Montana Fish, Wildlife & Parks

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LEGISLATIVE ENVIRONMENTAL POLICY OFFICE

Region One
490 North Meridian Rd.
Kalispell, MT 59901
(406) 752-5501
FAX: 406-257-0349
Ref: JS092-05
October 5, 2005

Ladies and Gentlemen:

Montana Fish, Wildlife & Parks (FWP) has written a draft environmental assessment (EA) for the North Swan Valley Land Conservation Project located about 20 miles south of Bigfork, between the towns of Swan Lake and Condon. FWP proposes to purchase a conservation easement over approximately 7,200 acres and fee-title interest of up to 3,680 acres in the north Swan Valley on land currently owned by Plum Creek Timber Company. The purpose is to conserve important forestlands and wildlife habitats, while maintaining public recreational access. A copy of the draft is enclosed.

The public comment period for this draft EA runs through November 5, 2005. A public meeting is scheduled at the Swan Lake Community Center, located behind the Swan Lake Fire Hall just south of mile marker 71 in the town of Swan Lake, on October 20, 2005. The open house will begin at 6:00 p.m. followed by the public hearing at 7:00 p.m. Comments received at the hearing will be entered into the project record.

You may also submit comments to Gael Bissell, Habitat Conservation Biologist, FWP, 490 N. Meridian Road, Kalispell, MT 59901; phone: (406) 751-4580; e-mail: gbissell@state.mt.us; or fax; 257-0349. Comments must be received by **November 5, 2005**.

Sincerely,

Jim Satterfield

Jim Satterfield
Regional Supervisor

/ni
Enclosure
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Interested Parties

*E-mailed

North Swan Valley Conservation Project
Draft Environmental Assessment

Prepared by

Montana Fish, Wildlife & Parks

October 5, 2005

Executive Summary
North Swan Valley Conservation Project

Montana Fish, Wildlife & Parks (FWP) proposes to purchase a conservation easement over approximately 7,200 acres and fee-title interest of up to 3,680 acres in the north Swan Valley on land currently owned by Plum Creek Timber Company (PCT). The project area is centered about 20 miles south of Bigfork, between the towns of Swan Lake and Condon. Most project lands are located in the Goat and Squeezer Creek drainages east of U.S. Highway 83 and are intermingled with the Swan River State Forest.

Project lands consist of forested valley bottoms rising to steep mountain slopes, with numerous wetland and riparian habitat features. These lands and waters provide important habitat for bull trout, westslope cutthroat trout, grizzly bears, black bears, deer, elk, moose, and other native wildlife, and are popular for outdoor recreation. Without this conservation acquisition, the lands would likely be sold for residential development.

The conservation easement lands would remain in private ownership and would continue to be managed by PCT for commercial timber harvest, in accordance with the conservation easement and with the Multi-Resource Management Plan required for Forest Legacy and FWP. The conservation easement would allow limited extraction of rock, sand, and gravel, and would restrict the landowner's rights to subdivide, undertake mining, or develop the lands. It would establish a Riparian Influence Zone along both Goat and Squeezer Creeks in which certain activities would be limited for the benefit of fisheries habitat values. The conservation easement would also provide for continued public access and recreational use of the lands in perpetuity.

The fee-purchase lands consist of six low-elevation parcels, all within two miles of Highway 83 and including two parcels along the Swan River. FWP does not intend to retain long-term ownership of these fee-title parcels, but would likely retain a conservation easement or other interest in the land to ensure long-term conservation of the fish and wildlife habitat. Any FWP sale or exchange of the parcels would be conducted consistent with established state law and regulations governing land disposal and also consistent with the provisions of the Forest Legacy Program that protect land from conversion to nonforest uses. Further, any such proposed land disposition by FWP would be the subject of a future environmental analysis including public participation. In the interim, FWP would own and manage the fee-title lands, maintaining public access as it exists under current PCT ownership and as outlined in the draft Interim Management Plan incorporated into this document.

The total cost of acquiring the combined conservation easement and fee ownership on these 10,880 acres is estimated to be $26.7 million. The primary funding source would be the Forest Legacy Program, administered by the U.S. Forest Service, which is expected to provide approximately 75 percent of the total cost of the conservation easement and the fee-title purchase of four PCT parcels. The required 25 percent nonfederal matching funds would be provided primarily by the nonprofit Trust for Public Land and its partners. If the Forest Legacy allocation is less than required to complete the entire acquisition, FWP will reduce the acreage of fee acquisition as necessary to match available funding. For the acquisition of two PCT parcels, FWP and/or its partners plan to apply to the U.S. Fish and Wildlife Service's Habitat Conservation Plan Land Acquisition Program and/or through the Bonneville Power Administration's fisheries mitigation program. The Trust for Public Land would also assist FWP in obtaining matching funds, as needed, from nonfederal sources.

The draft EA looks at the effects of the preferred action as well as various alternatives including the No Action Alternative on the environment. Based on this analysis, the Proposed Action would not cause any significant environmental or socio-economic impacts. The No Action Alternative would likely result in PCT selling these lands on the open market, which could result in significant environmental effects. The other analyzed alternatives would have impacts that fall between those of the Proposed and No Action Alternatives.

Overall, the Proposed Action will meet four key objectives: 1) conserve important fish and wildlife habitats on project lands; 2) maintain public recreational access; 3) provide for continued forest management activities; and 4) contribute to the assemblage of public, private, industrial, and community efforts to conserve the area's natural values, resource-based economy, and tradition of public access to fish, wildlife, and other recreational resources.

The public comment period for this draft EA runs from October 5 through November 5, 2005. A public meeting is scheduled at the Swan Lake Community Center in the town of Swan Lake on October 20, 2005, located behind the Swan Lake Fire Hall just south of mile marker 71. The open house will begin at 6:00 p.m. followed by the public hearing at 7:00 p.m.

Please send your comments to:
Gael Bissell
Montana Fish, Wildlife & Parks
490 N. Meridian Road
Kalispell, MT 59901
406-751-4580 / fax: 406-257-0349
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DRAFT ENVIRONMENTAL ASSESSMENT
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Draft Environmental Assessment
North Swan Valley Land Conservation Project

Chapter 1.0: Purpose of and Need for Action

1.1 Proposed Action Summary

Montana Fish, Wildlife & Parks (FWP) proposes to purchase a conservation easement over approximately 7,200 acres and fee-title interest of up to 3,680 acres in the north Swan Valley on land currently owned by Plum Creek Timber Company (PCT). The project area is centered about 20 miles south of Bigfork, between the towns of Swan Lake and Condon. Most project lands are located in the Goat and Squeezer Creek drainages east of U.S. Highway 83 and are intermingled with the Swan River State Forest.

Project lands consist of forested valley bottoms rising to steep mountain slopes, with numerous wetland and riparian habitat features. These lands and waters provide important habitat for bull trout, westslope cutthroat trout, grizzly bears, black bears, deer, elk, moose, and other native wildlife, and are popular for outdoor recreation. Without this conservation acquisition, the lands would likely be sold for residential development.

The conservation easement lands would remain in private ownership and would continue to be managed by PCT for commercial timber harvest, in accordance with the conservation easement and with the Multi-Resource Management Plan required for Forest Legacy and FWP. The conservation easement would allow limited extraction of rock, sand, and gravel, and would restrict the landowner's rights to subdivide, undertake mining, or develop the lands. It would establish a Riparian Influence Zone along both Goat and Squeezer Creeks in which certain activities would be limited for the benefit of fisheries habitat values. The conservation easement would also provide for continued public access and recreational use of the lands in perpetuity.

The fee-purchase lands consist of six low-elevation parcels, all within two miles of Highway 83 and including two parcels along the Swan River. FWP does not intend to retain long-term ownership of these fee-title parcels, but would likely retain a conservation easement or other interest in the land to ensure long-term conservation of the fish and wildlife habitat. Any FWP sale or exchange of the parcels would be conducted consistent with established state law and regulations governing land disposal and also consistent with the provisions of the Forest Legacy Program that protect land from conversion to nonforest uses. Further, any such proposed land disposition by FWP would be the subject of a future environmental analysis including public participation. In the interim, FWP would own and manage the fee-title lands, maintaining public access as it exists under current PCT ownership and as outlined in the draft Interim Management Plan incorporated into this document.

Figure 1: Proposed North Swan Valley Land Conservation Project

General Location

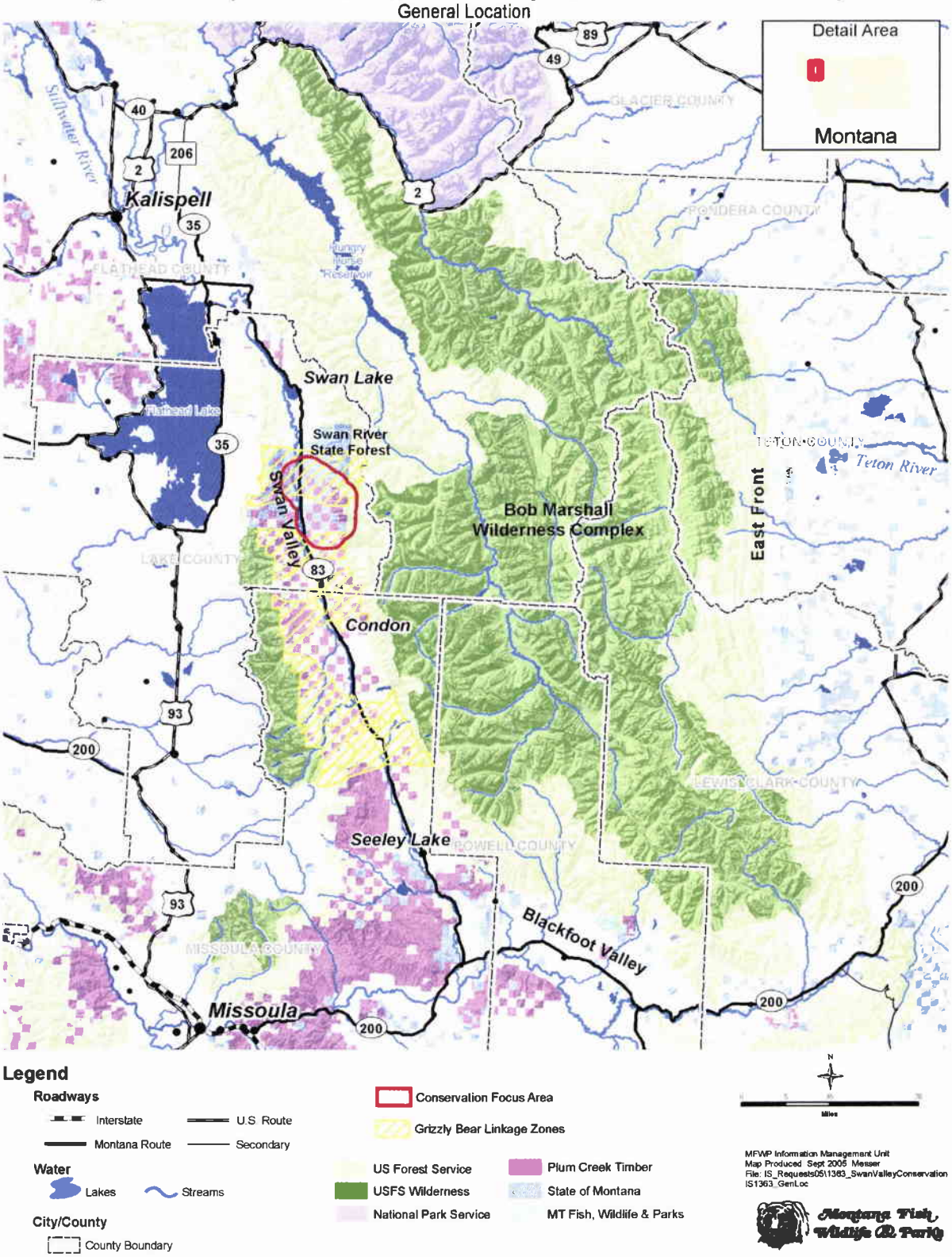
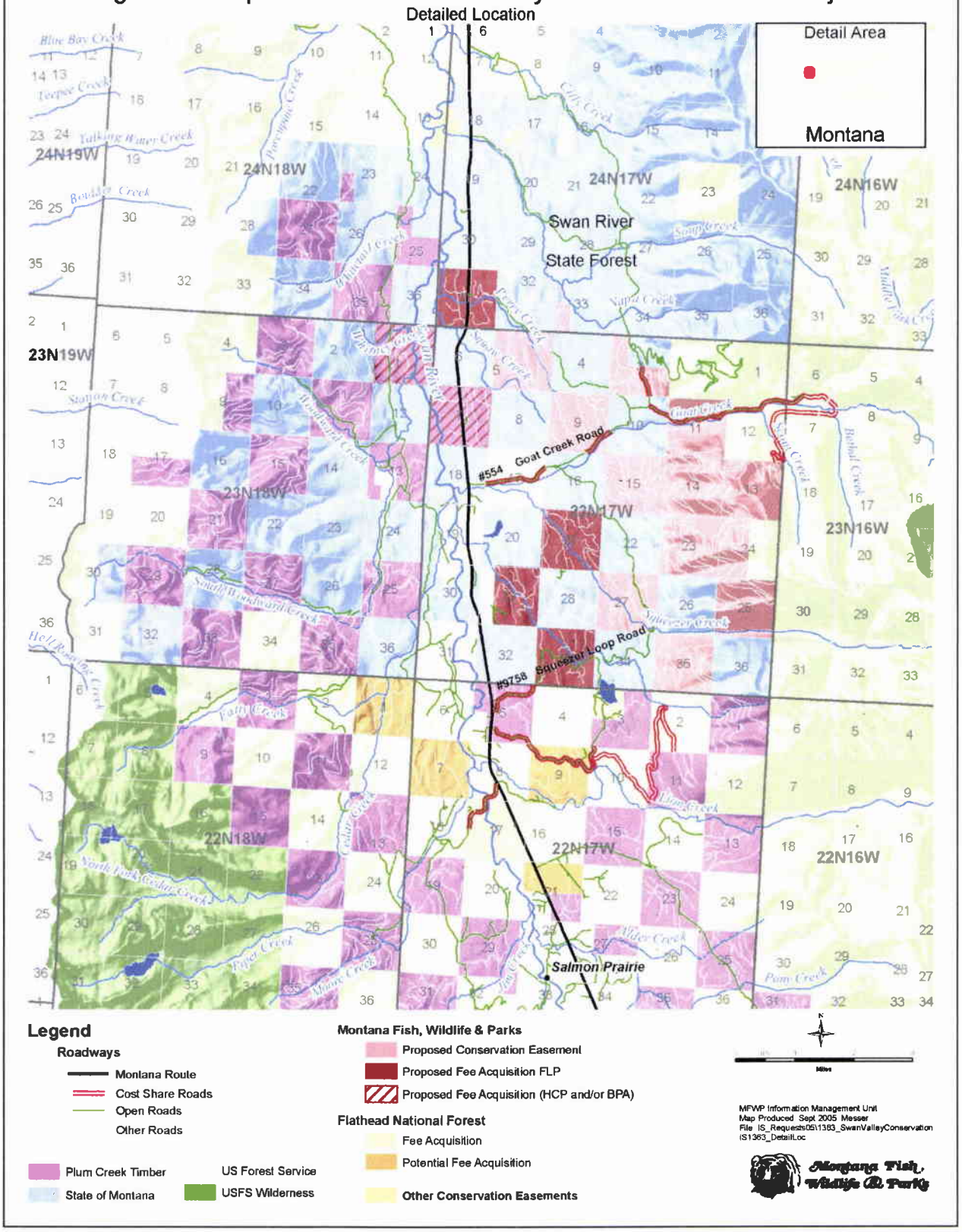


Figure 2: Proposed North Swan Valley Land Conservation Project



The acquisitions of the six parcels were prioritized based on habitat values, contiguity with adjoining conservation easement or other acquired parcels, and funding sources and availability. The priority would be as follows:

Program	Parcel Priority	Location
Forest Legacy	1	Section 21 T23N R17W
	2	Section 29 T 23N R17W
	3	Section 33 T 23N R17W
	4	Section 31 T24N R17W
HCP/BPA	1	Section 01 T23N R18W
	2	Section 07 T23N R18W

1.1.1 Funding

The total project cost is estimated to be approximately $26.7 million, with approximately 3/4 of the funding (approximately $19.7 million) to come from federal sources: the U.S. Department of Agriculture's Forest Legacy Program (approximately $14.9 million) and the U.S. Fish and Wildlife Service Habitat Conservation Plan Land Acquisition Program, Bonneville Power Administration fisheries mitigation funds, or other fisheries conservation funds ($4.8 million). Congress has already appropriated funding for the 7,200-acre conservation easement portion of the project as well as a portion (approximately 750 acres) of the fee-title acquisition (Table 1). FWP submitted its 2007 application to the Forest Legacy Program to complete 1,650 acres to be funded by Forest Legacy. FWP plans to submit an application to the Habitat Conservation Plan Land Acquisition Program and/or to other potential federal funding sources pending completion of the first phases of this project and other ongoing Montana projects at this time. The balance of the project costs (match of $6.9 million) would come from nonfederal sources provided by the Trust for Public Land (Table 1), a nonprofit land conservation organization that has been successfully working in the Swan Valley with local, state, and federal conservation programs.

The purpose of the Forest Legacy Program is to prevent the conversion of environmentally important forestlands to other land uses not compatible with traditional forest uses. The lands under conservation easement or acquired using these funds or matching funds would be encumbered with the purposes of the Forest Legacy Program regardless of ultimate ownership. The completed appraisal for the conservation easement followed generally recognized federal and state appraisal standards. Both FWP and the Forest Service will review the conservation easement appraisal before closing. The cost estimates for the fee-title portion of the project are based on recent market sales. A final appraisal for the fee-title portion of the project is scheduled for early next year and would follow federal and state appraisal standards and be reviewed by both the state and the funding entities.

Due to the nature of the funding, FWP and partners would implement the project in phases. If approved by the FWP Commission and State Land Board, FWP would complete the conservation easement purchase by the end of January 2006. The subsequent fee-title purchases would be implemented as the funding becomes available. The initial funding for fee purchases should be available by June 2006.

Table 1. Estimated Size and Costs of the North Swan Valley Conservation Project by Conservation Tool and Program Source

Project Type	Total Acres	Total Estimated Cost	Federal Source	Federal Funding	Match	Status
Phase 1 (CE)[1]	7,200	$ 8,260,000	Forest Legacy	$ 5,921,000	$ 2,339,000	Funded 2004 & 2005
Phase 2 (Fee title)[2]	750	$ 3,750,000	Forest Legacy	$ 2,800,000	$ 950,000	Funded 2006
Phase 3 (Fee title)[3]	1,650	$ 8,250,000	Forest Legacy	$ 6,200,000	$ 2,050,000	Requested 2007
Phase 4 (Fee title) (HCP)	1,280	$ 6,400,000	Habitat Cons. Plan	$ 4,800,000	$ 1,600,000	To be Proposed
Subtotal Fee	3,680	$ 18,400,000		$ 13,800,000	$ 4,600,000	
Total Project Costs	**10,880**	**$ 26,660,000**		**$ 19,721,000**	**$ 6,939,000**	

[1] Phase 1 consists of both the 2004 and 2005 applications to the FLP.
[2] Phase 2 consists of the 2005 FLP application.
[3] Phase 3 consists of the 2006 FLP application.

1.1.2 Proposed Conservation Easement Terms

The specific terms of the proposed conservation easement in their entirety will be contained in a separate legal document that is the "Deed of Conservation Easement." At closing, this document will be recorded at the Lake County Courthouse. The document lists both the landowner's and FWP's rights and restrictions under the terms of the conservation easement that were negotiated and agreed to by both parties.

Under the terms of the conservation easement, the landowner would retain the right to:

- Manage, harvest, and sell timber, timber products, and other renewable forest products in accordance with the Multi-Resource Management Plan contained in Appendix A.
- Construct, remove, maintain, replace, and repair roads and fences, and use motor vehicles and forestry equipment for land management.
- Extract sand, rock, or gravel, provided the disturbed area is not greater than 5 acres, there are not more than two active sites open at any one time, the sites are not within the 100-year floodplain or Goat and Squeezer Riparian Influence Zone, and reclamation is accomplished according to listed reclamation standards.
- Removal of individual pieces of unburied rock outside the Riparian Influence Zone.
- Develop hydrocarbons under the land if they acquire these rights in the future. The easement would restrict potential future development in a manner that is protective of the conservation values of the land.

The easement would restrict or limit the landowner's right to:

- Divide, sell, convey, or exchange the land into no more than 2 distinct parcels.
- Sever mineral or timber rights on conservation easement lands in any manner.
- Construct or place any residential or permanent structure on all conservation easement lands.
- Cultivate, farm, or graze lands (the land has not been used for grazing or agriculture).
- Rent, lease, or sell access to or across the land for recreational purposes.
- Use the land for any alternative livestock operation, shooting preserve, fur farm, zoo/ menagerie, or feedlot.

- Dispose of toxic or hazardous wastes on land.
- Lease only 2 telecommunications sites affecting not more than 4 cumulative acres.
- Explore for, develop, produce, or extract any minerals.

The easement would give FWP the right to:

- Establish a Riparian Influence Zone, which consists of the channel migration zone plus 80 feet along Goat and Squeezer Creeks (approximately 208 acres).
- Enter land to monitor landowner's compliance and enforce specific restrictions.
- Prevent inconsistent activities as defined in the conservation easement.
- Provide for public access and recreation consistent with Plum Creek's Open Lands Policy, a policy that is already in place and included as part of the Multi-Resource Management Plan.

The Trust for Public Land commissioned a study by the Montana Bureau of Mines to evaluate the potential for mineral development in the entire Swan Valley. That study indicated that the potential for oil and gas as well as other mineral development was so low as to be negligible.

The conservation easement would also establish a Liaison Team composed of up to three Plum Creek and three FWP staff to meet once per year to address conservation easement and land management activities, public access issues, or other issues that relate to the Multi-Resource Management Plan.

1.1.3 Multi-Resource Management Plan

The landowner and the Department must develop Multi-Resource Management Plan that, as required by the United States Forest Service's Forest Legacy Program, identifies the landowner's objectives and actions they will take to protect and manage soil, water, range, aesthetic quality, recreation and public access, timber, and fish and wildlife habitat and resources. The Multi-Resource Management Plan is not incorporated into the conservation easement, but is signed and acknowledged by representatives of the landowner and FWP who have authority to commit the respective parties to compliance with the plan.

The Multi-Resource Management Plan (Appendix A) applies to the conservation easement lands and is the result of negotiations between FWP and PCT. This plan includes specific provisions intended to protect key wildlife habitat on project lands, including identification and protection of wetlands, consideration of wildlife security needs in forest management practices, the prohibition of commercial harvest of aspen and cottonwood trees, and maintenance of snags. The actual measurements in the Multi-Resource Management Plan are designed to be more flexible than a term of a conservation easement. As science or management approaches change or if new landowners acquire the conservation easement lands, the Multi-Resource Management Plan language can also change. However, any changes to the plan must have the mutual consent of both the landowner and FWP, and would be discussed through the Liaison Team. The Liaison Team meetings would occur at least once a year and would be open to the public. Should PCT sell the land under conservation easement, the new landowner would have the choice of accepting the current Multi-Resource Management Plan or developing another one in conjunction with FWP.

1.1.4 Interim Fee-title Management Plan

FWP has prepared an Interim Fee-title Management Plan (Appendix B) that describes how FWP will manage the acquired parcels while the agency develops its plan for long-term management and ownership plan for these parcels. FWP's intent is to continue land stewardship activities that

maintain the habitat and timber values, continue to honor existing partnerships or agreements that PCT has entered into with adjoining landowners, and make the appropriate payment in lieu of taxes to Lake County. Examples of cooperative agreements include weed management, road and access management, and road cost-share programs.

1.2 Need for This Action

The project lands provide exceptionally diverse and high-quality fish and wildlife habitat, supporting an array of at-risk species that depend on undeveloped landscapes and watersheds. Habitat components include productive, low-elevation forest, remote mountain slopes, small ponds, large meadow wetlands, cedar stands, and significant riparian habitat along the Swan River and Goat and Squeezer Creeks.

The proposed project lands include a significant portion of a "grizzly bear linkage zone" and other grizzly bear habitats, and portions of Goat/Squeezer drainage, the second most important bull trout tributary in the Swan. The area also includes habitat for lynx and other forest carnivores, important big game winter range for white-tailed deer, mule deer, elk, and other wildlife habitats, and is in an area very popular for hunting, camping, firewood gathering, trapping, and other recreational activities.

The Swan Valley is a rich and scenic valley that borders the Bob Marshall Wilderness complex and comprises an important biological link between the Bob Marshall complex and the Mission Mountain Wilderness (Figure 1). Communities on all sides of this extensive wildland complex, from the east front of the Rockies, through the Blackfoot and Clearwater Valleys, and in the Swan Valley, are undertaking significant conservation efforts to maintain rural lifestyles, important fish and wildlife habitats, and the connectivity between the wilderness complex and other important lands.

Due to the Swan Valley setting, the abundance of wildlife, the number of lakes and rivers for fishing, and other amenities, the Swan Valley is vulnerable to commercial and residential land use changes. The Swan is now an area where people are seeking land for cabins, second homes, and retirement. PCT is a real estate investment trust and is the largest corporate landowner in the Swan Valley, owning about 80,000 acres of productive timberland in just this area. The company recognizes that the Swan Valley lands, if sold as real estate, would make a greater economic return to the company than if it were managed as commercial timberland. However, PCT also recognizes the habitat and community values of these lands and is working with the community and various partners to provide them the opportunity over time to conserve key lands. If the partners are unable to acquire the conservation lands, PCT plans to sell these lands in the future. PCT has already sold approximately 2,000 acres on the private real estate market. In addition, PCT is also proposing subdivisions and developments of its own.

As PCT sells portions of its land holdings, the resulting subdivision and development of riverfront, tributary, and valley bottom lands would change traditional land uses that include timber production and recreation. This change could gradually affect fish and wildlife populations and habitats for threatened and endangered species such as bull trout, grizzly bears, or lynx. Eventually, depending on the size and scale of developments, habitats could become fragmented, human-wildlife conflicts could increase, and timber production and public access could decline.

Recently, the various partners in the Swan Valley have been successful in obtaining several federal Land and Water Conservation Fund grants that have enabled the Forest Service to acquire key pieces of PCT land around Lindbergh Lake and in other parts of the Swan Valley. One of those parcels includes Van Lake just south of and adjacent to the proposed project. Additionally, the community is

continuing to develop and refine a conservation plan that outlines the community's priorities and strategies for private land conservation in the valley.

The proposed project is needed, as it helps conserve important fish and wildlife lands and productive forests in a timely manner with a willing landowner.

1.3 Objectives

The objectives of the North Swan Valley Conservation Project are to:

1. *Conserve the important fish and wildlife habitats on the project lands;*
2. *Maintain public recreational access to these lands;*
3. *Provide for continued forest management activities; and*
4. *Contribute to the assemblage of public, private, industrial, and community efforts to conserve the Swan Valley's natural values, its resource-based economy, and its tradition of public access to fish, wildlife, and other recreational resources.*

The proposed project is centered at the north end of the Swan Valley. The Flathead National Forest's Land and Water Conservation Program is focused at the south end of the valley and within designated grizzly bear linkage zones (Figure 1). Private land trusts are working with private, non-corporate landowners throughout the valley. The Trust For Public Land, a national land trust with staff in Montana, is working with all partners to help secure federal funding for the Swan Valley. The Swan Ecosystem Center, a nonprofit community organization based in Condon, is working to conserve productive forestland also throughout the Swan Valley. This project is a result of a partnership between FWP, Trust For Public Land, and the local community, and is an integral part of the overall conservation efforts in the valley and focuses on the best big game and threatened and endangered species habitat in the north end of the valley.

1.4 Relevant Plans, EISs, EAs, Regulations, and Other Documents

FWP has the authority under law (87-1-201) to protect, enhance, and regulate the use of Montana's fish and wildlife resources for public benefit now and in the future. In 1987, the Montana Legislature passed HB526 that earmarked hunting license revenues to secure wildlife habitat through lease, conservation easement, or fee-title acquisition (87-1-241 and 242). The Habitat Montana Program that was developed from this legislation provides FWP Commission direction for all the Department's wildlife habitat acquisition programs.

Most of the funds for the North Swan Valley Conservation Project will come from the U.S.D.A. Forest Service, Forest Legacy Program, which provides federal dollars to protect environmentally important private forest lands that are threatened by conversion to nonforest uses. In 1999, Governor Racicot appointed Montana Fish, Wildlife & Parks as the lead agency for this federal program. Montana has applied for grants from the Forest Legacy Program to help purchase this conservation easement and associated fee-title acquisitions. The Montana Forest Stewardship Steering Committee for DNRC reviewed and ranked the North Swan Valley Land Conservation Project as a priority project for fiscal years (FY) 2004, 2005, 2006, and 2007. The proposed project was also ranked 5th and 6th nationally in the Forest Legacy Program for FY 2005 and 2006, respectively. Forest Legacy Program grants require a 25 percent nonfederal match.

The Northwest Montana Wildlife Mitigation program, established in 1989 through an agreement with Bonneville Power Administration, provides electric ratepayers' dollars to mitigate for wildlife habitat losses associated with construction of Libby and Hungry Horse dams. Although funds for the proposed Swan Valley conservation easement and fee-title purchase would not come from this

program, the Wildlife Mitigation Program will take on the responsibility of managing the conservation easement and the interim management activities of the fee-title lands until the final disposition of the fee lands is determined.

In 1998, the U.S. Fish and Wildlife Service listed bull trout as a threatened species under the federal Threatened and Endangered Species Act. In 2000, Montana completed development of its final bull trout restoration plan that identified 115 bull trout core areas and connecting "nodal habitats" within twelve Restoration/Conservation Areas. The plan also set goals, objectives, and criteria for restoration; outlined actions to meet those criteria; and established a structure to monitor implementation and evaluate effectiveness of the plan. The stated goal of the plan is "to ensure the long-term persistence of complex (all life histories represented), interacting groups of bull trout distributed across the species' range, and manage for sufficient abundance… to allow for recreational utilization". In the Bull Trout Conservation Plan, the Swan River drainage is identified as an important Restoration/Conservation Area that supports a "core" bull trout population that is essential for sustaining bull trout in Montana.

In September 2005, the U.S. Fish and Wildlife Service identified 1,058 stream miles of "critical habitat" for bull trout in Montana. The Swan River and Goat, Squeezer, and Woodward Creeks were all included as "critical habitat" for this species (http://pacific.fws.gov/ bulltrout/ colkla/ criticalhab.htm).

Habitat Conservation Plans (HCPs) are agreements between private landowners and the U.S. Fish and Wildlife Service to address management of endangered species. PCT completed a Native Fish HCP for their lands in Montana, Idaho, and Washington in 1999. This HCP is designed to conserve native fish habitat through implementation of 56 different conservation commitments. All of Plum Creek's land management activities, including timber harvesting, road building, and land sales, are governed by the plan. The Native Fish HCP applies to all native fish streams in the proposed project area.

Because of the Native Fish HCP, PCT's lands, particularly those with high native fish values, are eligible for funding under the Habitat Conservation Plan Land Acquisition Program. This program complements existing HCPs by encouraging states, local governments, or private, nonprofit interests to protect the most important threatened or endangered species habitats. HCP grants, like Forest Legacy, require a 25 percent nonfederal match.

In addition to the Native Fish HCP, PCT and the other public land managers in the Swan Valley have signed the Swan Valley Grizzly Bear Agreement with the U.S. Fish and Wildlife Service that addresses forest and road management with respect to grizzly bear security and habitat issues. This agreement covers all the lands within the Swan River State Forest and includes stipulations such as open road density, hiding cover, and timing of timber harvests.

The Land and Water Conservation Funds (LWCF) are designated for the protection of important recreation lands across the United States. The funding for this program, which is allocated annually by Congress, comes from offshore oil leases. The Trust for Public Land is working with the community and the U.S. Forest Service to secure LWCF funding to purchase Plum Creek land that will ultimately transfer to Flathead National Forest ownership. This program is focused on lower elevation parcels within grizzly bear linkage zones with multiple recreation, and wildlife and fisheries resource values.

The Swan Ecosystem Center is a nonprofit, community organization based in Condon, with membership across the Swan Valley. The organization works cooperatively with multiple interests to address land management or other community concerns. The Swan Ecosystem Center has developed a detailed Landscape Assessment for the Swan Valley (February 2004). They also have developed a community outreach and consensus approach to issues and funded a community survey on conservation priorities in 2003. This survey, conducted by Dr. Jill Belsky, UM College of Forestry and Conservation, indicated strong local support for conservation of forests and wildlife. Results showed that 76 percent of full-time residents and 74 percent of seasonal residents agree that the Swan Valley community should protect Plum Creek lands (from development). Ninety-six percent of full-time residents and 99 percent of seasonal residents feel these lands should be managed for wildlife. Eighty-seven percent of full-time residents and 91 percent of seasonal residents feel that these lands should be managed for sustainable timber.

The Swan Ecosystem Center is a key partner and actively supports the ongoing conservation efforts in the valley. They are also in the process of expanding their capacity to undertake their own land acquisition and other conservation efforts.

Lake County has adopted a countywide growth policy (or comprehensive plan) pursuant to Section 76-1-601, et seq., MCA. The policy includes the northern portion of the Swan Valley, where the project area is located. The policy includes an inventory of current conditions, projections of growth, provides community goals and objectives, and includes implementation mechanisms. The policy provides the following goals and objectives relevant to the project:

- Protect the natural resources and character of the different parts of Lake County.
- Enable the public to take advantage of local recreational opportunities, particularly access to lakes and streams.
- Protect important wildlife habitat and migration corridors.
- Protect and encourage the prosperity of the area's cultural resources.
- Protect lives and property from damage caused by wildfire.
- Protect the area's scenic resources.

The project area is subject to the provisions of the Lake County Density Map and Regulations, adopted to implement the Lake County Growth Policy and pursuant to the county zoning authority provided for in Section 76-2-205, MCA. The map and regulations are intended to direct growth where public services can be provided in a cost effective manner, to maintain the rural character of agricultural and timber production areas, and to protect important wildlife habitat, water quality, and natural resources in the county. The regulations provide for an "average number of residential, commercial, or industrial units allowed per acre." The subject parcels are within the 1/40-acre density region (generally conforming with a grizzly bear linkage zone) or the 1/20-acre density region. These are the lowest densities allowed in their plan.

Montana statutes (Section 76-6-201, et seq., MCA) authorize the application of conservation easements to protect a variety of resource values of "significant open-space land and/or the preservation of native plants or animals, biotic communities, or geological or geographical formations of scientific, aesthetic, or educational interest," including wildlife, fisheries, scenic, open space, and historical and cultural resources. Section 76-6-206, MCA, also provides for review of proposed conservation easements by local planning authorities for purposes of determining

compliance with local growth policies. The proposed conservation easement will be submitted to Lake County in accordance with this requirement.

The Trust For Public Land (TPL) is a national nonprofit land conservation organization that has been actively participating in land conservation efforts in the Swan Valley since the late 1990s. TPL is working with landowners, citizens, resource and land management agencies, and local governments to develop and implement long-term conservation strategies that effectively protect the significant ecological and recreational resources of the Swan Valley, while promoting the sustainable management of the Valley's forest products resources. This process includes a science-based assessment of the wildlife and fisheries resources, timber productivity, recreational activities, and development potential.

1.5 Decision(s) That Must Be Made

The decision that must be made is whether FWP should purchase a conservation easement from PCT over approximately 7,200 acres and fee ownership of up to another 3,680 acres of adjoining land in the Swan Valley as shown in Figure 2.

Following completion of the draft EA and public comment period, FWP Region One supervisor will issue a record of decision that makes a recommendation to the FWP Commission on a course of action. This course of action could be the Proposed Action, No Action, or an action that is within the scope of the analyzed alternatives.

As with other FWP land conservation projects that involve any interest in land, the FWP Commission and the State Land Board must make the final decision. This draft environmental assessment and the comments FWP receives are part of the decision-making process.

1.6 Scope of This Environmental Analysis

This draft EA addresses the environmental effects of FWP's acquisition of both the conservation easement and fee-title lands from PCT. The disposition of the fee lands is not in the scope of this document. The ultimate decision on the long-term disposition and management of the fee lands will be the subject of a separate environmental review process.

1.6.1 History of the Planning and Scoping Process

FWP received approval to pursue the conservation easement purchase from the FWP Commission on April 2004; FWP updated the Commission and received approval to proceed on the fee-title portion of the project in September 2005. Planning for the project began with discussions with PCT and Trust for Public Land in 2004 and culminated in several applications to the Forest Legacy Program for funding. It was not until this last federal fiscal year that enough Forest Legacy funds were available for completion of the conservation easement portion of the project.

FWP held a scoping meeting in the town of Swan Lake on September 15, 2005. About 13 people attended the meeting. No new issues were identified. We also received one letter during the scoping period that outlined four issues relative to this project.

FWP is conducting a formal public review of this draft Environmental Assessment, Socio-Economic Report and Multi-Resource Management Plan. The public comment period will run 30 days beginning on October 5, 2005, and ending on November 5, 2005. Comments on the draft EA can be submitted during that time by any of the following means:

- E-mail to gbissell@mt.gov (Subject: PCT project).
- Phone in your comments to FWP Kalispell headquarters office at 752-5501.
- Fill out comment forms provided at public meetings and various FWP offices:
- Kalispell Headquarters, 490 North Meridian Road.
- Missoula Headquarters, 3201 Spurgin Road.
- Write to: North Swan Valley Land Conservation Project, FWP, 490 North Meridian Road, Kalispell, MT 59901

1.6.2 Persons Responsible for Preparing Draft Environmental Assessment

Gael Bissell, Habitat Conservation Biologist, Montana Fish, Wildlife & Parks, 490 N. Meridian Road, Kalispell MT 59901 (406-751-4580)

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Alan Wood, Wildlife Mitigation Coordinator, Montana Fish, Wildlife & Parks, 490 N. Meridian Road, Kalispell, MT 59901 (406-751-4595)

1.6.3 Issues Raised During Public Scoping

Issues identified during scoping for this project include:

1. Effect of the proposed project on threatened and endangered species (lynx, grizzly bears, bull trout) and associated agreements such as the Swan Valley Grizzly Bear Conservation Agreement.
2. Effect of the proposed project on big game thermal cover.
3. Riparian stream buffers on all streams and effect on west-slope cutthroat trout.
4. Public review of the Multi-Resource Management Plan.

These issues have been specifically addressed in the appropriate sections of the draft EA.

Chapter 2.0: Alternatives Including the Proposed Action

2.1 Introduction

FWP must consider a mix of potential alternatives to the Proposed Action for a variety of reasons. Under the Montana Environmental Policy Act (MEPA), state agencies are required to disclose and evaluate the impacts of viable alternatives so that the public can see potential tradeoffs among the alternatives. Additionally, it provides FWP Commission and other decision-makers a range of options to consider.

2.2 Description of Alternatives

Based on the project goals and land availability, FWP has selected four alternatives to consider:

1. The Preferred Alternative (Proposed Project)
2. Conservation Easement Only Alternative
3. Fee-title Only Alternative
4. The No Action Alternative

Neither FWP nor PCT have necessarily agreed to any alternatives other than the first alternative.

2.2.1 Alternative I: Preferred Alternative or Proposed Action

FWP would purchase a conservation easement over approximately 7,200 acres and fee-title interest of up to 3,680 acres in the north Swan Valley on land currently owned by Plum Creek Timber Company (PCT). Details of this proposal are described in Section 1.1 above.

2.2.1.1 Mitigation and Monitoring

FWP would monitor the conservation easement and provide interim management of the fee-title lands using funds from the Wildlife Mitigation Trust Fund. This money from Bonneville Power Administration sales of electric power was granted to Montana for mitigation of wildlife impacts resulting from construction of Hungry Horse and Libby Dams. Interim management of the fee-title lands would focus on maintaining the status quo at the time of transference as described in the Interim Fee-title Management Plan (Appendix B).

2.2.1.2 Past Relevant Actions

FWP has not directly participated in other land acquisition or conservation easement projects in the Swan Valley. However, FWP purchased 1,165 acres of land from PCT in the Bull River Valley (Sanders County) in 2005. FWP also completed a conservation easement on 142,000 acres of PCT land in the Thompson and Fisher River Valleys in 2003 and a land exchange with PCT at the Thompson Chain of Lakes in 1999.

2.2.1.3 Present Relevant Actions Not Part of the Proposed Action

There are none at this time.

2.2.1.4 Reasonably Foreseeable Relevant Actions Not Part of the Proposed Action

If successful in this project, FWP would consider working with partners and other willing landowners to conserve other habitats in the Swan. FWP does not plan to retain ownership of the six purchased fee-title parcels over the long-term, but intends to retain

an interest in the land to ensure long-term conservation of the habitat values for which the parcels were originally acquired. FWP intends to pursue sale or exchange of the underlying fee with public or private entities as a separate future action.

2.2.2 Alternative II: Purchase of the Conservation Easement Only

Under this alternative, FWP would only purchase the 7,200-acre conservation easement and not the additional 3,680 acres of land in fee as proposed. The project would not include the fee-title acquisition of six potentially developable tracts in the valley bottom, including tracts along on the Swan River main stem and lower Squeezer Creek, and would not have to address short-term or long-term ownership and management of these fee-title parcels.

2.2.2.1 Mitigation and Monitoring

FWP would manage and monitor the conservation easement as above.

2.2.2.2 Past Relevant Actions

FWP has not directly participated in any other conservation easement projects in the Swan Valley. However, FWP purchased 1,165 acres of land from PCT in the Bull River Valley (Sanders County) in 2005. FWP also completed a conservation easement on 142,000 acres of PCT land in the Thompson and Fisher River Valleys in 2003 and a land exchange with PCT at the Thompson Chain of Lakes in 1999.

2.2.2.3 Present Relevant Actions Not Part of the Proposed Action

There are none.

2.2.2.4 Reasonably Foreseeable Relevant Actions Not Part of the Proposed Action

If successful in this project, FWP would consider working with partners and other willing landowners to conserve other important fish and wildlife habitats in the Swan.

2.2.3 Alternative III: Purchase of Only 3,680 Acres of PCT Land in Fee

Under this alternative, FWP would not purchase the conservation easement, but would purchase in fee the entire six valley parcels (3,680 acres) of PCT land that are for sale. This alternative would provide habitat conservation and public access to the purchased parcels, but not to the 7,200 acres of land proposed for conservation easement.

2.2.3.1 Mitigation and Monitoring

This alternative would require FWP to provide interim management of the acquired lands. There would be no monitoring of a conservation easement on the 7,200 acres of uplands. There may be monitoring associated with the interest in land FWP retains on the fee-title parcels.

2.2.3.2 Past Relevant Actions

FWP has not directly participated in any other conservation easement projects in the Swan Valley. However, FWP purchased 1,165 acres of land from PCT in the Bull River Valley (Sanders County) in 2005. FWP also completed a conservation easement on 142,000 acres of PCT land in the Thompson and Fisher River Valleys in 2003 and a land exchange with PCT at the Thompson Chain of Lakes in 1999.

2.2.3.3 Present Relevant Actions Not Part of the Proposed Action

There are none.

2.2.3.4 Reasonably Foreseeable Relevant Actions Not Part of the Proposed Action

FWP may be interested in pursuing other land conservation activities in the Swan.

2.2.4 Alternative IV: No Action

Under this alternative, FWP would not pursue a conservation easement or fee-title acquisition of any PCT lands in the north end of the Swan Valley. The conservation easement lands could remain part of PCT's timber base for a number of years. In time, the fee-title lands would likely be sold on the private real estate market and land use may change from commercial forestry to recreational/ home site development and/or for commercial operations. Portions of the higher elevation lands may also be developed. Any or all of the project area lands could also be leased for exclusive recreational use. Changes in land use on PCT lands may influence future land use or management decisions by DNRC. Interspersed development on some of PCT's holdings could impact DNRC's ability to continue commercial forest management on some their parcels. .

2.2.4.1 Mitigation and Monitoring

FWP would not incur any monitoring or management costs and may not be interested in pursuing other land conservation projects in the Swan.

2.2.4.2 Past Relevant Actions

FWP has not directly participated in any other conservation easement projects in the Swan Valley. However, FWP purchased 1,165 acres of land from PCT in the Bull River Valley (Sanders County) in 2005. FWP also completed a conservation easement on 142,000 acres of PCT land in the Thompson and Fisher River Valleys in 2003 and a land exchange with PCT at the Thompson Chain of Lakes in 1999.

2.2.4.3 Present Relevant Actions Not Part of the Proposed Action

There are none.

2.2.4.4 Reasonably Foreseeable Relevant Actions Not Part of the Proposed Action

FWP may no longer be interested in pursuing other land conservation activities in the Swan.

2.3 Process Used to Develop the Alternatives

2.3.1 History and Development Process of Alternatives

Through scoping and discussions with PCT, FWP developed several potential alternatives to the Proposed Action. Two alternatives were discussed and dismissed from further consideration and are described below along with the rationales for their dismissal. Two alternatives were selected for evaluation along with the Proposed Action and the No Action Alternative, as they both accomplish to a degree the objectives of this project.

2.3.2 Alternatives Eliminated from Detailed Study

2.3.2.1 Fee-title Acquisition by the State of All 10,880 Acres of PCT Land

Under this alternative, FWP would purchase in fee all of the land proposed for the conservation easement portion of the project plus the parcels proposed for fee-acquisition. This alternative is not consistent with PCT's land use goals; they currently would like to keep ownership of the conservation easement lands for the benefit of company's overall

operation. They are only willing to sell in fee some of the Higher and Better Use lands along Highway 83. Because all of PCT's lands are not for sale, both the landowner and FWP rejected this alternative. If the conservation easement lands become available for sale in the future, this alternative may be reviewed by the state. At this time, this alternative is not available to consider because the land is not for sale.

2.3.2.2 Purchase of Conservation Easement on All 10,880 Acres of PCT Land
Under this alternative, FWP would purchase a conservation easement on the entire project area of 10,880 acres. PCT has determined, however, that they want to sell the six valley bottom parcels in their entirety rather than continue to manage these lands with a conservation easement in place. If PCT were interested in selling just a conservation easement, FWP would consider this alternative.

2.4 Summary Comparison of the Activities, the Predicted Achievement of the Project Objectives, and the Predicted Environmental Effects of All Alternatives

Table 2. Summary Comparison of Project Activities

Activity	I. Preferred Alternative	II. Conservation Easement Only	III. Fee-title Only	IV. No Action
Conservation Easement (7,200 ac)	Yes	Yes	No	No
Fee-title Acquisition (3,860 ac)	Yes	No	Yes	No
Total Estimated Purchase Costs	$ 26.7 million	$8.3 million	$18.4 million	$ 0

Table 3. Summary of Comparison of Predicted Achievement of Project Objectives

Objectives	I. Preferred Alternative	II. Conservation Easement Only	III. Fee-title Only	IV. No Action
Conservation of Fish and Wildlife Habitats	Yes	Partially	Partially	No
Maintain Public Access	Yes	Partially	Partially	No
Maintain Forestry	Yes	Partially	Partially	No
Contribute to Community Efforts	Yes	Partially	Partially	No

Table 4. Summary of Comparison of Predicted Environmental Effects

Land Resources	I. Preferred Alternative	II. Conservation Easement Only	III. Fee-title Only	IV. No Action
Soils/Productivity	Maintains status quo	Maintains status quo on higher elevation parcels	Maintains status quo on lower elevation parcels	Possible impact to all lands
Timber Production/ Vegetation	Maintains or improves status quo	Maintains status quo on higher elevation parcels	Maintains status quo on lower elevation parcels	Possible impact to all lands
Fish and Wildlife	Maintains or improves status quo	Maintains status quo on higher elevation	Maintains status quo on lower elevation parcels	Probable impact to all lands

Social/Economic Resources	I. Preferred Alternative	II. Conservation Easement Only	III. Fee-title Only	IV. No Action
Air/Noise	Maintains status quo	Maintains status quo on higher elevation parcels	Maintains status quo on lower elevation parcels	Could change due to development
Risk/Health/Safety	Maintains status quo	Maintains status quo on higher elevation parcels	Maintains status quo on lower elevation parcels	Could change due to development
Land Use and Community Values	Maintains status quo and supports community	Changes from timber to residential on lower elevation parcels	Could change from timber to residential on higher elevation	Could change due to development
Electrical/Utility/ Schools	Maintains status quo	Maintains status quo on higher elevation parcels	Maintains status quo on lower elevation parcels	Could increase demand
County/State Financial	Maintains status quo	Changes from timber to residential on lower elevation parcels	Could change from timber to residential on higher elevation	Could change to residential
Aesthetics/ Recreation	Maintains status quo	Maintains status quo on higher elevation parcels	Maintains status quo on lower elevation parcels	Reduces aesthetics and recreational values
Cultural/Historic	Maintains status quo	Possible impacts	Possible impacts	Possible impacts

Table 5. Overall Advantages and Disadvantages of Alternatives

Alternative I Preferred Alternative	Alternative II CE Only	Alternative III Fee Purchase Only	Alternative IV (No Action)
ADVANTAGES - Conserves the max. amount of habitat available from PCT. - Funds used immediately to do significant conservation. - Benefits big game, bull trout, grizzly bears, wetland and other important habitats. - Insures habitat connectivity. - Helps community goals. - Maintains access to 10,860 acres. - Benefits management of School Trust lands. - Supports current timber economy and reduces future demand for community services.	**ADVANTAGES** - Less expense of federal and private funds ($13.8 million federal and $4.6 million private). - Lower management costs as no fee title management required. - Connects to large block of federal land. - Keeps options open for future development on PCT land. - Maintains public access to 7,200 acres. - Conserves 3½ miles of fish habitat.	**ADVANTAGES** - Less expense of federal and private conservation funds (save $5.8 million federal and $2.4 million private). - Conserves most productive timberlands, wetlands. - Conserves 2½ miles of fish habitat. - Maintains public access to 3,680 acres of land.	**ADVANTAGES** - Return of all appropriated funds from Forest Legacy Program to General Fund. - Possible increase in residential property tax revenues versus timber-related income.
DISADVANTAGES - Expends considerable federal and private funds. - Increases management costs for state. - Limits future potential growth in project area.	**DISADVANTAGES** - Loss of most productive timberlands in the project area. - Loss of access to six parcels of land and portions of the Swan River main stem. - Increased human/ wildlife conflicts. - No conservation of 2½ miles of fish habitat. - No direct benefit to management of low elevation DNRC parcels.	**DISADVANTAGES** - Does not provide connectivity from valley to higher elevation lands. - Less conservation of upper reaches of bull trout habitat in Goat and Squeezer Creeks. - No guarantee of public access to 7,200 acres of PCT land.	**DISADVANTAGES** - Return of appropriated funds from FLP to national general fund; may jeopardize future FLP in MT. - Impacts to fish and wildlife habitats. - Fragmentation. - Loss of productive timberland to development. - Loss of recreation. - Increased human/ wildlife conflicts.

2.5 Identification of the Preferred Alternative

The Preferred Alternative for this proposed project is Alternative I. This alternative best meets the objectives of the project across the greatest area and it protects important fish and wildlife habitats and productive forestlands, maintains public access, and helps meet the local communities' conservation goals. It also provides habitat connectivity from the Swan Mountains to the valley floor and between the Swan River and tributaries.

Chapter 3.0: Affected Environment

3.1 Introduction

This chapter will describe the natural and social resources or values potentially affected by all alternatives.

3.2 Description of Relevant Affected Resources

3.2.1 Land Resources

3.2.1.1 Soils and Productivity

The soils of the North Swan Valley project area range from mesic and wetland soil types to cold, shallow soils on steep slopes. The deeper and most productive sites are found in the lower elevations along the major rivers and streams and in the relatively flat bench topography. Overall, the fee-title lands support the deeper and more productive soils in the project area. The higher conservation easement lands contain a mix of some deeper, productive soil types along the foothill benches and major drainages with shallower, less-well-developed soil types found on the steeper and higher slopes.

3.2.1.2 Water Resources

The fee-title lands contain over a mile of Squeezer Creek, about 2 miles along a braided section of the Swan River main stem, and about 4 miles of small, intermittent tributaries to these streams or rivers. The lands also contain a minimum of 17 depressional wetlands that are greater than 5 acres, as well as many smaller wetlands across the landscape.

The conservation easement lands include over 2 miles of upper Squeezer Creek, over a mile of upper Goat Creek, and about 4.5 miles of intermittent or small tributary streams. The conservation easement lands contain about 6 wetlands greater than five acres in size.

3.2.1.3 Vegetation/Timber Productivity

According to Trust For Public Land's recently completed analysis of the timberland productivity using data from the Flathead National Forest Land Type data base (2003), some of the most productive timberlands in the state are found on the lower elevation fee-title parcels and on the lower elevation portions of the conservation easement lands. Four of the six proposed fee-title parcels contain lands ranked "High" on a statewide basis for timberland productivity, while two parcels ranked as "Moderate" productivity. By comparison, most of the nine sections of conservation easement land fell into the "Low" or "Moderate" categories. The equivalent of about two sections of the proposed conservation easement land fell in the "High" category.

Forest types on the fee-title lands range from wet riparian forest to drier ponderosa pine/snowberry communities. Cottonwood, aspen, and birch commonly surround the wetland and riparian areas or in other wetter upland sites. Cottonwood and spruce also dominate much of the Swan River's floodplain. Most of the lower elevation uplands consist of mixed conifers dominated by Douglas fir, western larch, ponderosa pine, and lodgepole pine. Other common species include grand fir and subalpine fir. Stand types at most of the low elevation lands range from regenerated seedling and pole stands to

mixed-aged stands of mature timber. PCT estimates approximately 90 percent of the forested lands in the fee-title area are in early-to-mid-successional condition with one or more age classes represented. For the lower elevations, typical forest rotations for saw timber range from 50-75 years. There is little old growth on PCT lands.

Forest types on the higher conservation easement lands consist primarily of subalpine fir and lodgepole pine with components of western larch, Douglas fir, and other species. Approximately 50 percent of the existing stands on PCT lands are composed of mixed-age saw timber classes. Given the higher and colder conditions, typical forest rotations for saw timber range from 60-80 years.

3.2.1.4 Fish and Wildlife Resources

The proposed project includes over 5 miles of core bull trout habitat in the Goat, Squeezer, and Woodward Creek drainages and a portion of the Swan River main stem. These important drainages provide essential spawning and rearing habitat for this core population. Based on annual bull trout redd counts, FWP biologists estimate Goat/Squeezer and Woodward Creeks contribute over 36 percent of the annual bull trout production in the Swan River drainage each year. The Goat/Squeezer Creek tributary is second in bull trout production for the entire Swan drainage. Additionally, each of these tributaries supports a distinct or unique genetic population of bull trout. The conservation of Goat/Squeezer, Lion, and Elk Creeks are the highest priorities in the Swan (S. Rumsey, fisheries biologist, FWP pers. comm. 2005).

In addition, the main stem Swan River provides the nodal or migratory habitat that links over-wintering habitat in Swan Lake to the spawning, rearing, and other habitats in the major tributaries that are critical to all life history stages of the Swan drainage bull trout population. The proposed fee-title acquisitions include nearly 2 miles of the Swan River main stem.

The Swan main stem also supports a strong recreational fishery for both native trout and nonnative species including westslope cutthroat trout, bull trout, rainbow trout, and brook trout. The upper reaches or tributaries to Goat, Squeezer, and Woodward Creeks may also support genetically pure westslope cutthroat trout. However, little information on the genetic make-up of westslope cutthroat trout from the Swan has been collected.

The bald eagle, a federally listed, threatened species, uses the entire project area for foraging all seasons of the year. No known bald eagle nests are located within the proposed project areas; however, a new bald eagle nest was recently found on Van Lake, just to the south of the proposed project. The number of nesting bald eagles in northwest Montana is increasing (Kristi Dubois, Native Species Coordinator, FWP 2005). Bald eagle nest sites could occur on proposed project lands.

The project area also falls within the Northern Continental Divide Ecosystem grizzly bear recovery area. The grizzly bear is listed as threatened in Montana. The north half of the project area lies within a "grizzly bear linkage zone" developed by the U.S. Fish and Wildlife Service and cooperatively managed through a cooperative agreement between PCT, DNRC, and the Forest Service. This agreement, called the Swan Valley Grizzly Bear Conservation Agreement, integrates timber, recreation, road, access, and bear management across the mixed ownership in the Swan Valley. Based on the 2004 Swan

Valley Conservation Agreement Monitoring Report, for the Goat and Lion Creek bear management subunits (that encompass the proposed project), the cooperators have all met or exceeded the standards for open road densities, timing of timber harvest, and maintenance of hiding cover as required by that agreement.

Based on results of black bear and grizzly bear research, the entire project area is used by both grizzly and black bears during the spring, summer, and fall. The area has numerous wetlands and riparian corridors important to bears. It also has old cottonwood trees that provide black bear denning habitat.

Lynx, recently listed as a threatened species by the U.S. Fish and Wildlife Service, also occur within the Swan project area. FWP wildlife biologists have recorded lynx tracks in both Goat and Squeezer loop roads through the middle of the proposed conservation easement project. Based on harvest and siting data and habitat information, fisher, marten, and wolverine likely use the higher elevation lands and may occasionally move seasonally into the lower lands.

The Rocky Mountain gray wolf is listed as threatened in Montana. No active wolf packs are known to occupy the Swan Valley or the Swan River State Forest area; however, wolves have been frequently reported in the Swan Valley. Because of the high number of deer and elk in the Swan, the potential for a wolf pack to eventually become established in the Swan and at least seasonally use the proposed project area is high.

A portion of Swan Valley's white-tailed deer and elk winter range falls within the proposed project area, particularly the 6 fee-title sections along Highway 83. The higher elevation lands support habitat for mule deer. The entire project area supports moose, mountain lions, and black bears. Other wildlife present in the project area include bobcats, beaver, mink, river otter, waterfowl, native grouse, shorebirds, amphibians, and reptiles, as well as other nongame wildlife.

3.2.2 Social and Economic Resources

The proposed project lies in a fairly remote area of Lake County and is over 60 miles from the county seat in Polson. The closest town is Swan Lake, located about 8 miles north of the proposed project area. The small community of Salmon Prairie is about 4 miles south, while the larger community of Condon is located about 12 miles south of the proposed project area. The Salmon Prairie K-8 School and the Bigfork High School serve the residents of Salmon Prairie and the Swan River State Forest area.

3.2.2.1 Noise/Air

Noise levels are relatively low and air quality is relatively high in the project area most of the time. Highway 83 traffic levels and timber harvest and transportation activities, as well as hunting, periodically affect noise. Noise may also be high during hunting or rock mining activities. Wildfire, slash burning, residential wood burning, and traffic along Highway 83 can affect local air quality. There are no timber processing mills or other industries in the project area, but they do occur in the valley.

3.2.2.2 Land Use/Community Values

Most of the land in the project area is owned or managed by federal, state, or corporate entities (Figure 2) for the purpose of timber production. The lands are also important for

recreation. The ownership pattern is typical of many areas of northwest Montana, with the Forest Service owning the higher elevation lands and the state and corporations and private individuals owning the mix of valley lands in a checkerboard pattern. In 2004, the Forest Service acquired two additional PCT parcels just south of the project area along the Swan River and at Van Lake (Figure 2).

Inside the 100 square miles of the Swan River State Forest ownership, there are currently 7 parcels of noncorporate private land comprising of about 1,500 acres; two of these parcels (approximately 175 acres) are encumbered by donated conservation easements (Figure 2). Several of the other private parcels along the highway and river are subdivided and developed.

The current growth policy for Lake County includes many objectives that apply to the land conservation:

- Protect the natural resources and character of the different parts of Lake County.
- Enable the public to take advantage of local recreational opportunities, particularly access to lakes and streams.
- Protect important wildlife habitat and migration corridors.
- Protect and encourage the prosperity of the area's cultural resources.
- Protect lives and property from damage caused by wildfire.
- Protect the area's scenic resources.

Project lands (and surrounding state lands) have been assigned the lowest density allowed or 1 homesite/40 acres (those parcels within the designated Grizzly Bear Linkage Zones) or 1 home/20 acres outside of the designated linkage zones. Approximately 6,400 acres of proposed project lands fall within the 1/40 density that could still provide for up to 160 new residences on those sections on the project lands. Approximately 4,800 acres fall within the 1/20 recommended density, which could provide up to 240 home sites on proposed project lands. Under current allowed densities, a maximum potential of 380 new households could be developed on the proposed project lands. Land divisions of these sizes would be subject to subdivision review by the county, wherein other criteria would also be examined regarding the impacts of specific proposals.

The Swan Ecosystem Center is a nonprofit citizens' group located in Condon and they cooperatively manage the Condon Forest Service Ranger Station. According to the Swan Ecosystem Center publications, the Center is where:

> "People with diverse perspectives learn about the ecosystem and participate in land management decisions on public and private land. The Swan Ecosystem Center helps people with diverse perspectives work together on projects designed to maintain the valley's rural and wild characteristics and sustainable economy."

The mission statement of the Swan Ecosystem Center is:

> "We, citizens of the Upper Swan Valley, Montana, have a self-imposed sense of

responsibility to maintain a strong, vital community, one involved in setting its own destiny through partnerships that encourage sustainable use and care of public and private lands."

Although the Swan Ecosystem Center does not represent everyone's point of view in the Swan Valley, the organization does provide information and outreach to everyone and uses collaborative methods to help define community opinions.

The community of Swan Lake has its own town, post office, and community center, but no organization working on land conservation issues at this time. The Swan Ecosystem Center has developed a mailing list and held public meetings in Swan Lake to help bridge the gap between the two communities.

Through the efforts of the Swan Ecosystem Center, the various communities of the Swan Valley continue to work together to refine and update a community plan to address the potential conversion of corporate timberland to private development. Several meetings have already taken place in Condon and Swan Lake to begin that process. A 2003 survey completed by the University of Montana of Swan Valley residents, nonresidents, and seasonal residents indicates strong support for conservation of forests and wildlife.

PCT, as a real estate investment trust corporation, recognizes the high value of its real estate in the Swan Valley. PCT has sold approximately 2,000 acres over the last few years to the private sector. PCT also recognizes the important habitat and community values of these lands and is currently working with the community and partners to provide the opportunity for these organizations to conserve key lands.

3.2.2.3 Risk Human Health/Safety

The project area is managed as a commercial forest that carries inherent risks associated with logging and commercial transportation of these products to human health. In addition, the entire area is used by the public for a multitude of recreational activities including off-highway vehicle travel, hunting, trapping, snowmobiling, camping, wildlife viewing, hiking, firewood cutting, and berry picking. All these activities have some degree of risk associated with the outdoor use and the uses of various types of outdoor equipment.

3.2.2.4 Public Services/Taxes/Utilities

Electrical and communication systems for the Swan Valley are located along the Highway 83 corridor and currently serve most private, noncorporate lands in the Swan Valley. With some cost, these services could be extended up existing roads from the highway to PCT parcels. There are no public water or sewage disposal systems in the project area. Private landowners in the Swan primarily use wells and septic systems. Fire and police services are extended from the Swan Lake, Salmon Prairie, or Condon communities.

PCT currently pays a little less than $1 per acre for property taxes on the project lands or approximately $9,300 per year.

3.2.2.5 Aesthetics/Recreation

The Swan Valley, with its scenic vistas of both the Mission and Swan Mountains, pristine rivers and streams, myriad of lakes, and abundant public or open lands, has high aesthetic

and recreational values and serves many Montana communities including Missoula, Helena, Great Falls, Polson, and Kalispell. The Swan is listed in local, state, or federal landscape inventories as "distinctive and noteworthy" and described as a scenic route in Scenic Driving-Montana (Snyder, 1995, Falcon Publishing). Two scenic mountain ranges and wilderness areas surround the Swan Valley: the Mission Mountain Wilderness on the west and Bob Marshall Wilderness along the Swan Mountain crest.

The presence of habitat for species listed as "threatened" under the Endangered Species Act such as bull trout, grizzly bears, and lynx, along with abundant big game and other wildlife habitat, is one of its most important characteristics. Other values include high water quality, abundant wetlands and lakes, presence of an important wildlife connection between the Mission and Swan Mountains, and high biological diversity.

Between the communities of Swan Lake and Salmon Prairie (about 14 miles), Highway 83 goes through mostly Forest Service, DNRC, or PCT land and has very little development. This is the longest undeveloped portion of Highway 83 between Seeley Lake and Kalispell.

The Swan provides numerous natural resource recreational activities including camping, hunting, berry and mushroom picking, wildlife viewing, and natural resource interpretation. The Swan River National Wildlife Refuge is located approximately five miles north of the project area. Soup Creek campground is located on DNRC land within the project area; others are located throughout the Swan River Valley.

Due to the dominance of federal, state, and corporate land ownership, most of Swan Valley has been open to traditional public use for many years. The valley also provides several major access points to the Bob Marshall Wilderness and links to an extensive trail access system of the Mission Mountain Wilderness. DNRC manages two campgrounds on the Swan River State Forest: Pleasant Point along the Swan River and Soup Creek within the project area.

The Swan River is popular with anglers and receives a substantial amount of commercial outfitting use. The entire project area is popular with hunters due to access and lack of development. The Swan annually produces mature white-tailed deer, mule deer, mountain lions, and black bears (pers. comm. Jim Williams, Region One Wildlife Manager). The proposed project area has a well-developed road system with key loop roads open year-round and access to the Bob Marshall Wilderness Area through Napa Point. The Forest Service, DNRC, and PCT cooperatively manage the open roads.

The Swan Valley is one of the most popular white-tailed deer hunting districts in the region. In 2003, deer and elk hunters spent a total 17,696 days harvesting approximately 1,059 whitetails in hunting district 130, which covers the Swan Valley south of Swan Lake (Table 6). Currently, the Swan Valley ranks 2nd in buck harvest and 4th in total deer harvest of 19 Region One hunting districts.

Table 6. Hunter Effort Information for Swan Valley Hunting District 130.

	White-tailed Deer Hunter Days			Elk Hunter Days		
Year	Resident	Nonresident	Total	Resident	Nonresident	Total
2003	11,137	757	11,894	5,967	602	6,559
2002	9,876	956	10,832	4,788	595	5,383
2001	9,388	595	9,983	4,438	491	4,929
2000	9,229	1,162	10,391	5,016	718	5,734
1999	11,584	952	12,536	2,520	131	2,651
Average	10,242.8	884.4	11,127.2	4,545.8	507.4	5,051.2

It is not known what percentage of hunting in hunting district 130 takes place within the specific proposed project area. However, due to the fact the entire project area is open to public hunting and has several major open roads and high deer/elk populations, a significant amount of hunting takes place in this area. Based on hunters bringing deer through the Swan and Bonner check stations, FWP estimates that hunters traveling to the Swan Valley come primarily from Flathead (70%) and Lake Counties (22%), and also from Missoula County (6%), other Montana counties (1%), and from out of state (1%). However, these estimates exclude people coming from east of the Continental Divide along Highway 200 where there are no check stations.

The Swan River main stem also provides excellent fishing opportunities. Based on biennial angler surveys from 1995 to 2003, the Swan ranked as high as 8th among 332 waters monitored for fishing pressure in northwestern Montana during summer (Table 7). An average of nearly 10,000 angler days are spent fishing the Swan River above Swan Lake. The fairly intense fishing pressure in years past combined with drought may be reducing overall fishing pressure to some degree the last few years. The Crazy Horse fire may have also reduced angler use in 2003. Thirty-one percent of those anglers are out-of-state visitors.

Table 7. Fishing Pressure (Days) in the Swan River.

Year	Resident	Nonresident	Total	Regional Rank
2003	6,539	2,749	9,288	21
2001	7,055	2,782	9,837	14
1999	10,719	5,600	16,319	8
1997	8,899	4,084	12,983	8
1995	8,372	2,999	11,371	8
Average	8,316.8	3,642.8	9,966	9.83

3.2.2.6 Cultural/Historic Resources

The Swan is an area rich in cultural history from use by pre-settlement tribes and more recently by the early explorers, trappers, and loggers. Numerous recorded archaeological site(s) occur in the valley from early occupation by the Kootenai, Salish, and Pend Oreille tribes frequenting the Swan River Valley for hunting, fishing, and gathering purposes.

The tribes would spend several months a year in the Valley, but rarely over-wintered. Several campsites, culturally scarred trees, and stone tool sites have been identified in the Valley. The Salish and Pend Oreille Tribes have been researching and compiling data on place names of the Swan Valley area. Oral histories indicate that the Swan was a central corridor of traditional seasonal use utilized by tribal family groups for thousands of years. Native American trails extended from the Mission Valley across the mountains and Swan Valley eastward to the Plains.

Based upon a Cultural Resources Information System (CRIS) report from the State Historic Preservation Office, four cultural resource sites were identified within the project area. These sites relate to historic roads/trails, historic fur trade, and a historic Euro-American structure. None of the identified sites are located on project lands, but not all lands have been surveyed. Based upon the presence of these sites, there is a potential for other cultural resources to occur in the area.

3.3 Description of Relevant Preexisting Factors

The amount of corporate private land in the Swan Valley combined with escalating market conditions has the potential to change the Swan Valley landscape. The Swan is one of the most diverse and productive wildlife areas in the state and is important to a number of threatened and endangered species. The community and various partnerships have already completed a number of land acquisitions primarily through the Land and Water Conservation Fund to help maintain important habitat and economic values in the Swan and plan to do more conservation in the future. The community, landowner, agencies and nonprofit organizations are working together to conserve key areas within the Swan Valley.

3.4 Description of Areas Related to Indirect or Cumulative Effects

The proposed project lies in a checkerboard ownership pattern with DNRC and could have some indirect or cumulative effects on how DNRC may want to manage their lands in the future. On one hand, the proposed project could help maintain DNRC's ability to continue to manage their lands for timber and other natural resources by reducing the problems typically associated with managing timber or natural resources on land interspersed with people and subdivisions. In addition, DNRC would be in a position to possibly negotiate a strategy with FWP to acquire and manage these lands (with restrictions to benefit fish and wildlife habitat) for timber consistent with the Forest Legacy Program as part of the Swan River State Forest. It may also increase DNRC's ability to secure conservation funding to compensate the Trust for development rights on the Swan River State Forest. However, if DNRC proposed to develop, lease, or sell its lands, some interests may use the conservation easement to discourage the agency from pursuing these plans on its own School Trust lands. However, nothing in the conservation easement or proposed acquisition would preclude DNRC from legally pursuing development activities, as the conservation easement and fee-title acquisitions by FWP would not affect the existing reciprocal access agreements between DNRC and PCT for all legal uses.

The Proposed Action also would have no cumulative effects on adjoining landowners or on other ongoing or known programs or projects in the Swan.

Chapter 4.0: Environmental Consequences

4.1 Introduction

This section describes the predicted attainment of project objectives and the predicted effects on relevant affected resources for all of the considered alternatives including the Proposed Action or Preferred Alternative. The key results of this analysis showing the overall advantages and disadvantages of the alternatives are summarized in Section 2.4.

The objectives of the proposed project are:

1. *Conserve the important fish and wildlife habitats on the project lands;*
2. *Maintain public recreational access to these lands;*
3. *Provide for continued forest management activities; and*
4. *Contribute to the assemblage of public, private, industrial, and community efforts to conserve the Swan Valley's natural values, its resource-based economy, and its tradition of public access to fish, wildlife, and other recreational resources.*

4.2 Predicted Attainment of the Project Objectives of All Alternatives

4.2.1 Predicted Attainment of Project Objectives

A table summarizing the attainment of project objectives among the four alternatives can be found in Section 2.4, Table 3.

4.2.1.1 Alternative I: Preferred Alternative or Proposed Action

This alternative meets all stated objectives.

4.2.1.2 Alternative II: Purchase of the Conservation Easement Only

This alternative would not conserve important valley bottom habitats and would only partially meet Objectives 2 and 3.

4.2.1.3 Alternative III: Purchase of Fee-title Only

This alternative would not conserve important foothill and mountain habitats and would only partially meet public access and overall conservation effort objectives.

4.2.1.4 Alternative IV: No Action

This alternative would not meet any of the objectives.

4.3 Predicted Effects on Relevant Affected Natural and Human Resources of All Alternatives

4.3.1. Introduction

This section describes the predicted effects of each of the alternatives on the natural and human environment. A table summarizing the effects of the four alternatives on natural and human resources can be found in Section 2.4, Table 4.

4.3.2 Land Resources

4.3.2.1 Alternative I: Preferred Alternative or Proposed Action

Under the Preferred Alternative the soil productivity would be maintained over both the fee-title and conservation easement lands as the project lands would be remain in forest production and all mineral development would be prohibited. Commercial timber harvest and road building activities would be allowed to continue and could cause short-term impacts to land resources. However, both road maintenance and new road construction would be conducted under the guidance of Plum Creek's Native Fish Habitat Conservation Plan, so future impacts to land resources would be reduced.

The conservation easement would allow for the removal of unburied rock and commercial removal of sand, gravel, and rock. However, the overall impacts of these activities are expected to be low because they would be undertaken according to the state's BMPs, the Native Fish HCP between PCT and the U.S. Fish and Wildlife Service (or fisheries BMPs of the conservation easement), and the conservation easement restrictions on commercial activities within the Riparian Influence Zone. Under these standards, the mining of sand, gravel, or rock could only disturb 2 sites, each with an area not greater than five acres at any one time, and the area would need to be reclaimed to forest uses afterwards to meet the objectives of the Forest Legacy Program.

The leasing and resulting construction of the two communication sites on the conservation easement lands could also result in soil disturbance, but the permanently disturbed area is limited to not more than 4 total acres.

There would be beneficial cumulative and indirect effects of the Preferred Alternative to maintenance and management of land resources on interspersed DNRC School Trust lands because of the ability to cooperate on resource management projects and minimize disturbances.

4.3.2.2 Alternative II: Conservation Easement Only

If FWP pursued this alternative, the impacts would be the same as above for the conservation easement lands. However, under this alternative, the 3,680 acres of fee-title lands would be sold privately and likely developed. This could have a greater impact to land resources due to the construction or reconstruction of access roads, the construction of driveways, and home or business construction, or mineral development. Additionally, the management of the forest or sand, gravel, and rock resources on the fee-title lands may not adhere to the standards set by the conservation easement or other agreements. Productivity and other aspects of the soils may or may not be conserved. The cumulative beneficial and indirect impacts to DNRC management of their lands would not be realized on the lower elevation lands. Development on PCT lands in this area could negatively affect how DNRC manages land resources and may thereby encourage development of DNRC lands as well. This could have an impact on land resources.

4.3.2.3 Alternative III: Fee-title Only

The impacts for this alternative would be similar to the previous alternative, but would apply to the proposed conservation easement lands rather than the fee-title lands. The degree or density of possible development on the conservation easement lands may not be

as great as the fee-title lands due to topography and distance from Highway 83. However, because the slopes are much steeper and more vulnerable to erosion on much of the conservation easement lands, the potential impact to land resources may be greater. The cumulative beneficial and indirect impacts to DNRC management of their lands may not be realized on the higher elevation lands. Development on PCT lands in this area could negatively affect how DNRC manages their land resources.

4.3.2.4 Alternative IV: No Action

The effects of this alternative could be significant as all the proposed project area lands could eventually be sold on the private market and developed to one degree or another. The other commercial activities such as gravel extraction or mining may occur also. The cumulative or indirect negative effects of development on land resources could lead to development of DNRC lands which could have a negative effect on land resources.

4.3.3 Water Resources

4.3.3.1 Alternative I: Preferred Alternative or Proposed Action

Under this alternative, the impacts to water quality and quantity could continue at current levels due to the continuation of commercial timber practices and other resource management activities not restricted by the conservation easement and associated Multi-Resource Management Plan. Commercial timber management impacts to water resources include water pollution from gravel road dust and increased water yields from recently managed forests. However, these impacts would be mitigated over the long term, regardless of future landowners, because the conservation easement restricts timber harvest in the Riparian Influence Zone along Goat and Squeezer Creeks and requires the landowner to comply with enhanced standards outlined in the Native Fish Habitat Conservation Plan and industry standards described in the Multi-Resource Management Plan. Further, the conservation easement prohibits hardrock mineral extraction and limits the mining of rock, sand, or gravel from the Riparian Influence Zone. The conservation easement also prohibits commercial and residential development on the land. Keeping lands in large ownership blocks increases the chance for better cooperation between the landowners and resource agencies to address water quality and quantity issues and improves overall management of the land and water resources over time. There could be cumulative indirect benefits to water resources because of the cumulative indirect effects of the proposed project on the overall management of intermingled DNRC and project lands.

4.3.3.2 Alternatives II and III: Conservation Easement or Fee-title Only

Under these alternatives, the impacts to water resources would likely fall between those of the Preferred and No Action Alternatives. Under Alternative II, the upper reaches of Goat and Squeezer Creeks would be included in the conservation easement's Riparian Influence Zone, but the lower PCT section of Squeezer and the Swan River main stem would not be subject to similar conservation measures. The impact of possible future development would depend on the scope and scale, but could include the removal of bank vegetation, construction of bridges, and constrictions or development within the channel migration zones. Under Alternative III, the upper reaches would not be protected, but the lower reaches would be.

4.3.3.3 Alternative IV: No Action

The impacts to water quality and quantity could increase significantly under this alternative due to expected development on both the lower elevation lands and possibly the higher elevation lands over time. Private landowners could remove native bench and streamside vegetation for views, lawns, septic systems, or pastures. In areas where landowners or developers remove riparian or forest vegetation near streams, the banks may begin to erode, impacting water quality. This often leads to increased riprap to prevent erosion. The stream energy is then channeled downstream to other landowners that often attempt to protect their own property with riprap. Over time, the water quality and stream functions can become slowly degraded. In addition, under this alternative, it would be difficult to obtain sufficient cooperation between multiple landowners and state or federal officials to develop a habitat enhancement or conservation plan. The cumulative, indirect benefits to management of DNRC lands would also not be realized.

4.3.4 Timber Productivity and Vegetation Resources

4.3.4.1 Alternative I: Preferred Alternative or Proposed Action

Timber productivity on all project lands would be maintained in perpetuity, as the lands would still be managed for their forest and timber values. On the conservation easement lands, the landowner would be able to manage a commercial forest with a high degree of active management for the purposes of fiber production. There would be protection of the forest in the Riparian Influence Zone along Goat and Squeezer Creeks. Forest management activities would be consistent with the BMPs as well as other commitments in the mutually agreed-upon Multi-Resource Management Plan (Appendix A). Forest resources would be managed through a variety of techniques ranging from selective tree harvest to stand-replacement cutting units. The Multi-Resource Management Plan states that the current and subsequent landowners would be committed to managing the forest in such a way that there would be a diversity of stand types on the landscape at any one time, similar to today's stand conditions. The company's current management strategy is to establish multi-staged stands with varying age classes and species across the landscape. The Multi-Resource Management Plan (Appendix A) establishes a limit to clear cutting such that no more than 20 percent of the landowner's annual cut area can be clear-cut in any one year. Under this alternative, there still would be little-to-no mature or old growth forest maintained on the conservation easement lands except along riparian corridors. On the proposed fee-title lands, long-term timber management would be subject to future decisions.

Under this alternative, noxious weeds are still the landowner's responsibility. PCT has developed a cooperative weed management plan with adjoining landowners and Lake County because of a prevalence of some species of noxious weeds. PCT will likely continue to manage weeds on the conservation easement lands as they do today. However, conservation easements are not a tool that can require landowners to control noxious weeds; that requirement currently exists under state and county laws and regulations.

4.3.4.2 Alternative II: Conservation Easement Only

Under the Conservation Easement Alternative, the forest productivity would be maintained, and the natural vegetation would continue to be intensely managed on the higher elevation lands with special protection in the upper portions of Goat and Squeezer

Creeks. However, the lower elevation fee-title lands could be sold and possibly developed. Land uses could likely change over time and the existing forest stands managed differently by different landowners with objectives other than commercial timber values. Some of these lands may be unmanaged and return to various natural or unnatural conditions. Old growth may be encouraged on some lands but not others in an increasingly fragmented landscape. Development and commercial activities may reduce forest productivity on some sites.

4.3.4.3 Alternative III: Fee-title Only

Under this alternative, the fee lands would continue to be managed for forest productivity and other resource values, while the conservation easement lands may not be managed for forest values in the future. Some of these lands may be developed for other uses. No special protection would occur along upper Goat and Squeezer Creeks, but would on the lower portions of Squeezer Creek and the Swan River main stem. Under this alternative, the fee lands would be managed by DNRC or a private entity with a management plan designed to conserve important fish and wildlife habitats.

4.3.4.4 Alternative IV: No Action

If no action were undertaken, the forest production and vegetative characteristics of the project area could change depending on the objectives of future landowners. Future conditions could be a mixture of forest and nonforest types, from pastures and residential fire-resistant stands to clear cuts, mature timber, and small, managed woodlots. Other commercial activities such as mining sand, gravel, rock, or other minerals remove some areas from forestland uses. Under this alternative, noxious weeds would become the responsibility of many new landowners. Existing laws would continue to apply to each new landowner.

It is not known what the indirect effects would be on the management of DNRC's forestlands. It is entirely possible that if subdivision and development occur on PCT parcels intermingled with state School Trust land, that DNRC may consider other means of financial return to the School Trust in the future, rather than just timber and natural resource management.

4.3.5 Fish and Wildlife Resources

4.3.5.1 Alternative I: Preferred Alternative or Proposed Action

The Preferred Alternative will maintain most of the inherent important fish and wildlife values of both the proposed conservation easement and fee-title lands. The project would maintain connectivity between the higher and lower elevation lands for fish and wildlife as well as maintain a forested corridor along Goat and Squeezer Creeks via the designation of the Riparian Influence Zones along these streams. This will benefit not only bull trout, but will maintain habitat for other native and nonnative salmonids such as westslope cutthroat trout, rainbow trout, and brook trout. The sections acquired by FWP would also be managed in a way to protect the riparian and fisheries habitat values on portions of Squeezer Creek, Woodward Creek, and the Swan River main stem. The Preferred Alternative does not designate Riparian Influence Zones on intermittent or other streams and tributaries in the project area. However, timber harvest and other land management activities on conservation easement lands would need to continue to comply with the state's SMZ law, BMPs, and the Native Fish HCP or adopted Native Fish BMPs.

(The native fish BMPs are a requirement of the conservation easement and would be adopted as part of the Multi-Resource Management plan if the Native Fish HCP expires or is no longer in effect.)

Habitat fragmentation due to development and varying ownership patterns would not occur as extensively as under other alternatives. The Proposed Action would enable or encourage long-term cooperative management agreements between landowners and others for maintaining habitats for threatened and endangered species and other fish and wildlife values. Commercial timber management will tend to favor those species more adaptable to managed forest conditions such as moose, mule deer, and elk. The proposed project will not allow people to live on important big game winter ranges or concentration areas eliminating the potential for human-wildlife conflicts associated with feeding, salting, pets (e.g., dogs), game damage, creation of attractants (gardens, fruit trees, pet food, garbage, etc.) and other similar problems. FWP was unable to negotiate any specific terms to maintain white-tailed deer thermal cover on conservation easement lands. However, the most important core white-tailed deer winter range on the project lands falls on the parcels to be acquired by FWP.

Other big game species such as black bears and mountain lions will benefit from the continued maintenance of open space and reduction in potential human-wildlife conflicts that result from subdivision and development. The Proposed Action also prohibits agricultural land uses or commercial feedlots that can cause conflicts or impacts to wildlife. Indirect cumulative benefits to wildlife would occur if development does not occur in and around DNRC lands and DNRC lands are maintained and managed for forest production.

The Proposed Action should benefit most forest carnivores such as weasels, coyotes, bobcats, fisher, wolverine, and lynx by maintaining open and undeveloped lands within the project area and by maintaining forest in early successional stages that will tend to increase or maintain high small mammal and other prey populations important to some of these carnivores. The proposed project may not provide marten or lynx denning habitat, or habitat for other mature forest or old- growth-dependent species, as some of these lands would be intensely managed. The fee-title lands and the Goat/Squeezer Riparian Influence Zones would be managed to varying degrees for older forest conditions and, in time, would benefit wildlife species associated with mature forest conditions. However, the exact disposition and specific long-term management plans for these lands will be part of a future environmental assessment.

4.3.5.2 Alternatives II and III: Conservation Easement or Fee-title Only

The Conservation Easement Only Alternative would conserve only a portion of the fish and wildlife resources, primarily the higher elevation components and not key white-tailed deer winter range or lower reaches of the Goat/Squeezer tributaries or important wetlands. It would protect about six sections of the Grizzly Bear Linkage Zone and other important higher elevation seasonal habitats. It would not protect three low elevation sections within the Grizzly Bear Linkage Zone as well as very important bear habitats associated with wetlands and riparian areas, white-tailed deer winter range, or bull trout habitats. The Fee-title Alternative would conserve the important lower elevation fish and wildlife habitats such as white-tailed deer winter range, grizzly bear riparian and wetland habitats, and wetlands, but not the connectivity between the lower and higher elevation

lands. It would not protect higher bull trout spawning and rearing habitats in the upper reaches of Goat and Squeezer Creeks nor the migration routes for big game and bears moving to and from the wilderness area.

4.3.5.3 Alternative IV: No Action

This will likely result in sale of the PCT's lands on the private market that could result in development across an area that has had very little or no development. Impacts include increases in wildlife human conflicts particularly with deer, elk, lions, and bears; direct impacts to very important core bull trout spawning and rearing habitat, and disruption of normal deer wintering activities. Development on big game winter ranges could lead to game damage issues that often result in unpopular season structures, specialized permits, and other actions to reduce game populations. Human-wildlife conflicts can result from habituation of the animals to humans or the attraction of wildlife to residential areas because of unnatural landscaping, agricultural activities, pet foods, gardens, wildlife feeding, compost, or simply concentrations of prey. Bears and lions are particularly vulnerable to these attractants and are usually eventually removed from the area. The introduction of development in a fairly secure wildlife area would negatively impact grizzly bears that still use the Swan Valley.

It is not known what the indirect effects would be on the management of DNRC lands. It is entirely possible that if subdivision and development occur on PCT parcels intermingled with state School Trust land, that DNRC may consider other means of financial return to the School Trust in the future, rather than just timber. This may lead to additional negative impacts to wildlife.

4.4 Social and Economic Resources

4.4.1 Noise and Air Resources

4.4.1.1 Alternative I: Preferred Alternative or Proposed Action

Impacts to air resources would be similar to existing conditions and could include smoke from slash burning associated with commercial timber harvest and dust from landowner and public use of unpaved roads. Dust would also be expected from future sand and gravel or other operations allowed under the conservation easement. These effects would be short-term and minor and are regulated by various agreements and regulations.

4.4.1.2 Alternatives II and III: Conservation Easement or Fee-title Only

The Conservation Easement or Fee-title Only Alternatives may slightly alter future air quality and noise levels due to likely changes in land use. With the possible sale and development of some of these lands, the noise and air quality levels may slightly deteriorate if lands are used for industrial uses or densely developed with a high use of wood stoves. These impacts would be relatively minor. However, if the land is developed as rural residential, noise impacts may be less than current levels or more associated with homeowner and local recreational activities.

4.4.1.3 Alternative IV: No Action

Impacts to air quality and noise from this alternative are not expected to be significant. As the PCT lands are sold and become developed, smoke from wood burning stoves may affect local air quality; however, it is likely to be minor impact especially if development

is not concentrated. Smoke from slash burning may be reduced from current levels. There may be increased recreational traffic along some of the open roads leading to existing public lands. However, traffic on cooperatively managed roads could also decrease, as people may no longer have access to former PCT lands. The air and noise levels could also be expected to be similar to current levels if timber management activities still occur.

4.4.2 Risk/Health/Safety Hazards

4.4.2.1 Alternative I: Preferred Alternative or Proposed Action

The Proposed Action would result in few significant changes in the risks or safety hazards to people other than what already exists. At present, there are known health/safety risks associated with logging and other aspects of commercial timber management, public travel on roads used for logging, other resource management activities, mining, and public hunting or recreation. These would not change under the Proposed Action. Under the Proposed Action Alternative, it is likely that the landowner would minimize wildfire risks through proper disposal of slash, careful management of logging activities during fire seasons, and the ability to impose restrictions on certain public uses during extreme fire seasons.

4.4.2.2 Alternatives II and III: Conservation Easement or Fee-title Only

The impacts to health and safety would fall between those of the Preferred and No Action Alternatives. The lands under conservation easement or under state fee-title ownership would remain in timber production and have the current levels of risks and safety hazards. The lands that could be sold and developed would assume the risks and safety hazards associated with the No Action Alternative.

4.4.2.3 Alternative IV: No Action

Under this alternative, development could occur, thereby altering current land uses and management regimes. Commercial timber production may or may not continue in some or all of the project area. With less commercial timber production, there would be fewer health risks associated with resource management activities. The risks of public hunting would be reduced on lands no longer open to public use. However, wildfire risks and hazards could increase. Less commercial harvest might affect fuel loads within and around the developed areas. The presence of multiple new landowners can affect how well the land is managed for fire, could increase the number of activities on the land that can cause a wildfire, alters the ability to use prescribed fire to reduce fuel loads, and can make it more difficult and expensive to suppress wildfires. Additionally, the public costs to protect these new structures could dramatically increase.

4.4.3 Land Use and Community Values

4.4.3.1 Alternative I: Preferred Alternative or Proposed Action

The Preferred Alternative would help maintain current land uses such as timber, recreation, and other resource-based activities on project lands and thereby help sustain community values, sustainable forest activities, and rural lifestyles. The proposed project appears to be consistent with the 2003 Lake County Growth Policy that currently recommends protection of key wildlife migration areas and other natural resources. It is also consistent with the results of the 2003 community survey.

The conservation easement could indirectly affect land use on adjoining DNRC School Trust lands, but it is hard to predict exactly what that effect would be. One effect may be the encouraging of DNRC to continue to manage their lands for timber and other resource values consistent with their current land management plan because the Preferred Alternative removes the potential problems associated with subdivisions and development in a managed forest. The Preferred Alternative also gives DNRC an opportunity to negotiate with FWP for the acquisition of the fee-title lands and could also encourage a similar conservation outcome for DNRC lands. On the other hand, the Preferred Alternative has no effect on existing reciprocal access agreements between PCT and DNRC for all lawful purposes, and DNRC would have other options open to them for long-term land management.

4.4.3.2 Alternatives II and III: Conservation Easement or Fee-title Only

The Conservation Easement and Fee-title Only Alternatives would address some of the community's concerns for keeping land in commercial timber production and rural lifestyle, but would not completely address their goal of sustaining biodiversity and public access. It partially addresses the objectives of Lake County's growth policy for protection of natural resources and wildlife corridors. The Conservation Easement Alternative would also allow some development to occur on the lower more accessible PCT lands. The Fee-title Only Alternative would allow development to occur on the higher elevation PCT lands.

The indirect effect of the Conservation Easement Only or Fee-title Only on DNRC and other private lands would be similar to the Preferred Alternative for those lands encumbered or sold to the state and similar to the No Action Alternative for those parcels not conserved.

4.4.3.3 Alternative IV: No Action

The No Action Alternative may lead to private land sales with land uses possibly changing from resource-based management and recreation to cabin/home sites, residential, and possibly commercial or industrial activities.

Under the No Action Alternative, human communities could grow within the project area by as much as 380 new residential units based on the county's growth policy. In time, associated commercial development could also occur to meet local needs, further changing the community. Development could also occur on adjoining private and state lands. If the community grows, the demands for public services such as road maintenance, fire or police protection, or schools could also increase.

It is not known what the indirect effects of this alternative would be on the management of DNRC land uses. It is entirely possible that if subdivision and development occur on PCT parcels intermingled with state School Trust land, DNRC may consider other means of financial return to the School Trust in the future, rather than primarily natural resources.

4.4.4 Electrical/Utility Effects

4.4.4.1 Alternative I: Preferred Alternative or Proposed Action

The levels, types, and extent of noise would remain similar to current levels. Noise would occur from activities associated with commercial timber harvest and other allowed resource management activities and include use of heavy equipment, road building or maintenance, chipping, and hauling. Noises associated with residential development and other commercial activities would not occur.

Under the Preferred Alternative, the demand for extension of utilities on PCT lands would be minimal as this alternative restricts all future development. It may or may not affect the demand for extension of utilities on intermingled state and private lands.

4.4.4.2 Alternatives II and III: Conservation Easement or Fee-title Only

The effects of these alternatives would be a combination of the effects of the Preferred Alternative and the No Action Alternative.

4.4.4.3 Alternative IV: No Action

Under this alternative, development of PCT lands would likely occur. Based on the growth policy density map, there is a potential that up to 380 new homes could be constructed on the project lands. Residential development would decrease noises associated with commercial timber harvest, other resource management activities such as rock, sand, or gravel removal, and increase the types of noises associated with human developments. Such noises would include building, traffic noises, sounds associated with people (dogs, mowing, off-road vehicles, etc). Noise associated with public recreation may be reduced, but noise with private recreation may increase.

4.4.5 County/State Financial Impacts

4.4.5.1 Alternative I: Preferred Alternative or Proposed Action

Under the Proposed Alternative, the existing property tax revenues to Lake County from the conservation easement lands would remain at the same rate as they are now. The land would stay in private ownership and the landowner would continue to pay property taxes as determined by Lake County. Currently, property taxes are just under $1/ac for forestland property. For the parcels FWP acquires in fee simple, FWP would make a payment equal in value to the taxes previously paid by the landowner (Socio-Economic Report, Appendix C). The Proposed Action would not result in increased demand for public services from either the conservation easement or fee-title lands.

FWP anticipates it will incur a modest increase in demand on its resources for long-term monitoring and managing the conservation easement and short-term managing of the fee-title portion of the project. For the conservation easement, actions are required to insure the landowner and potentially one new future landowner will comply with the terms of the conservation easement, to work with the landowner on various aspects of the Multi-Resource Management Plan, and to implement and assist the Liaison Team. Some of these additional demands will be incorporated into FWP's overall conservation easement program under Habitat Montana. However, specific tasks such as the baseline inventory and other specialized monitoring costs would be funded using interest earned from the

Wildlife Mitigation Trust Fund. FWP estimates the initial baseline cost to be approximately $5,000-$10,000, with annual conservation easement monitoring costs to be about $1,000-$2,000 each year.

FWP's costs for the interim management of the fee-title lands include payment in lieu of taxes, costs of coordinating activities with adjoining landowners, and cooperative costs associated with weed and road maintenance. FWP is not anticipating active timber management in the near term. FWP estimates the cost for 4 years of interim ownership and management of the fee-title lands including taxes to be about $5,500 per year for an estimated total of $22,000 (FWP Interim Management Plan, Appendix B).

4.4.5.2 Alternatives II and III: Conservation Easement or Fee-title Only

Under Alternative II, conservation easement only, the fee parcels would likely be sold and could be developed. Lake County would continue to receive property tax from the conservation easement portion of the project at the current tax rate (Socio-Economic Report, Appendix C). The property tax income from the PCT parcels sold on the private market may change depending on the subsequent land uses and parcel sizes. Under the Fee-title Only Alternative, the conservation easement lands could be sold and possible developed. FWP would continue to pay property taxes on the land until final disposition of those lands is determined. The tax rate on the fee-title lands would likely not increase under this alternative, as FWP would allow continued forest management both under their ownership or subsequent ownerships.

4.4.5.3 Alternative IV: No Action

FWP cannot predict what exactly would happen to these lands under the No Action Alternative. It is possible that these lands could be sold for residential or commercial development at some point in time. Using the current county density map, there could be up to 380 new residences on PCT lands within the project area. The cost of this amount of growth in this area may or may not be greater than what the county would receive in assessed tax revenues.

4.4.6 Aesthetics/Recreation Values

4.4.6.1 Alternative I: Preferred Alternative or Proposed Action

The Preferred Alternative would maintain a managed forest landscape and open space. Although timber management and other resource extraction activities could continue with limitations outlined in the Multi-Resource Management Plan, no additional residential or commercial development would occur on PCT's lands in the project area under the Proposed Action. In general, the Proposed Action would help maintain the current aesthetics of the Swan River valley.

The combination of the proposed conservation easement and fee-title acquisitions will help prevent the conversion of these working forests to nonforest uses and preserve the notable scenic qualities of the northern Swan Valley. Development of the two parcels transected by Highway 83 would significantly affect the scenic experience of travelers, as well as interrupt wildlife movements, and create conflict points affecting the function of the highway.

Outdoor public recreation would be allowed to continue on both the fee-title and conservation easement lands subject to the Open Lands Policy or similar management plans that would be in place. The annual expenditures for fish and wildlife recreation would continue.

4.4.6.2 Alternatives II and III: Conservation Easement or Fee-title Only

Possible subdivision and development of the parcels not covered by either the conservation easement or fee-title acquisition could impact the area's high aesthetic values, particularly if development occurred on high ridges or steep slopes. The most noticeable impacts could be the presence of roads, driveways, structures, and associated lights. The aesthetic impacts would be intermediate between the Preferred Alternative and the No Action Alternative.

Recreational opportunities would likely be reduced for those lands sold to private landowners. Access to, and use levels of, some adjoining DNRC lands may be impacted as well. Overall direct and indirect impacts of lost recreational opportunities would be intermediate between the Preferred and No Action Alternatives.

4.4.6.3 Alternative IV: No Action

Under this alternative, most of the proposed project area lands could be developed. Over time this could change the current aesthetics from a managed timber and open land area to one of interspersed forest and residential or possibly commercial land uses. The impacts of structures, lights, and other aspects of development would be greatest if constructed on exposed sites such as ridges or steep slopes. Development close to Highway 83 may also impact views and vistas from this highway as little development occurs there now. Development could also occur close to or along portions of the Swan River in an area with little current development.

Under this alternative, public access would not be guaranteed to any project area lands. Some of the project area lands could be leased for exclusive recreational use. Fishing and floating opportunities would continue on the Swan River. Some portion of the public recreational income could be lost or shifted to other communities under this alternative.

It is not known what the indirect effects of this alternative would be on the long-term management of DNRC land. It is entirely possible that if subdivision and development occurred on PCT parcels intermingled with state School Trust land, DNRC may consider other means of financial return to the School Trust in the future, rather than just timber. One of those options may be leasing out the recreational rights, leasing cabins, or selling land.

4.4.7 Cultural/Historic Resources

4.4.7.1 Alternative I: Preferred Alternative or Proposed Action

As part of the public review process, FWP provided the Confederated Salish and Kootenai Tribes and the State Historic Preservation Office with this draft EA. The State Historic and Preservation Office has responded that no known cultural resources are located on the proposed project lands. Because the proposed conservation easement and fee-title acquisitions maintain the status quo and limit development on these lands, it

would decrease potential impacts to cultural resources. They did not feel a cultural survey is required at this time.

Because the landowner of the conservation easement lands would still be allowed to continue timber management and extract rock, sand, or gravel, there could be some impact to cultural resources from these ongoing allowed activities. The State Historic and Preservation Office recommends that if any cultural resources are discovered on project lands, the state office should be contacted.

4.4.7.2 Alternatives II and III: Conservation Easement or Fee-title Only
Under either of these alternatives, the risk to cultural resources would be intermediate between the Preferred and No Action Alternatives. On lands not affected by the proposed conservation easement or fee-title acquisition, there is an increased risk of impacting cultural resources due to possible development activities.

4.4.7.3 Alternative IV: No Action:
Under this alternative, development for residential and other purposes could lead to greater impacts to unknown cultural resources than the Preferred Alternative. Because the lands are private, they could be sold in current configurations without any cultural review.

There would be no effect on cultural resource values of DNRC lands, as any development on these lands requires a cultural resource survey.

Appendix A

MULTI-RESOURCE MANAGEMENT PLAN

North Swan Valley Conservation Project

This Multi-Resource Management Plan ("Plan"), dated as of _____, is entered into by **PLUM CREEK TIMBERLANDS, L.P., a Delaware limited partnership, successor by merger to** Plum Creek Timber Company, L.P., a Delaware limited partnership, whose address is 999 Third Avenue, Suite 4300, Seattle, Washington 98104, (hereinafter referred to as "Landowner" or "Plum Creek") and the **MONTANA DEPARTMENT OF FISH, WILDLIFE AND PARKS**, whose address is 1420 East Sixth Avenue, P.O. Box 200701, Helena, Montana 59620-0701 (hereinafter referred to as "Department").

This Plan is being entered into pursuant to Section II.F. of that certain Deed of Conservation Easement (the "Easement") granted by Plum Creek to the Department on _____, 200__.

The intent of Swan Valley conservation project (the "Project") is to effect the purpose of the Forest Legacy Program ("FLP"), in accordance with the provisions of Title XII of the Food, Agriculture, Conservation and Trade Act of 1990 (16 U.S.C. 2103c), to protect environmentally important forest areas that are threatened by conversion to non-forest uses and therefore also protect important scenic, cultural, fish, wildlife, recreational resources and riparian areas. A further purpose of the Forest Legacy Program and the Easement (as defined below) is to protect the capacity of the Lands (as defined below) to produce economically valuable forestry products and to allow the Landowner and its successors and assigns to continue to conduct commercial timber and resource management.

A further intent of the Project is to perpetuate the Lands as forest land; to ensure the long term, professional management of the forest resources through forestry activities permitted hereunder; and to provide for commercial production of forest products in a manner compatible with the conservation of water quality, fish and wildlife habitat, recreation and other Conservation Values (as defined in the Easement).

The intent of this Plan is to meet the requirements of the FLP to protect environmentally important forest areas that are threatened by conversion to non-forest uses. The FLP requires this Plan to identify and describe objectives and actions that Plum Creek will take to protect, manage, maintain, and enhance soil, water, range, aesthetic quality, recreation and public access, timber, fish, and wildlife resources in a manner compatible with Landowner objectives.

I. GENERAL DESCRIPTION

The lands that are the subject of this Plan consist of 7,182 acres in the northern Swan Valley in Northwest Montana that are owned by Plum Creek ("Lands" or "Subject Lands"). The Lands are intermingled with State Forest lands managed by the Montana Department of Natural Resources and Conservation (DNRC) and some National Forest lands.

The Lands are located approximately 50 miles east and south of Kalispell, Montana, and are bordered on the west by US Hwy 83 (Swan Highway) and on the east by National Forest land and the Bob Marshall Wilderness. The Lands consist of 13 whole or partial sections. All of the Subject Lands are within Lake County.

The Lands are forested valley bottoms and mountains that have been managed for timber production over the last 100 years. Elevations vary from 3,270 to 7,000 feet. Two large creeks, Goat and Squeezer, cross several of the subject tracts. The Lands also include numerous tributaries, streams and small wetland areas.

Forestland dominates the landscape. It is a mixed conifer forest with dominant species of Douglas-fir, western larch, lodgepole pine, true firs, and spruce. Ponderosa pine, hemlock, and cedar are also evident in some areas, and there are some cottonwood and aspen along creeks and near wetland areas. The stands vary in age from young regeneration to mature.

II FOREST MANAGEMENT

Plum Creek's objective is to fully utilize its resources through innovative forestry management and harvest techniques. Wise stewardship and good business practices go hand in hand.

The management goal is to maximize the value of the timber resource while managing for other non-timber resources. The majority of the forest regenerates naturally, and 100% reforestation will be accomplished over time using both natural and artificial methods.

Plum Creek has committed to manage its Lands in accordance with good and sound silvicultural practices consistent with the *2005-2009 Edition Sustainable Forestry Initiative* (SFI) program of the Sustainable Forestry Board and the American Forest & Paper Association, Inc., including the Sustainable Forestry Initiative Standard (the "SFI Standard") as presented therein and on file with the Department and the Landowner, or at PlumCreek's option, successors to the SFI Standard. As part of the commitments to SFI, Plum Creek agrees to the following guidelines and metrics to measure its activities. These guidelines and metrics are not intended to restrict fiber production but to provide measures to ensure the Plan objectives are met. If Plum Creek's forest practices are found to vary from these guidelines, the Liaison Committee will develop, and insure that Plum Creek implements, a plan to bring the practices into compliance. The SFI program is a comprehensive system of principles, objectives, and performance measures that integrates the perpetual growing and harvesting of trees with the protection of wildlife, plants, soil and water quality. An independent Expert Review Panel made up of representatives from the environmental, professional, conservation, academic, and public sectors manages the SFI program. The program includes a voluntary, independent third-party verification process which Plum Creek has incorporated into its management of the Lands.

Plum Creek foresters and the independent contractors who work for the company are committed to good stewardship. In order to operate on company land, contractors must participate in formal Best Management Practices ("BMP") and Streamside Management Zone ("SMZ") training.
Plum Creek will continue to manage these Lands in a responsible manner in compliance with SFI standards.

III. OTHER RESOURCES

In accordance with the Forest Legacy Program, the following describes Plum Creek' objectives and actions for various resources.

A. Soil

Plum Creek will maintain soil and site productivity by minimizing soil disturbance to the extent practical and, when possible and practical, by recycling harvest residues for soil nutrient enhancement.

B. Water

Plum Creek will continue to implement voluntary Montana Forestry BMP's. All forest owners in Montana are required to comply with the Streamside Management Zone law. In addition, the Easement terms establish a significant buffer on Goat and Squeezer creeks.

C. Range

None of the Subject Lands are managed as rangeland and historically no commercial grazing has occurred nor will it be allowed under the terms of the Easement.

D. Aesthetic Quality

Plum Creek recognizes aesthetic values along Highway 83 and will manage these areas within the Subject Lands by using appropriate design standards and harvest methods, it being understood that current standards and methods are appropriate.

E. Recreation

Plum Creek will continue to allow for the responsible use of the Subject Lands for non-commercial recreation such as fishing, hunting, and camping. The terms of the Easement provide for public use of the Lands subject to certain restrictions, which are incorporated into this Plan (Exhibit A).

F. Habitat Conservation Objectives and Implementation.

An objective of the SFI Standard is to ensure that forest management practices will "manage the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity by developing and implementing stand- and landscape-level measures that promote habitat diversity and the conservation of forest plants and animals." The SFI Standard provides general performance measures and indicators to meet this objective. Plum Creek will manage the Subject Lands consistent with the SFI objective, performance measures and indicators.

G. Fish and Wildlife

Plum Creek manages its resources while considering fish and wildlife through judicious control of road access, timber harvest management, and cooperation with state and federal fish and wildlife agencies.

The bull trout is a federally protected native fish, and Goat and Squeezer creek watersheds are identified as Tier 1 for bull trout (spawning and juvenile rearing areas). Plum Creek commits to managing these areas to protect fish in accordance with a Native Fish Habitat Conservation Plan ("HCP"), as it may be amended from time to time, that has been approved and is monitored by the U.S. Fish and Wildlife Service ("USFWS"). The HCP was adopted in 2000 and remains in effect for 30 years from that date. It provides for adaptive management in consultation with the USFWS. If or when the HCP is no longer in effect, Plum Creek will manage the Subject Lands in accordance with fish BMPs that are consistent with the types of practices and mitigation measures contained in the HCP and that provide equivalent conservation for the covered species. Such fish BMPs shall be developed cooperatively with the Department and incorporated into the Management Plan

The grizzly bear is a federally protected species. Plum Creek commits to managing the Subject Lands in accordance with a Grizzly Bear Conservation Agreement signed June 6, 1997 ("Grizzly Bear Conservation Agreement") between the USFWS, DNRC, U.S. Forest Service (Flathead National Forest), and Plum Creek, as it may be amended from time to time. If or when the Conservation Agreement is no longer in effect, Plum Creek will manage the Subject Lands in accordance with their grizzly bear BMPs, as same may be revised or amended from time to time. If the BMPs are revised from time to time, then with the mutual consent of the Plum Creek and the Department, such revised Grizzly Bear BMPs shall be the standard under which forest management activities are conducted on the Land.

In addition, the Subject Lands are important for big game such as elk, deer, moose, black bear, and varieties of other native wildlife species. Consistent with the SFI objectives, performance measures and indicators, and in consideration of the particular wildlife habitat values of the Land, Plum Creek shall apply the practices as set forth below:

a. The commercial harvest of cottonwood trees is prohibited. Additionally, the harvest, felling, destruction, and removal of cottonwood trees are prohibited, except:

   (i) as may occur incidentally during the normal conduct of forest management activities;
   (ii) as part of the construction or maintenance of roads, fences or other improvements authorized by this Easement;
   (iii) for the purpose of addressing safety hazards to forest managers or the public; or
   (iv) when granted prior approval by the Department, which must find that the harvest, felling, destruction, or removal activity will be beneficial to the overall habitat value of the Land.

b. The harvest of aspen trees is prohibited, unless such harvest is granted prior approval by the Department, which must find that the harvest will be beneficial to the overall habitat values of the Land. Additionally, the Landowner may not intentionally damage or destroy aspen stands; provided, however, that the Landowner may harvest coniferous timber in or associated with an aspen stand through normal forest management practices and may, in conducting such a harvest, cause damage to aspen trees, without being in violation of this paragraph.

c. Landowner may not fell, remove, or destroy snags (dead standing trees) in a manner that reduces the densities and sizes below the snag retention and recruitment criteria provided for in this Plan. Landowner is not responsible for the unauthorized felling, removal or destruction of snags conducted by the public on the Land.

d. Riparian zones and non-forested wetlands, including bogs, fens, and marshes shall be identified prior to implementing forest management activity in a harvest unit, and shall be protected in the manner provided for in this Plan.

H. Roads

Plum Creek requires roads to conduct forest management on its lands, but construction and use of roads can cause adverse impacts to both aquatic and terrestrial wildlife communities. Plum Creek will manage these impacts by following road and upland management commitments outlined in the Native Fish Habitat Conservation Plan described in Section G. Plum Creek also commits to managing terrestrial impacts of roads by managing the Subject Lands in accordance with the Grizzly Bear Conservation Agreement also described in Section G.

I. Minerals

Plum Creek owns the mineral estate but not the oil and gas rights on the Subject Lands. The Easement provides for the right to extract sand, gravel, and rock in accordance with provisions to minimize impacts and ensure restoration of disturbed areas.

The extraction of talus/landscape rock generally has minimal impact on the land and can be done subject to the restrictions on extraction in the Channel Migration Zones, as specified in the Easement.

J. Outfitting

Plum Creek will inform the Department of any use of the Lands by commercial outfitters that Plum Creek is aware of, including outfitted or guided hunting, cross-country skiing, wildlife viewing or any other outfitted or guided recreational use for which compensation is paid by a client to the outfitter or guide. The Department and Plum Creek will review such uses at each meeting of the Liaison Team and at any other appropriate time, and shall determine by mutual agreement whether any limits or management restrictions should apply. Any such provision agreed upon by the parties to limit or restrict commercial outfitting shall be signed and appended as an exhibit to this Plan.

IV. PLAN GUIDELINES and METRICS

Plum Creek agrees to the following guidelines and metrics to measure its activities under this Plan and to ensure the Plan objectives are met. It is understood that as circumstances change and new knowledge is obtained, that these guidelines and metrics may need to be adapted and modified. Accordingly, the parties agree to work cooperatively to adjust these metrics over time so as to continue to meet the spirit and intent of this Plan.

1. Commit to external SFI or other comparable audit of at least one site on the Lands at least once every 5 years. Review audit recommendations, and determine if changes should be implemented.
2. Commit to at least one grizzly bear audit on the Lands every other year if there has been active harvest (which may be done by internal personnel, in which case, representatives of the Department will be invited to participate) to insure that timber management activities comply with the Plum Creek grizzly bear BMPs as follows:
   a. Plum Creek will limit the construction of new roads in riparian/wetland areas, avalanche chutes and berry fields to those roads that are essential to forest management. In addition, any roads built in these areas will be constructed so at to minimize the mileage of roads in such areas.
   b. Plum Creek will retain visual screening adjacent to open roads, although exceptions may be required for such situations as cable yarding harvest and in some exceptional cases of insects, disease or blow down.
   c. All even-aged cutting units will be designed and implemented so that no point in the unit is more than 600 feet from cover. Plum Creek will use their best efforts to leave cover around natural openings so that no point in any natural opening exceeds 600 feet to cover.
   d. Plum Creek will use uneven-aged forest management practices in riparian zones and around wetlands, and will retain wetland buffers consistent with the Grizzly Bear Conservation Agreement.
   e. Plum Creek agrees to stop all management activities, other than replanting and non-motorized administrative use, during April 1 to June 15 on all Subject Lands below 5200 feet elevation; provided, however, Plum Creek may continue to use haul roads to access lands above 5200 feet.
   f. Plum Creek will manage open roads on easement lands similar to 2005 conditions where public recreation access is balanced with forest management needs and wildlife security concerns.
3. Perform at least one BMP audit each year that timber management occurs on the Subject Lands (internal or state). Results of the annual audits will be discussed at the annual Liaison Team meetings and Plum Creek will take actions to correct any departures.

4. Commit that no more than 20% of the acres harvested in the Subject Lands can be clearcut (including clearcut, seed tree and shelterwood prescriptions) over any 5-year period.
5. Prepare an annual report of the acres harvested by silvicultural method.
6. Reforest to appropriate levels within 5 years of harvest.
7. Leave at least two snags per acre greater than 10-inch dbh where available and not a safety hazard. Where such snags are not available, retain at least one of the largest live trees per acre for future snag recruitment. Retain such trees in areas that are most secure from public firewood collection.
8. Leave an appropriate component of large woody debris on the site following harvest.
9. Map roads annually showing compliance with BMP's with objective to demonstrate continual improvement.
10. Use only contractors who have been SFI trained in Montana BMP's and SMZ's.

Catastrophic events such as fire, disease, and insect infestation may require modifications of the above guidelines and such situations need to be addressed by the Liaison Committee.

V. EASEMENT AND MONITORING

The Easement is intended to maintain the "status quo" by providing for perpetual and responsible forest management in the Subject Lands. The Easement will restrict the development rights on the Subject Lands, which will preclude residential and commercial development that is not associated with resource management. It also provides for perpetual public access to these areas for non-commercial recreation.

The Department will monitor the terms of the Easement on at least an annual basis. A Liaison Team representing the Department and Plum Creek will be established to deal with management issues that may arise over time. It is expected that this Plan will be amended over time to better represent current knowledge and conditions on the ground.

Any amendment to this Plan must have the consent of both parties and must be in writing and signed and acknowledged by the parties. If there is any inconsistency between the terms of this Plan and the Easement, the terms of the Easement control. The Department will keep a current Plan in its files and will make the then current Plan available to successors in interest to the Lands.

LANDOWNER: PLUM CREEK TIMBERLANDS, L.P.
by Plum Creek Timber I, L.L.C.,
its General Partner

By: _____
Its: _____

DEPARTMENT: MONTANA DEPARTMENT OF FISH, WILDLIFE AND PARKS

By: _____
M. Jeff Hagener, Director

EXHIBIT A
PUBLIC USE RESTRICTIONS

A. Road Use. In general, the public may use the roads located on the Land subject to the conditions contained herein. Road access for public use may be limited for a variety of reasons such as the protection of wildlife, security, prevention of sedimentation from logging roads, public safety and reducing the spread of noxious weeds. Extreme fire weather or other hazardous situations may also influence the extent of road access by the public. Road restrictions may involve cooperative agreements between other private landowners, or with state and federal government agencies. The Landowner may restrict road use with gates, barricades, earthen barriers, and signs. Landowner will enforce the following restrictions on all road systems crossing the Land:

i. Vehicles should travel at slow speeds to allow for a safe stopping distance.
ii. The public must yield to all heavy truck and equipment traffic.
iii. Open gates may be locked at any time at the discretion of the Landowner.
iv. No motorized vehicles are allowed off-road.
v. On roads not identified as open on the current Forest Service travel plan map, a gate without a sign is a year-round closure to all motorized vehicles whether the gate is open or closed.
vi. Road restrictions apply behind an unmarked gate, even if the gate has been vandalized or is open. An open road behind a gate must be specifically designated as such by a sign. Gates may not be blocked for any reason. Vehicles which block a gate may be towed at the vehicle owner's expense.
vii. An unsigned earthen barrier is considered a closure to all motorized vehicles; provided that snowmobiles may use these roads between December 1 and April 1.
viii. Hikers, horseback riders, and mountain bikers are allowed behind closed gates, barricades, and earthen barriers. Motorized vehicles, including dirt bikes, are not allowed.

B. Hunting and Fishing. Hunting and fishing on the Land are allowed only during legal seasons, and pursuant to applicable laws and regulations. Hunting and/or fishing may be restricted on the Land if necessary for resource or wildlife management upon mutual consent.

C. Camping. Camping is permitted on the Land pursuant to the following restrictions:
i. Camping is limited to fourteen days per campsite and with a maximum of three consecutive days left unattended. Camping in excess of fourteen days requires moving to a new site no closer than 5 miles from the original site. Exceptions and special use camping is by permit only.
ii. Campfires may not be left unattended and must be fully extinguished before the camper leaves the campsite.
iii. Tree cutting (including firewood cutting) is not permitted by campers or other recreational users of the Land without a permit.
iv. Toilets within 300 feet of a lake or stream must be self contained.
v. Campers must pack out all garbage and leave a clean campsite.

D. Other Restrictions:

i. Commercial activity on the Land by anyone other than Landowner is permitted only with a written permit or contract.
ii. The public's right to recreate on the Land does not include the right to trespass on other private property to reach the Land.
iii. Violators may lose recreational privileges on the Land.
iv. With the mutual consent of the Landowner and the Department, any recreation activity may be restricted if necessary for resource or wildlife management.

Appendix B

INTERIM NORTH SWAN VALLEY LAND MANAGEMENT PLAN

INTRODUCTION

The Interim North Swan Valley Management Plan describes how FWP will manage the six parcels acquired from Plum Creek Timber Company (PCT) until the agency determines how these lands will be owned and managed for the long-term.

FWP would acquire these parcels (Draft EA, Figure 2) after approval of their acquisition by the FWP Commission and the state Land Board and the completion of the funding process. This plan includes a summary of significant fish, wildlife, and habitat values associated with this property; and a description of the purpose, objectives, and management strategies that will be used to meet the overall conservation purposes. Funding for interim management will be through Region One's Wildlife Mitigation Trust Fund.

PROPERTY LOCATION AND FEATURES

FWP proposes to acquire up to 10,680 acres of PCT land located along Highway 83 in the North Swan Valley area (Figure 2, Draft EA)

Parcels can be legally described as follows:

Improvements: There are no structures on the acquired parcels.

Roads: There are numerous open and closed access and logging roads throughout these parcels. PCT has completed reciprocal access agreements with DNRC for all lands and these would not be affected. Several roads that are cost-share roads between federal, state, and PCT exist on these lands (Draft EA, Figure 2). The road management plan in place at the time of acquisition will remain the same throughout interim management of these lands by FWP.

INTERIM NORTH SWAN VALLEY MANAGEMENT PLAN

Management Goal

The goal of this property acquisition is to maintain forestry, fish, wildlife, and recreation values of the land.

The objectives of the interim management plan are to maintain the status quo with respect to land management activities and public access, and to continue coordination and cooperative activities with adjoining landowners and other organizations to the extent practicable.

Objective 1: Maintain Road and Public Access/Restrictions

FWP does not anticipate the need to adjust road restrictions from those that already exist. FWP will maintain closures and will manage gates and berms as needed. Roads that are currently open on a year-round basis will remain as such. FWP will not restrict public access to the lands during any season.

a. Boundary: FWP will not identify property boundaries or put up signs identifying this land as

FWP land. The land has been open to public use for many years and is interspersed with open DNRC lands.

b. Camping, Recreation: FWP would permit camping and all other legal forms of recreation on the land. Note that both Squeezer and Goat Creeks are not open to fishing.

c. Parking: Appropriate parking sites along open roads already exist. No changes would be made.

d. Public Information: This management plan and any other pertinent information will be provided to the managers of the Swan River State Forest and the Forest Service Ranger Station in Condon.

Objective 2: Manage Noxious Weeds
FWP will obtain noxious weed information for the acquired lands from PCT and other sources. FWP will cooperate in the ongoing program with adjoining landowners for the eradication of tansy ragwort. FWP does not have the resources to address the control of knapweed that is common on all ownerships in the area. FWP would work cooperatively with adjoining landowners to reduce the spread of noxious weeds through access, prevention, and chemical/biological control.

Objective 3: Inventory Resource Values
FWP will undertake an inventory of riparian and wetlands and other habitats for species of special concern, condition, and other values.

Objective 4: Fire Management
FWP would cooperate as it does for other FWP lands in the cooperative fire management plan.

Objective 5. Forest Management
Although one of the purposes of the acquisition is to maintain environmentally important forests, FWP does not anticipate active forest management in the interim. Most of the forest on these lands have been managed within the last 5-10 years and would not need thinning or other active management for several more years. FWP would complete a forest management plan and environmental analysis before conducting any forest management activities if any were needed. FWP would undertake minor activities such as individual tree removal of fallen or diseased trees should they interfere with gates, access, and roads or if needed for emergency purposes.

COMMERCIAL USES

Gravel Extraction and Storage:
There are no known gravel extraction or storage facilities on proposed fee-title acquisition parcels.

FWP is not likely to allow the extraction of sand, gravel, or rock or any other commercial activity on the acquired lands before final disposition is decided.

OPERATIONS AND MAINTENANCE
Fee-title lands acquired by FWP would be managed using funds from the Region One's Wildlife Mitigation Trust Fund. The purpose of the Wildlife Mitigation Program is to offset the wildlife losses associated with the construction of Hungry Horse and Libby dams. The conservation of these North Swan Valley lands helped conserve significant number of wetlands and riparian

areas similar to those inundated by Hungry Horse Reservoir. Other than the payment in lieu of taxes, FWP anticipates there will be some management costs associated with fee-title ownership. Some expenditure will be necessary to maintain the status quo with respect to access, gates, weeds, and berms. The following is an estimate of the maximum costs over four years to the FWP Wildlife Mitigation Program if all parcels are acquired.

Maximum Interim Ownership and Management Costs Expected over 4 years of interim ownership of 3,680 acres

Property Taxes @2,500/yr	$ 10,000
Weed Mgt @ $500/yr	$ 2,000
Gates/Berms @ $1250/yr	$ 5,000
Roads @ $1,250/yr	$ 5,000
TOTAL	$ 22,000

Appendix C

NORTH SWAN VALLEY CONSERVATION PROJECT

CONSERVATION EASEMENT
AND
FEE TITLE ACQUISITION

SOCIO-ECONOMIC ASSESSMENT

MONTANA FISH, WILDLIFE AND PARKS

Prepared by:
Rob Brooks
September 30, 2005

Appendix C

I. INTRODUCTION

House Bill 526, passed by the 1987 Legislature (MCA 87-1-241 and MCA 87-1-242), authorizes Montana Fish, Wildlife and Parks (FWP) to acquire an interest in land for the purpose of protecting and improving wildlife habitat. These acquisitions can be through fee title, conservation easements, or leases. In 1989, the Montana legislature passed House Bill 720 requiring that a socioeconomic assessment be completed when wildlife habitat is acquired using Habitat Montana monies. These assessments evaluate the significant social and economic impacts of the purchase on local governments, employment, and schools, as well as potential impacts on local businesses.

This socioeconomic evaluation addresses the proposed acquisition of land owned by Plum Creek Timber (PCT) through fee title and a conservation easement. The report addresses the physical and institutional setting, as well as the social and economic impacts associated with the proposed fee title acquisition, funding being provided by the Forest Legacy Program and the U.S. Fish and Wildlife Service's Habitat Conservation Plan Land Acquisition or Section 6 Funds.

II. PHYSICAL AND INSTITUTIONAL SETTING

A. Property Description

The proposed project area is located about 20 miles south of Bigfork, 7 miles south of the town of Swan Lake, and 12 miles north of Condon and is located entirely within Lake County. The project area is located mostly east of U.S. Highway 83; the various parcels are intermingled with parcels of the Swan River State Forest owned and managed by the Montana Department of Natural Resources and Conservation (DNRC) as school trust land.

B. Habitat and Wildlife Populations

A detailed description of the habitat and wildlife found on this property is included in the Draft Environmental Assessment.

C. Current Use

These lands are part of PCT's current timber base; however, the company is looking to sell some of the land under consideration.

D. Management Alternatives

1) Purchase a conservation easement on some acres and fee title on others using a variety of funding sources.
2) No purchase

Preferred Alternative: FWP Conservation Easement and Fee Title Purchase

A number of alternatives were considered by PCT and FWP for purchasing these lands. This alternative was the only one to which both parties agreed.

The objectives of the proposed project are to:

1. *Conserve the important fish and wildlife habitats on the project lands;*
2. *Maintain public recreational access to these lands;*
3. *Provide for continued forest management activities; and*
4. Contribute to the assemblage of public, private, industry and community efforts to conserve the Swan Valley's natural values, its resource-based economy, and its tradition of public access to fish, wildlife and other recreational resources.

No Purchase Alternative

The no purchase alternative requires some assumptions since use and management of the property will vary depending on what current or future owners decide to do with the property. There is potential for subdivision of this land that would impact the habitat, access opportunities for the public, and the fish and wildlife habitats and movement corridors.

III. SOCIAL AND ECONOMIC IMPACTS

Section II identified the management alternatives this report addresses. The fee title and conservation easement purchase will provide long-term protection of important wildlife habitat and consistent management of this land. Section III quantifies the social and economic consequences of this management alternative following two basic accounting stances: financial and local area impacts.

Financial impacts address the cost of the conservation easement and fee title acquisition to FWP and discuss the impacts on tax revenues to local government agencies, including school districts.

The financial impacts to local businesses (i.e., income and employment) are addressed by looking at the change in expenditures associated with the activities this property currently provides compared to the activities that would occur under FWP ownership.

A. Financial Impacts

The majority of the funding for the project will come from Forest Legacy Program and US Fish and Wildlife Service's Habitat Conservation Plan Land Acquisition or Section 6 Funds (approximately $20 million). The remaining funds will be provided by the Trust for Public Land or other nonfederal sources. With this in mind, FWP's initial financial investment will be minimal.
FWP will be responsible for the costs of monitoring the terms of the conservation easement and managing the fee title lands that the agency is receiving. This initial baseline inventory may entail a one-time cost of $5,000 to $10,000 with annual monitoring costs estimated to be approximately $1,000 to $2,000 per year.

The financial impacts to local governments are the potential changes in tax revenues resulting from 1) the fee title purchase and 2) the acquisition of the conservation easement. The sale of the fee title land and subsequent title transfer to FWP will not change the tax revenues that Lake County currently collects on this property. FWP is required by Montana Code 87-1-603 to pay "to the county a sum equal to the amount of taxes which would be payable on county assessment of the property were it taxable to a private citizen." Current taxes on the fee title lands amount to $2,540.50 for the 3,680 acres. Plum Creek Timber will retain ownership of the conservation easement lands, and will continue to pay taxes based on the assessment provided by Lake County. Under State law (76-6-208, MCA), land subject to a conservation easement may not be classified into a class affording a lesser assessed valuation solely by reason of the creation of the easement.

B. Economic Impacts

There will not be any significant financial impacts to local businesses associated with the fee title purchase of this land or the lands under the conservation easement. All these lands will continue to be managed for their forest and timber values. PCT will manage the conservation easement acres with a focus on commercial fiber production. The fee title lands will be initially under ownership of FWP, but FWP plans to sell or exchange these lands to a public or private entity. Transfer of the lands by FWP would be subject to permanent deed restrictions or conservation easement prohibiting residential subdivision while providing for timber management consistent with habitat conservation.

The recreational activities these lands currently sustain will continue under the terms of the purchase agreements.

FINDINGS AND CONCLUSIONS

The acquisition of a conservation easement on 7,200 acres and the fee title purchase of approximately 3,680 acres of land owned by Plum Creek Timber in Lake County will provide long term protection of the wildlife habitat, maintain the forest resources and timber production on this land, maintain the rural open space integrity of the area, and protect the public recreation opportunities that these lands have provided. The conservation easement and fee title acquisitions and title transfer to FWP will not cause a reduction in tax revenues on this property from their current levels to Lake County under Montana Code 87-1-603.

Overall, the financial impacts to local business will be minimal in terms of the timber activities and recreational opportunities that will continue to be provided on these lands.