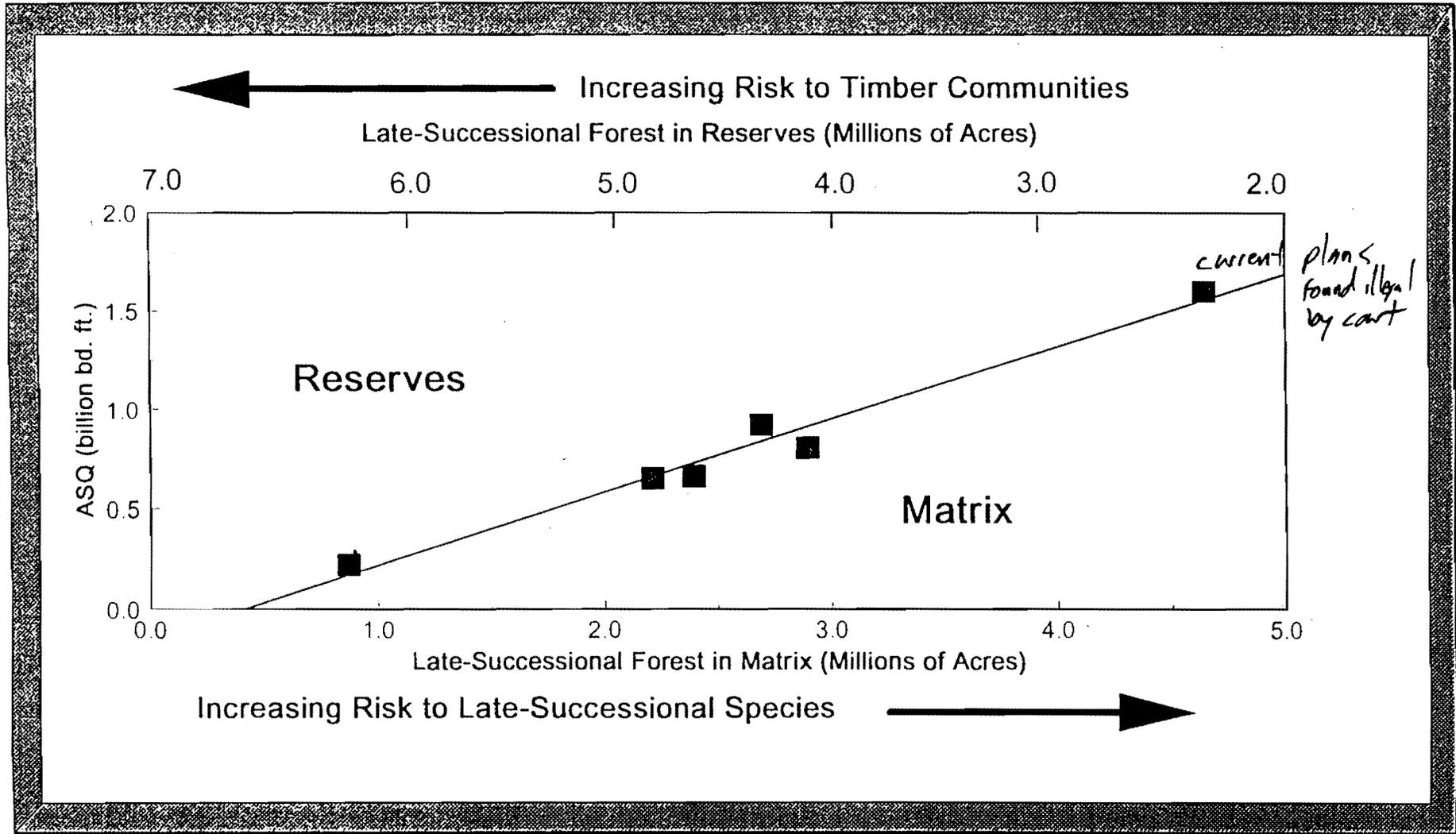
Figure IV-2. Estimated allowable sale quantity from historic harvests and under each Option. Harvest of "other wood" is based on historic levels of salvage and cull volume, equaling about 10% of ASQ. No harvest estimate is available for Options 3, 8, and 9.

Billions of Board Feet



Option or Period	80-89	90-92	1	2	4	5	6	7
ASQ- FSR6	2.800	1.417	0.134	0.403	0.405	0.594	0.497	0.966
ASQ- FSR5	0.570	0.262	0.007	0.122	0.099	0.145	0.147	0.224
ASQ- BLM	0.850	0.516	0.081	0.137	0.149	0.183	0.162	0.413
Other Wood	0.422	0.220	0.022	0.066	0.065	0.092	0.081	0.160
Total	4.642	2.415	0.244	0.728	0.718	1.015	0.887	1.763

Figure VII-1. Area of late-successional forest in reserves and matrix for each Option. No data available for Option 3. Reserves include Late-Successional and Riparian Reserves; additional late-successional forest occurs within Congressionally and Administratively Withdrawn Areas.



DATE: August 5, 1993
TO: Carol Rasco
FROM: Mike Schmidt
RE: Forest Management MOUs

*as whatever
we're calling the file*

Last week, I sent you a memo on the Forest Management Multi-Agency Command (MAC) that will be overseeing the Federal economic adjustment assistance effort in the Pacific Northwest. I attached a copy of the Memorandum of Understanding (MOU) that the members of the MAC (DPC included) will be signing in the near future. Since I sent that memo to you, events have moved quickly, and now there is a second MOU that will be signed between the MAC and the Governors of the affected states (Oregon, Washington, and California). I have attached the final (hopefully) drafts of these two memos for your information.

Since I will be gone on leave tomorrow through the 14th of August, I thought I should brief you on two issues that may flare up next week while I am away. I would hope that these issues will not reach your level (and I have asked Brian Burke to cover for me on this issue while I am gone), but with three state governments involved, who knows? Better safe than sorry! Also, the MAC MOU may reach your desk for signature, so I thought you should have as much information as possible ahead of time.

Issue 1: Funding "Floors"

Representatives from the State of California have proposed that the MAC divide up the economic assistance funding "pie" into three guaranteed percentages (i.e. Oregon gets 60% of the funds, Washington gets 25%, and California gets 15%). The motivation behind this request is twofold:

- California is the state least affected by the reduction in Federal timber sales, and is afraid that they will be the "odd man out" in terms of funding;
- Timber communities in California have a bad relationship with the current Governor and his administration. They are afraid that Oregon and Washington will get all of the funding, because timber communities there have close working relationships with their State governments and will therefore collaborate more effectively to get their funding proposals in quickly.

The members of the MAC (and Oregon and Washington) are opposed to the concept of funding quotas for a number of practical and philosophic reasons -- most notably because most of the money available in this effort is proposal driven rather than formula driven, and the quota concept does not fit well under the Administration's "Reinventing Government" initiative.

As a compromise, the MAC has agreed to provide a funding "floor" -- that is, to guarantee that every state will receive a minimum percentage of the total funds available. Oregon has reluctantly agreed to a floor as high as 15% of total funds; Washington will only go as high as 10%. Unfortunately, California is demanding a floor of 20%, and has threatened to walk out on the whole MOU process if they don't get it.

In my opinion, 20% is too high for California. There is no measure that I can think of that can justify California receiving that high a percentage of aid. To give you some perspective on this, according to our estimates, Oregon will suffer over 60% of the job losses, followed by Washington (30%) and California (10%). Of course, any job loss projection is rough at best, but these rough percentages seem to reflect the general feeling that most people have about the proportion of "suffering" borne by each state.

Again, I hope that this issue will be resolved before it hits your desk. However, in the event that it isn't, I hope this background helps.

Issue 2: Who Chairs the MAC

This issue is already close to being resolved, but here's a quick summary:

- Originally, NEC was supposed to chair the MAC.
- The Departments (Labor, Commerce, Interior, EPA) pushed for the NEC to chair the MAC, because they felt that only a White House person could be an "honest broker" and resolve disputes between Departments.
- The Department of Agriculture recently requested (demanded may be a better word) that they chair the MAC, given the fact that they are providing the vast majority of the funding for this whole effort.
- The other Departments may be uneasy with this arrangement. If they resist allowing Agriculture to chair the MAC, and Agriculture digs its heels in, the issue may bubble up to higher White House levels.

In closing, I apologize for bothering you with these two disputes. If I were here next week, I would have handled them without bothering you. However, since I will be gone, I just wanted to make sure that you have all of the background in case either issue spins up to your level.

THE WHITE HOUSE
WASHINGTON

August 4, 1993

Carol,
FYI
Mike

MEMORANDUM FOR TOM TUCHMANN, Interior
MARK GAEDE, Agriculture,
TOM PETERSON, EPA
BRUCE BEARD, OMB
FELICITY GILLETTE, Commerce
ROB PORTMAN, Labor
ROBERT DUNCAN, HUD
BILL HAGY, RDA
MIKE SCHMIDT, DPC
DAVE COTTINGHAM, OEP
DORIS FREEDMAN, SBA
TERRY GORTON, State of California
TOM BRISTOW, State of Washington
KEVIN SMITH, State of Oregon

FROM: Peter Yu
SUBJECT: Attached

Attached please find (what I hope to be) final drafts of the Interagency MOU and the Federal-State MOU. Although I have attempted to redline this draft, please read these documents carefully and in their entirety. **If I do not hear from you by 5 PM Friday, I will assume that the Interagency MOU is acceptable to you.** Friday evening, I will circulate a final draft of the Interagency MOU to the Chiefs of Staff of the parties, along with a signing schedule.

Recognizing that the Federal-State document will require further vetting, if I do not hear from you by **noon Monday, I will assume that the Federal-State MOU is acceptable to you.**

In particular, please note the following:

Interagency MOU

- The issue of the Chair of the MAC is tentative and contingent upon the consent of the several agencies. Any objections?

- The States have asked that the ICS be renamed the CERT. Any objections?
- Note the creation of State CERTs (the senior participants of which will comprise the Regional CERT).
- Note that the State and Regional CERTs will draft the initial Strategic Plan for review by the MAC, and ultimate approval of the parties.

Federal-State MOU

- Note that there will be three nonfederal parties from each state: the Governor and two other reps.
- The body of the document largely tracks the Interagency MOU.
- The "floor" provision is tentative and contingent upon the consent of the several parties. Any objections?

Thanks for your help throughout this process.

INTERAGENCY MEMORANDUM OF UNDERSTANDING

I. PARTIES

This is an agreement among eleven parties:

- the Secretary of Commerce;
- the Secretary of Labor;
- the Secretary of the Interior;
- the Secretary of Agriculture;
- the Secretary of Housing and Urban Development;
- the Administrator of the Environmental Protection Agency;
- the Administrator of the Small Business Administration;
- the Deputy Director of the Office of Management and Budget;
- the Director of the Office on Environmental Policy;
- the Assistant to the President for Domestic Policy; and
- the Assistant to the President for Economic Policy.

II. PURPOSE

The purpose of this Memorandum is to improve interagency cooperation in order to enhance the delivery, tracking, and evaluation of economic adjustment assistance to workers, families, and timber dependent communities in the Pacific Northwest and Northern California. This memorandum establishes the principles that will guide the parties' cooperation in this undertaking, sets forth the objectives of this collaborative effort, and outlines the responsibilities of the parties. It also defines the structure of federal coordination, designed to work closely with state and local governments, Tribal Nations, and others, in order to make the best use of federal resources. This memorandum complements the Memorandum of Understanding concerning coordination and cooperation among federal land management agencies.

III. STRUCTURE

- A. *Equal Status:* The parties are equal members of this cooperative relationship.
- B. *Multi-Agency Command:* Each of the parties shall, within 7 days of the signing of this Memorandum, designate an individual to serve as the liaison with the other parties and to report directly to the appropriate principal. These individuals shall comprise the Multi-Agency Command (MAC). The MAC, under the guidance of the parties, shall have oversight and policymaking authority and responsibilities as consistent with the authority delegated by each party. The Secretary of Agriculture shall designate one of the representatives to serve as Chair of the MAC.

C. *Regional Community Economic Revitalization Team:* The Secretaries and the Administrators shall, within 14 days of signing this Memorandum, each designate one or more representatives to participate in the Regional Community Economic Revitalization Team (Regional CERT) based in the region. The Regional Community Economic Revitalization Team shall also include two representatives each from Oregon, Washington, and California. The Secretary of Agriculture shall designate one of the representatives to serve as Chair of the Regional CERT. The Regional Community Economic Revitalization Team, under the guidance of the Multi-Agency Command and the parties, shall have decision authority as consistent with the Strategic Plan described in Part IV and subject to the limitations set forth in Part V. Matters unsettled or disputed within the Regional CERT shall be forwarded to the Multi-Agency Command for resolution.

D. *State Community Economic Revitalization Team:* The parties and the Governors of Oregon, Washington, and California will establish State Community Economic Revitalization Teams (State CERTs) which shall have daily implementation and decision authority consistent with the Strategic and Implementation Plans. Such State CERTs should include representatives of each federal agency with program responsibility, and representatives of state and local government appointed by the Governor as consistent with the Strategic Plan.

E. *Memorandum of Understanding with the States:* The Multi-Agency Command shall, within 21 days of the signing of this Memorandum, enter into a Memorandum of Understanding with the Governors of Oregon, Washington, and California. That Federal-State Memorandum shall complement this Interagency Memorandum and set forth in greater detail the responsibilities of the Multi-Agency Command, the relevant state and local governments, and other parties, as well as the relationships between state and local representatives.

IV. RESPONSIBILITIES OF THE PARTIES

In the development and execution of economic adjustment activities, state and local governments, Tribal Nations, and others shall play a critical role in determining how best to meet the needs of the affected communities. Federal officials should resolve interagency differences, coordinate interagency activity, and remove any unnecessary regulatory impediments to economic adjustment and assistance.

A. *Development of Strategic Plan*

The Regional and State CERTs, working with representatives of the Tribal Nations and other persons the parties deem appropriate, shall prepare a Strategic Plan for Economic Adjustment and submit that plan to the MAC for preliminary approval. Within 45 days of the signing of this Memorandum, the Strategic Plan shall be approved by the parties and the Governors of Oregon, Washington, and California. The Plan, which should be consistent with the limitations set forth in Part V, should address a three-year period and include:

- a detailed statement of the goals of the Plan;
- a streamlined process for the delivery of economic assistance and services;
- a detailed description of authority delegated to federal officials in the region;
- quantifiable benchmarks of progress, such as new jobs created, numbers of persons retrained, numbers of community facilities funded, and capital investment levels, and related timetables; and
- a detailed description of the relationship among the federal, state, and local parties.

B. *Development of Implementation Plan*

The Regional and State CERTs, working with representatives of the Tribal Nations and other persons the parties deem appropriate, shall prepare an Implementation Plan. The Implementation Plan shall address a three-year period and include:

- a detailed plan for integrating and implementing the relevant programs and services of the Departments of Labor, Commerce, Interior, Agriculture, Housing and Urban Development, the Small Business Administration, and the Environmental Protection Agency;
- a detailed plan for a clearinghouse of services for state and local officials, individuals, and firms;
- a detailed and comprehensive list of temporary and permanent legislative and regulatory provisions necessary for the prompt and efficient delivery of assistance to affected communities and individuals;
- a plan for a uniform system for reporting to the MAC;
- dates for the final submission of projects, with deadlines for approval;
- limits on administrative expenses and overhead; and
- a detailed plan and timetable for the actual receipt of assistance by affected communities and individuals.

The MAC and the Governors of Oregon, Washington, and California shall approve the Implementation Plan within 45 days of the approval of the Strategic Plan.

C. *Execution*

The parties shall make available the resources (including adequate personnel and support

services) necessary to execute the Implementation Plan, including the financial resources set forth in Part V, and subject to the conditions set forth in Part V.

Working with state and local officials and other persons the parties deem appropriate, the State and Regional CERTs shall implement the three-year Implementation Plan.

As set forth in the Memorandum of Understanding concerning federal land management, the Regional Executive Committee (REC) established for purposes of federal land management shall have the ultimate authority for the implementation of the watershed restoration projects and attendant "jobs in the woods" efforts. The Regional CERT and the REC shall work together to prepare a plan for implementing those projects that will ensure (i) creation of family-wage jobs, a preference for displaced timber workers, integration with job training and placement programs, and minimal administrative overhead; and (ii) integration of these employment criteria with environmental criteria.

The Regional CERT shall identify options for improving the Strategic Plan and recommend any such improvements to the Multi-Agency Command. The Multi-Agency Command, in consultation with the Governors of the three States, must act on any such suggestions within 30 days.

The Multi-Agency Command, working with appropriate local and state officials, shall review and evaluate the structure set forth in this Memorandum, determine whether that structure is appropriate for the continued delivery of economic adjustment assistance to the region, and develop and propose any revisions to the structure the MAC deems necessary. The MAC shall submit a report on these issues within six months of the approval of the Strategic Plan.

V. FINANCIAL COMMITMENTS

The parties agree to make available the following financial resources under the following specified conditions:

The Department of Labor (DOL): Subject to sufficient appropriations by Congress, DOL agrees to make available, out of Job Training Partnership Act (JTPA) funds reserved by the Secretary pursuant to Title III, twelve million dollars (\$12 million) per year, for the three-year period beginning July 1, 1993, to support the purposes set forth in Part II of this Memorandum. Such funds shall be available subject to the following conditions:

1. That each State involved, namely Washington, Oregon, and California, certifies that formula funds made available to the State pursuant to Title III of JTPA for each year of the three-year period are not and will not be available for the purposes described in Part II of this Memorandum, and that the State is utilizing and will continue to utilize, to the maximum extent possible, JTPA Title III funds for such purposes;

2. That the final decision regarding the award of any of the Secretary of Labor's reserve funds made available under Title III of JTPA shall be made by the Secretary pursuant to the applicable law; and

3. That, if a sufficient number of meritorious proposals are not submitted by the named States by at least three months prior to the end of each program year (June 30) for each of the three years for which the \$12 million commitment is made, there will be no obligation to commit the balance of the \$12 million to any or all of the named States for the purposes described in Part II of this Memorandum.

The Department of Agriculture: The Department of Agriculture agrees to provide assistance through both the US Forest Service (USFS) and the Rural Development Administration (RDA).

The Rural Development Administration: RDA agrees to request appropriations and/or reprogramming in the following amounts in the following programs. All eligibility criteria under current regulations governing these programs must be met in order to obtain financial assistance.

The continued funding at the program levels indicated below and for FY1995 and FY1996 is subject to sufficient Congressional appropriations for those Fiscal Years. For all listed programs, with the exception of the Rural Business Enterprise Grant (RBEG) Program, one-half of unobligated funds available to the region will revert to the Agency's National Office Reserve in April with the balance of unobligated funds reverting to the Agency's National Office Reserve in August. Unobligated RBEG Program funds will revert to the Agency's National Office Reserve in July.

1. The Business and Industry Program (B&I) provides guarantees for loans to improve, development, or finance business or industrial activity, and to improve the economic and environmental climate in rural communities. This type of assistance is available to businesses located in areas outside the boundary of a city of 50,000 or more and its immediate adjacent urbanized area. For FY1994-FY1996, a total of \$35.3 million each year will be made available.

2. The Community Facilities (CF) Program provides financial assistance to construct, extend, or otherwise improve community facilities providing essential services in rural areas and towns with a population of less than 20,000. For FY1994-FY1996, a total of \$41.6 million each year will be made available.

3. The Intermediary Relending Program (IRP) provides direct loans to nonprofit organizations to establish revolving loan funds. The funds then provide loans for businesses and community development projects not within the outer boundary of any city having a population of 25,000 or more. For FY1994-FY1996, a total of \$16.0 million each year will be made available.

4. The Rural Business Enterprise Grant (RBEG) program supports public and

nonprofit organizations that provide technical assistance to new and growing businesses, that fund revolving loan funds for such businesses, or that develop industrial park sites. The program assists business enterprises located in areas outside the boundary of a city of 50,000 or more and its immediately adjacent urbanized area. For FY1994-FY1996, a total of \$4.1 million each year will be made available.

5. The Water and Waste Disposal (WWD) Loan and Grant Program provides financial assistance for the development of water and waste disposal including solid waste disposal and storm drainage systems in rural areas and towns with a population of less than 10,000. For FY1994-FY1996, a total of \$87.0 million each year will be made available.

The Forest Service: USFS agrees to request appropriations and/or reprogramming in the following amounts in the following programs:

1. Under Subtitle G of the 1990 Farm Bill (Rural Revitalization Through Forestry), the Rural Community Assistance program supports rural development, economic recovery, and studies designed to help diversify economic conditions in these communities. USFS will make available through reprogramming and redirection an additional thirteen million dollars (\$13 million) in FY1994, and an additional ten million \$10 million each year in FY1995 and FY1996, for these programs.

2. The Old Growth Diversification program funds projects designed to improve markets for value-added wood products. USFS will make available through reprogramming and redirection an additional three million dollars (\$3 million) each year for FY1994-FY1996 for this program.

3. The Forest Stewardship Program and Stewardship Incentive Program provide technical and financial assistance to private non-industrial landowners. USFS will make available through reprogramming and redirection an additional four million dollars (\$4 million) each year for FY1994-FY1996 for this program.

4. USFS agrees to make available through reprogramming and redirection an additional sixteen million dollars (\$16 million) per year for FY1994-FY1998. These funds would support watershed restoration and "jobs in the woods" in the Pacific Northwest and northern California.

The Department of the Interior: The Department of the Interior agrees to request appropriations and/or reprogramming of thirty million dollars (\$30 million) each year for FY1994-FY1998. These funds would support watershed restoration and "jobs in the woods" in the Pacific Northwest and northern California.

The Department of Commerce: Subject to sufficient appropriations by Congress, the Department of Commerce agrees to make available an additional \$15 million in FY1994. These funds would

support increased activity by the Economic Development Administration (such as planning, technical assistance, lending, and grantmaking) in the affected region. If the event that such appropriations are not available, and in FY1995 and FY1996, the Department of Commerce will make available an additional \$3 million (over normal annual expenditures) to be used for capacity-building (planning and technical assistance).

The Environmental Protection Agency: The Environmental Protection Agency agrees to request appropriations and/or reprogramming of five million dollars (\$5 million) each year for FY1994-FY1998. These funds would support watershed restoration and "jobs in the woods" in the Pacific Northwest and northern California.

VI. REPORTS

Every six months, the Multi-Agency Command shall promptly prepare and file with the parties and the Governors of the three States an evaluation report which

- assesses the progress made in the preceding period toward the goals and objectives identified in the Strategic Plan; and
- suggests any adjustments or amendments in the cooperative relationship that the MAC considers desirable.

VII. LIABILITY

This is not a legally binding or enforceable agreement. No party assumes any liability for any third-party claims arising out of this agreement.

VIII. TERMS

The term of this agreement is forty months from the date of execution. At that time, the parties may, by unanimous action, extend this agreement for any additional period. This agreement may be amended by unanimous consent of the parties. This agreement may be terminated or modified by any of the parties, without cause.

AGREED:

Secretary of Agriculture

Secretary of the Interior

Secretary of Labor

Secretary of Commerce

Secretary of Housing & Urban Development

Administrator, Small Business Administration

Administrator, Environmental Protection Agency

Director, Office on Environmental Policy

Assistant to the President for Domestic Policy

Deputy Director
Office of Management & Budget

Assistant to the President for Economic Policy

FEDERAL-STATE MEMORANDUM OF UNDERSTANDING

I. PARTIES

This is an agreement among seven parties:

- the Governor of the State of California;
- the Governor of the State of Oregon;
- the Governor of the State of Washington;
- the Multi-Agency Command established pursuant to the attached Interagency Memorandum of Understanding among federal entities;
- ___(2 names)_____ representing affected communities in the State of California;
- ___(2 names)_____ representing affected communities in the State of Oregon; and
- ___(2 names)_____ representing affected communities in the State of Washington.

II. PURPOSE

The purpose of this Memorandum is to improve interagency cooperation in order to enhance the delivery, tracking, and evaluation of economic adjustment assistance to workers, families, and timber dependent communities in the Pacific Northwest and Northern California. This memorandum establishes the principles that will guide the parties' cooperation in this undertaking, sets forth the objectives of this collaborative effort, and outlines the responsibilities of the parties. It also defines the structure of federal coordination, designed to work closely with state and local governments, Tribal Nations, and others, in order to make the best use of federal resources. This memorandum complements the Memorandum of Understanding concerning coordination and cooperation among federal land management agencies.

III. STRUCTURE

A. *Multi-Agency Command*: Each of the parties shall, within 7 days of the signing of this Memorandum, designate an individual to serve as the liaison with the other parties and to report directly to the appropriate principal. These individuals shall comprise the Multi-Agency Command (MAC). The MAC, under the guidance of the parties, shall have oversight and policymaking authority and responsibilities as consistent with the authority delegated by each party. The Secretary of Agriculture shall designate one of the representatives to serve as Chair of the MAC.

B. *Regional Community Economic Revitalization Team*: The Secretaries and the Administrators shall, within 14 days of signing this Memorandum, each designate one or more representatives to participate in the Regional Community Economic Revitalization Team (Regional CERT). The Regional Community Economic Revitalization Team shall also include

two representatives each from Oregon, Washington, and California. The Secretary of Agriculture shall designate one of the representatives to serve as Chair of the Regional CERT. The Regional Community Economic Revitalization Team, under the guidance of the Multi-Agency Command and the parties, shall have decision authority as consistent with the Strategic Plan described in Part IV and subject to the limitations set forth in Part V of the Interagency Memorandum of Understanding. Matters unsettled or disputed within the Regional CERT shall be forwarded to the Multi-Agency Command for resolution.

C. *State Community Economic Revitalization Team:* The parties and the Governors of Oregon, Washington, and California will establish State Community Economic Revitalization Teams (State CERTs) which shall have daily implementation and decision authority consistent with the Strategic and Implementation Plans. Such State CERTs should include representatives of each federal agency with program responsibility, and representatives of state and local government appointed by the Governor as consistent with the Strategic Plan.

IV. RESPONSIBILITIES OF THE PARTIES

In the development and execution of economic adjustment activities, state and local governments, Tribal Nations, and others shall play a critical role in determining how best to meet the needs of the affected communities. Federal officials should resolve interagency differences, coordinate interagency activity, and remove any unnecessary regulatory impediments to economic adjustment and assistance. The Governors and State CERTs shall be responsible for coordinating and communicating with local governments and affected communities and resolving any intrastate differences. Block grant-style programs, such as CDBG, JTPA, and the Old Growth Diversification Program, which are now administered by state agencies shall remain with state agencies consistent with the Strategic Plan.

A. *Development of Strategic Plan*

The Regional and State CERTs, working with representatives of the Tribal Nations and other persons the parties deem appropriate, shall prepare a Strategic Plan for Economic Adjustment and submit that plan to the MAC for preliminary approval. Within 45 days of the signing of this Memorandum, the Strategic Plan shall be approved by the parties and the Governors of Oregon, Washington, and California. The Plan, which should be consistent with the limitations set forth in Part V of the Interagency Memorandum of Understanding, should address a three-year period and include:

- a detailed statement of the goals of the Plan;
- a streamlined process for the delivery of economic assistance and services;
- a detailed description of authority delegated to federal officials in the region;

- quantifiable benchmarks of progress, such as new jobs created, numbers of persons retrained, numbers of community facilities funded, and capital investment levels, and related timetables; and
- a detailed description of the relationship among the federal, state, and local parties.

B. *Development of Implementation Plan*

The Regional and State CERTs, working with representatives of the Tribal Nations and other persons the parties deem appropriate, shall prepare an Implementation Plan. The Implementation Plan shall address a three-year period and include:

- a detailed plan for integrating and implementing the relevant programs and services of the Departments of Labor, Commerce, Interior, Agriculture, Housing and Urban Development, the Small Business Administration, and the Environmental Protection Agency;
- a detailed plan for a clearinghouse of services for state and local officials, individuals, and firms;
- a detailed and comprehensive list of temporary and permanent legislative and regulatory provisions necessary for the prompt and efficient delivery of assistance to affected communities and individuals;
- a plan for a uniform system for reporting to the MAC;
- dates for the final submission of projects, with deadlines for approval;
- limits on administrative expenses and overhead; and
- a detailed plan and timetable for the actual receipt of assistance by affected communities and individuals.

The MAC and the Governors of Oregon, Washington, and California shall approve the Implementation Plan within 45 days of the approval of the Strategic Plan.

C. *Execution*

The parties shall make available the resources (including adequate personnel and support services) necessary to execute the Implementation Plan, including the financial resources set forth in Part V of the Interagency Memorandum of Understanding, and subject to the conditions set forth in Part V of the Interagency Memorandum of Understanding.

Working with state and local officials and other persons the parties deem appropriate, the State and Regional CERTs shall implement the three-year Implementation Plan.

The parties agree:

- (i) to seek an equitable interstate distribution of the total sum of federal monies made available under Part V the Interagency Memorandum of Understanding;
- (ii) to cooperate so that residents of or communities in each State will receive no less than twenty percent (20%) of the total sum of federal funds made available each federal fiscal year;
- (iii) provided that, should any State fail, by the end of the sixth month of the relevant federal fiscal year, to file proposals for less than ten percent (10%) of the total sum of federal funds made available that federal fiscal year, section (ii) will not apply.

As set forth in the Memorandum of Understanding concerning federal land management, the Regional Executive Committee (REC) established for purposes of federal land management shall have the ultimate authority for the implementation of the watershed restoration projects and attendant "jobs in the woods" efforts. The Regional CERT and the REC shall work together to prepare a plan for implementing those projects that will ensure (i) creation of family-wage jobs, a preference for displaced timber workers, integration with job training and placement programs, and minimal administrative overhead; and (ii) integration of these employment criteria with environmental criteria.

The Regional CERT shall identify options for improving the Strategic Plan and recommend any such improvements to the Multi-Agency Command. The Multi-Agency Command, in consultation with the Governors of the three States, must act on any such suggestions within 30 days.

The Multi-Agency Command, working with appropriate local and state officials, shall review and evaluate the structure set forth in this Memorandum, determine whether that structure is appropriate for the continued delivery of economic adjustment assistance to the region, and develop and propose any revisions to the structure the MAC deems necessary. The MAC shall submit a report on these issues within six months of the approval of the Strategic Plan.

V. REPORTS

Every six months, the Multi-Agency Command shall promptly prepare and file with the parties to the Interagency Memorandum of Understanding and the Governors of the three States an evaluation report which

- assesses the progress made in the preceding period toward the goals and objectives identified in the Strategic Plan; and
- suggests any adjustments or amendments in the cooperative relationship that the MAC

considers desirable.

VI. LIABILITY

This is not a legally binding or enforceable agreement. No party assumes any liability for third-party claims arising out of this agreement.

VII. TERMS

The term of this agreement is forty months from the date of execution. At that time, the parties may, by unanimous action, extend this agreement for any additional period. This agreement may be amended by unanimous consent of the parties. This agreement may be terminated or modified by any of the parties, without cause.

AGREED:

The Governor of California

The Governor of Oregon

The Governor of Washington

representing the Multi-Agency Command

representing local communities in California

representing local communities in Oregon

representing local communities in California

representing local communities in Oregon

representing local communities in Washington

representing local communities in Washington

THE WHITE HOUSE
WASHINGTON

Mike
Sorry
didn't review
before surgery
Will wait to
rev. other docs. (PK)
mentioned

DATE: July 20, 1993
TO: Carol Rasco
FROM: Mike Schmidt
RE: Forest Management Multi-Agency Command

JUL 21 RECD

I have attached a revised draft of the Memorandum of Understanding that eventually will be signed by members of the Multi-Agency Command (MAC). The MAC will oversee the implementation of the Administration's economic adjustment assistance to timber dependent communities in the Pacific Northwest. I will be attending a meeting this Thursday to review this draft and suggest revisions. After this meeting, the new draft will be circulated to your level for review and signature sometime before August 1.

Please give me a call or drop me a note if there are any revisions that you would like me to suggest at the Thursday meeting. Because I wanted to get this draft over to you before you left for Arkansas, I have not reviewed it in-depth (but I was at the previous meeting that resulted in the draft you see before you, so I am pretty familiar with its content). Of course, I will touch base with you before the final draft comes to you for your review/signature, and at that time give you a more insightful analysis. At this point, I just wanted you to be aware of what is going on.

Have a safe trip! My prayers are with you and Hamp.

Roy - please
take this with
you for CHR
Mike Dropped it
off - Rich

MEMORANDUM OF UNDERSTANDING

I. PARTIES

This is an agreement among eleven parties:

- the Secretary of Commerce;
- the Secretary of Labor;
- the Secretary of the Interior;
- the Secretary of Agriculture;
- the Secretary of Housing and Urban Development;
- the Secretary of Transportation;
- the Administrator of the Environmental Protection Agency;
- the Director of the Office of Management and Budget;
- the Director of the Office on Environmental Policy;
- the Chair of the Domestic Policy Council; and
- the Chair of the National Economic Council.

II. PURPOSE

The purpose of this Memorandum is to enhance the delivery, tracking, and evaluation of economic adjustment assistance to timber dependent communities in the Pacific Northwest and Northern California by improving interagency cooperation. This memorandum establishes the principles that will guide the parties' cooperation in this undertaking, sets forth the objectives of this collaborative effort, and outlines the responsibilities of the parties. It also defines the structure of federal coordination, designed to work closely with state and local governments, Tribal Nations, and others, in order to make the best use of federal resources. This memorandum complements the Memorandum of Understanding concerning coordination and cooperation among federal land management agencies dated _____, 1994.

III. STRUCTURE

A. *Equal Status:* The parties are equal members of this cooperative relationship.

B. *Multi-agency Command:* Each of the parties shall, within 7 days of the signing of this Memorandum, designate a deputy to serve as the liaison with the other parties and to report directly to the appropriate principal. These deputies shall comprise the Multi-Agency Command (MAC). The MAC, under the guidance of the principals, shall have oversight and policymaking authority and responsibilities as consistent with the authority delegated by each party. The Multi-Agency Command member from _____ shall serve as Chair of the MAC.

C. *Incident Command:* The Secretaries and the Administrator shall, within 14 days of signing this Memorandum, each designate one or more representatives to participate in the Incident Command based in the Pacific Northwest region. The Incident Command will also include two representatives each from Oregon, Washington, and California. The Incident Command, under the guidance of the Multi-Agency Command and the parties, shall have daily implementation and decision authority as consistent with the Strategic Plan described in Part IV and subject to the limitations set forth in Part V. Matters unsettled or disputed within the Incident Command shall be forwarded to the Multi-Agency Command for resolution.

D. *Memoranda of Understanding with the States:* The Multi-Agency Command shall, within 21 days of the signing of this Memorandum, enter into a Memorandum of Understanding with each affected State (Oregon, Washington, and California). Those Memoranda shall complement this Memorandum and set forth in greater detail the responsibilities of the Multi-Agency Command, the relevant state and local governments, and other parties, as well as the relationships between state and local representatives.

IV. RESPONSIBILITIES OF THE PARTIES

In the development and execution of economic adjustment activities, state and local governments, Tribal Nations, and others shall play a critical role in determining how best to meet the needs of the affected communities. Federal officials should resolve interagency differences, coordinate interagency activity, and remove any unnecessary regulatory impediments to economic adjustment and assistance.

A. *Development of Strategic Plan*

Working with representatives of Oregon, Washington, and California, with representatives of the affected counties, communities, and Tribal Nations, and other persons the parties deem appropriate, the Multi-Agency Command shall prepare a Strategic Plan for Economic Adjustment. Within 30 days of the signing of this Memorandum, the Plan must be approved by the parties and the Governors of Oregon, Washington, and California. The Plan, which should be consistent with the limitations set forth in Part V, should address a three-year period and include:

- a detailed statement of the goals of the Plan;
- a streamlined process for the delivery of financial assistance and services;
- quantifiable benchmarks of progress, such as new jobs created, numbers of persons retrained, numbers of community facilities funded, and capital investment levels, and related timetables; and
- a detailed description of the relationship among the federal, state, and local parties.

B. *Development of Implementation Plan*

Working with state and local officials, the Incident Command, and other persons the parties deem appropriate, the Multi-Agency Command shall prepare an Implementation Plan. The Implementation Plan shall address a three-year period and include:

- a detailed plan for integrating the relevant programs and services of the Departments of Labor, Commerce, Interior, and Agriculture, and the Environmental Protection Agency;
- a detailed plan for a clearinghouse of services for state and local officials, individuals, and firms;
- a detailed and comprehensive list of temporary legislative and regulatory provisions necessary for the prompt and efficient delivery of assistance to affected communities and individuals;
- limits on administrative expenses; and
- a detailed plan and timetable for actual receipt of assistance by affected communities and individuals.

The parties and the Governors of Oregon, Washington, and California shall approve the Implementation Plan within 45 days of the approval of the Strategic Plan.

C. *Execution*

The parties shall make available the resources necessary to execute the implementation plan, including the financial resources and conditions set forth in Part V.

Working with state and local officials and other persons the parties deem appropriate, the Incident Command shall execute the three-year Implementation Plan.

The Incident Command shall identify options for improving the Plan and recommend any such improvements to the Multi-Agency Command. The Multi-Agency Command must act on any such suggestions within 30 days.

The Multi-Agency Command shall review and evaluate the structure set forth in this Memorandum, determine whether that structure is appropriate for the continued delivery of economic adjustment assistance to the region, and develop and propose any revisions to the structure the MAC deems necessary. The MAC shall submit a report on these issues to the parties within six months of the completion of the Strategic Plan.

V. FINANCIAL COMMITMENTS

The parties agree to make available the following financial resources under the following specified conditions:

The Department of Labor (DOL): DOL agrees to make available, out of Job Training Partnership Act (JTPA) funds reserved by the Secretary pursuant to Title III, twelve million dollars (\$12 million) per year, for the three-year period beginning July 1, 1993, to support the purposes set forth in Part II of this Memorandum. Such funds shall be available subject to the following conditions:

1. That each State involved, namely Washington, Oregon, and California, certifies that formula funds made available to the State pursuant to Title III of JTPA for each year of the three-year period are not and will not be available for the purposes described in Part II of this Memorandum, and that the State is utilizing and will continue to utilize, to the maximum extent possible, JTPA Title III funds for such purposes;
2. That the final decision regarding the award of any of the Secretary of Labor's reserve funds made available under Title III of JTPA shall be made by the Secretary pursuant to the applicable law; and
3. That, if a sufficient number of meritorious proposals are not submitted by the named States by at least three months prior to the end of each program year (June 30) for each of the three years for which the \$12 million commitment is made, there will be no obligation to commit the balance of the \$12 million to any or all of the named States for the purposes described in Part II of this Memorandum.

The Department of Agriculture: The Department of Agriculture agrees to provide assistance through both the US Forest Service (USFS) and the Rural Development Administration (RDA).

The Rural Development Administration: RDA agrees to make available financial assistance from the following programs. All eligibility criteria under current regulations governing these programs must be met in order to obtain financial assistance.

The continued funding at the program levels indicated below and for FY1995 and FY1996 is subject to sufficient Congressional appropriations for those Fiscal Years. For all listed programs, with the exception of the Rural Business Enterprise Grant (RBEG) Program, one-half of unobligated funds available to the PNW will revert to the Agency's National Office Reserve in April with the balance of unobligated funds reverting to the Agency's National Office Reserve in August. Unobligated RBEG Program funds will revert to the Agency's National Office Reserve in July.

1. The Business and Industry Program (B&I) provides guarantees for loans to improve, development, or finance business or industrial activity, and to improve the economic and environmental climate in rural communities. This type of assistance is available to businesses located in areas outside the boundary of a city of 50,000 or more

and its immediate adjacent urbanized area. For FY1994–FY1996, a total of \$35.3 million each year will be made available.

2. The Community Facilities (CF) Program provides financial assistance to construct, extend, or otherwise improve community facilities providing essential services in rural areas and towns with a population of less than 20,000. For FY1994–FY1996, a total of \$41.6 million each year will be made available.

3. The Intermediary Relending Program (IRP) provides direct loans to nonprofit organizations to establish revolving loan funds. The funds then provide loans for businesses and community development projects not within the outer boundary of any city having a population of 25,000 or more. For FY1994–FY1996, a total of \$16.0 million each year will be made available.

4. The Rural Business Enterprise Grant (RBEG) program supports public and nonprofit organizations that provide technical assistance to new and growing businesses, that fund revolving loan funds for such businesses, or that develop industrial park sites. The program assists business enterprises located in areas outside the boundary of a city of 50,000 or more and its immediately adjacent urbanized area. For FY1994–FY1996, a total of \$4.1 million each year will be made available.

5. The Water and Waste Disposal (WWD) Loan and Grant Program provides financial assistance for the development of water and waste disposal including solid waste disposal and storm drainage systems in rural areas and towns with a population of less than 10,000. For FY1994–FY1996, a total of \$87.0 million each year will be made available.

The Forest Service: USFS agrees to make available the following resources:

1. Under Subtitle G of the 1990 Farm Bill (Rural Revitalization Through Forestry), the Rural Community Assistance program supports rural development, economic recovery, and studies designed to help diversify economic conditions in these communities. USFS will make available through reprogramming and redirection an additional thirteen million dollars (\$13 million) in FY1994, and an additional ten million \$10 million each year in FY1995 and FY1996, for these programs.

2. The Old Growth Diversification program funds projects designed to improve markets for value-added wood products. USFS will make available through reprogramming and redirection an additional three million dollars (\$3 million) each year for FY1994–FY1996 for this program.

3. The Forest Stewardship Program and Stewardship Incentive Program provide technical and financial assistance to private non-industrial landowners. USFS will make available through reprogramming and redirection an additional four million dollars (\$4

million) each year for FY1994–FY1996 for this program.

4. USFS agrees to make available through reprogramming and redirection an additional sixteen million dollars (\$16 million) per year for FY1994–FY1998. These funds would support watershed restoration in the Pacific Northwest and northern California.

The Department of the Interior: The Department of the Interior agrees to make available through reprogramming and redirection thirty million dollars (\$30 million) each year for FY1994–FY1998. These funds would support watershed restoration in the Pacific Northwest and northern California.

The Department of Commerce: The Department of Commerce agrees to make available through reprogramming and redirection \$9.25 million each year for FY1994–FY1998. These funds would support increased activity by the Economic Development Administration (such as planning, technical assistance, lending, and grantmaking) in the affected region.

The Environmental Protection Agency: The Environmental Protection Agency agrees to make available eight million dollars (\$8 million) each year for FY1994–FY1998. These funds would support watershed restoration in the Pacific Northwest and northern California.

VI. REPORTS

Every six months, the Multi–Agency Command shall promptly prepare and file with the parties and the Governors of the three States an evaluation report which

- assesses the progress made in the preceding period toward the goals and objectives identified in the Strategic Plan; and
- suggests any adjustments or amendments in the cooperative relationship that the parties consider desirable.

VII. LIABILITY

This is not a legally binding or enforceable agreement. No party assumes any liability for any third–party claims arising out of this agreement.

VIII. TERMS

The term of this agreement is forty months from the date of execution. At that time, the parties may, by unanimous action, extend this agreement for any additional period. This agreement may

be amended by unanimous consent of the parties. This agreement may be terminated or modified by any of the parties, without cause.

AGREED:

Secretary of Agriculture

Secretary of the Interior

Secretary of Labor

Secretary of Commerce

Secretary of Transportation

Secretary of Housing & Urban Development

Administrator of the Environmental Protection Agency

Chair, Domestic Policy Council

Director, Office of Management & Budget

Director, Office on Environmental Policy

Chair, National Economic Council