



# ENVIRONMENTAL QUALITY COUNCIL

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## MEMORANDUM

TO: Environmental Quality Council Study Subcommittee

FROM: Krista Lee Evans, Research Analyst *Krista*

RE: Public Comment Received on Contract Timber Harvest

DATE: July 5, 2006

Attached you will find the public comment that we received regarding your contract timber harvest study. The July 17, 2006 meeting will be your last subcommittee meeting for the interim. After considering the public comment you will need to make a decision regarding your report and make it final for presentation to the full EQC.

If you have any questions or need additional information, please contact me at 444-1640 or [kevans@mt.gov](mailto:kevans@mt.gov).

CI0425 6174kxa.

EQC Study Subcommittee  
July 17, 2006  
Exhibit 7

## Evans, Krista Lee

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**From:** Steve Thompson [sthompson@NPCA.ORG]  
**Sent:** Tuesday, May 30, 2006 2:19 PM  
**To:** Evans, Krista Lee  
**Subject:** Comments on HJR 33 white paper

Krista,

I've reviewed the draft HJR 33 white paper and would like to pose some questions and provide some comments.

Overall, I think this is a very useful and relatively thorough examination of this issue. I largely concur with the recommendations. As one of the early proponents of the use of forest stewardship contracts on national forest lands in 1993, through the Flathead Forestry Project, I'm glad to see these tools getting some life breathed into them.

I'm particularly glad to see such a cogent discussion of the option of separating the stewardship contracting work (or contract logging) from the sale of products. The Forest Service has largely abandoned this important separation of contracts and has thus bastardized the original stewardship contracting concept into a messier, less workable process. I especially applaud the approach, discussed in the second paragraph of Chapter Two, of pre-selling logs as standing trees. This should go a long way toward addressing the concerns about utilization, cutting specs, and sorts.

A few comments and questions:

a) The draft white paper occasionally uses the first person singular in various sections, yet this person is not identified. For example, "I admit to being an armchair forester." Who is "I?" I suggest the final report abandon first-person references.

b) The report states that the logger would be paid by the ton (a piece-rate contract). It also states that the state would reserve the right to select the most qualified bidder based on price and other factors. I did not find a discussion about how pricing for the forest stewardship contracts would be established for projects generally involving timber that is too small to be commercially valuable. What is the committee's recommendations on this issue? And how do you establish a price bid when tonnage is not the only contract objective?

c) I believe the distinction between a logging contract (in which sold volumes are included in the sustained yield harvest levels) and a forest stewardship contract (in which sold volumes are not included in the sustained yield calculation) is fuzzy, confusing and unuseful. In reality, every logging contract should probably include forest stewardship provisions. And, as noted in the report, forest stewardship contract could yield merchantable products.

While I'm not opposed in concept to the notion that volume harvested under the forest stewardship aspect of the contract-logging program should not be included as a part of the state's annual sustained yield harvest, I think this provision could be ripe for abuse. In certain circumstances, there might be pressure to increase volumes harvested from state lands by too broadly defining projects as forest health projects exempt from the sustained yield calculations.

Further, the list of four forest stewardship objectives on page 1 is incomplete and overly focused on trees. Let's not lose sight of the forest for the trees. Additional objectives might include wildlife habitat conditions (such as cutting back browse species to generate young growth), weed control, slash treatment, road obliteration, recreational trail construction, relocation or maintenance, watershed restoration, etc.

For all these reasons, I suggest that this unnecessary distinction between "forest stewardship projects" and "contract harvesting" be eliminated. All such contracts should be called stewardship contracts and most should include various forest health objectives beyond tree harvesting. The pricing for such multi-objective projects will be more complex, or at least situation-specific, than price-per-ton. As noted in the report,

price-per-ton is problematic because it creates an unfortunate incentive for contractors to maximize volume, which is not necessarily consistent with forest health goals. A better approach would be to develop Requests for Proposals that establish selection criteria tailor-made for each project. This may result in price bids based on a total project bid, a per-acre bid, a per-ton bid, or some sort of combination. Fortunately, I think DNRC is nimble enough, and has the requisite expertise, to manage projects based upon specific conditions and opportunities. This price bid would be paired with an evaluation of qualifications to select the best contractor to satisfy the dual mandate of generating income for the trust while maintaining and enhancing the health and integrity of the corpus of the trust for future generations.

d) The report states that attendees at the initial meeting of the subcommittee included representatives from environmental groups and public education. These constituencies do not appear to be among the contributors to the draft white paper (Appendix B). Did environmental and public education reps not participate after the initial meeting? Was there any unresolved controversy that resulted in these constituencies not contributing to the white paper? If so, is there a "minority report?" The final report should address this gap between a diverse starting point for this subcommittee's discussions and the less-diverse ending point of contributors.

I should note that I was invited to participate in this subcommittee, representing the environmental community. While very interested and supportive of stewardship contracts, my current employment is unrelated to this topic and I was unable to participate due to an overburdened schedule. I appreciate the opportunity to review and provide comments on this draft white paper.

Please share my comments with the the subcommittee and the EQC.

Steve Thompson  
PO Box 4471  
Whitefish, MT 59937

## Evans, Krista Lee

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**From:** Groeschl, David  
**Sent:** Thursday, May 25, 2006 4:32 PM  
**To:** Evans, Krista Lee  
**Cc:** Schultz, Tom (DNR); Ziesak, Roger  
**Subject:** Final Edits to Draft Contract Harvesting Bill

**Importance:** High

Krista,

Attached are the final edits for the proposed Contract Harvesting Bill. Sorry for the delay in getting back to you, but I have been in a meeting all afternoon. Please let me know if you have any questions. Thanks for your hard work on this.

David.



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Edits 5-25-0...

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