



HILARY S. FRANZ
COMMISSIONER OF PUBLIC LANDS

June 7, 2023

Commissioner Barry Buchanan, Chair, At-Large Position A
Whatcom County Council
311 Grand Ave., Suite 105
Bellingham, WA 98225

Commissioner Kathy Kershner, District 4
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Commissioner Tyler Byrd, Vice-Chair, District 3
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Commissioner Ben Elenbaas, District 5
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Commissioner Kaylee Galloway, District 1
Whatcom County Council
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Commissioner Carole Frazey, At-Large Position B
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311 Grand Ave., Suite 105
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Commissioner Todd Donovan, District 2
Whatcom County Council
311 Grand Ave., Suite 105
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Dear Whatcom County Commissioners,

Thank you for your continued interest in the long-term health of forestlands in your county and for your engagement with the Department of Natural Resources (DNR) on the important decisions we make to ensure Whatcom County's trust lands are sustainably managed to meet the economic, environmental, and social needs of your communities, as well as our constitutional and statutory duties to our beneficiaries and our responsibility to protect our state's cultural resources and uphold tribal treaty rights. As an agency, we are committed to managing our state's forests for all the benefits they provide to every Washingtonian, including clean air and water, critical fish and wildlife habitat, carbon sequestration, cultural resources, space to recreate, sustainable wood products, quality local jobs, and funding for essential government services.

Over the past 30 years, we at DNR have taken significant steps to conserve our most ecologically valuable forests in Washington. Currently, 815,000 acres of DNR's trust lands are managed for conservation statewide, with more than 80 percent of that land located west of the Cascades. We have also protected an additional 130,000 acres of forestlands through our [Natural Resource Conservation Areas](#) (NRCA) and our [Natural Area Preserves](#) (NAP) programs. The [Dailey Prairie](#) NAP and the [Lake Louise](#) NRCA are two wonderful examples of how Whatcom County has benefited from those conservation efforts.

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In addition to our ambitious conservation efforts, DNR is also a recognized leader in sustainable, ecological forest management. Our [Policy for Sustainable Forestry](#), which was developed with leading experts like Dr. Jerry Franklin and Dr. Norm Johnson and established a first of its kind Old Growth Policy for western Washington, ensures that our forest management practices maximize the long-term sustainability of our working forest trust land while also protecting our most ecologically valuable and structurally complex old growth forests in perpetuity. Additionally, our multi-species [State Trust Lands Habitat Conservation Plan](#) provides further protections for riparian corridors and other critical habitat to support recovery of our region's most iconic and imperiled species. We proudly employ leading experts in old growth ecology, forest stand dynamics, riparian science, and restoration ecology to conduct peer reviewed research to continually adapt our management strategies to meet our forest health goals. As an example, our Variable Retention Harvests are designed to mimic natural disturbances that help restore structurally complex, multi-layered forests that provide critical ecosystem services and are more resilient to the impacts of climate change.

This is just one of the many reasons why Dr. Jerry Franklin cites DNR's management as an exemplary application of Ecological Forestry, saying, "In this state the most innovative large forest management organization is the Department of Natural Resources. And while people may not be completely happy with what they're doing it's so profoundly changed from what it was doing 30 years ago as to defy belief.

So, it is an innovative organization and you tend to find the most innovative organizations are those which have a conflicting duty, both ecologic and economic, and so it creates a tension that makes you really work at figuring out 'how am I going to meet both of these obligations'."

This exemplary stewardship has resulted in all DNR-managed forests being certified under the [Sustainable Forestry Initiative®](#) standard. Additionally, 176,000 acres in the South Puget Planning Unit are also certified under the [Forest Stewardship Council®](#) standard.

We have also taken significant steps to promote the use of sustainable, locally sourced forest products and grow the timber economy in Washington. We know that building with wood stores carbon in the built environment and requires less energy to manufacture than other materials, making it our most renewable and sustainable building product. Expanding the use of wood in our built environment is a critical component of our agency's efforts to fight climate change, protect our working forests from conversion to subdivisions and parking lots, and grow quality local jobs.

While I am proud of all that we have accomplished as an agency, the challenges facing our forests – from the annual threat of catastrophic wildfire to the impacts of climate change and increasing pressure from conversion – continue to grow. That's why I am excited that, over the past six years, my team and I have worked in partnership with the legislature to significantly diversify DNR's toolbox to more effectively combat these threats and enhance the environmental, social, and economic benefits of county forest trust lands. Today, DNR's toolbox includes:

1. **Trust Land Transfer**, which allows DNR to work with eligible recipients to reposition state forest trust lands to be managed for ecological and recreational purposes and purchase replacement land that can earn long-term, sustainable revenue for the affected trust.

2. **Reconveyance** of State Forest Transfer lands to county ownership to be managed as a park, consistent with State Outdoor Recreation plans.
3. **Direct transfer** of trust land to eligible recipients, at fair market value, which allows the recipient to use these lands for any purpose (including open space, housing, commercial use, etc.) that is consistent with local zoning and DNR to reinvest the revenue back into the purchase of replacement lands for the same trust. HB 1460 expanded this authority to include county trust lands.
4. **Land Exchange** of county trust land for non-trust land of equal value that would allow the County to manage the parcel that was exchanged for any purpose that is consistent with local zoning.
5. **Land Pooling**, which is a mechanism to purchase new trust land for two or more counties who have entered agreements to share in the revenue generated from those lands.
6. **Forest Carbon Leasing** allows DNR to enter into leases for carbon projects on the voluntary market, for a term of 40 to 99 years as needed for the project. Leasing offers DNR an opportunity to generate revenue from carbon sequestration and storage on our lands while we work with legislators to pass a bill that would grant us direct authority to sell carbon credits and other ecosystem service credits.
7. **New funding for the 23-25 biennium to advance DNR's conservation and sustainable forest management work:**
 - a. **\$2.5 million** to conduct a regional wood basket analysis of current timber supply and the impacts of potential management changes on supply, and to convene a stakeholder group that will collaborate on approaches related to the conservation and management of older, carbon dense, structurally complex forest stands; strategies to increase carbon sequestration and storage in forests and harvested wood products; generate predictable revenue for beneficiaries and maintain wood supply for local industries and economies.
 - b. **\$1.5 million** to work with the Department of Ecology to convene a stakeholder group to conduct an ecosystem services inventory and develop a state trust lands ecosystem services asset plan that outlines opportunities to generate revenue and reduce the overall greenhouse emissions and increase carbon sequestration and storage.
 - c. **\$13.166 million** for silvicultural treatments to enhance forest stand growth and address the most critical forest health issues on managed trust lands in western Washington to ensure these forests are more resilient in the face of climate change.
 - d. **\$70 million** to purchase new forestlands, prioritizing lands at risk of conversion to a non-forested use, to offset the transfer of up to 2,000 acres of structurally complex, carbon-dense state trust forest lands out of trust status in counties west of the Cascade mountains, as well as all of Skamania County and the western portion of Klickitat County.
 - e. **\$10 million** to prepare commercial thinning timber sales in any county covered under the 1997 Habitat Conservation Plan for the purposes of restoring Northern spotted owl and riparian habitat in designated management areas that do not yet meet required habitat conditions.

Historically, DNR's management practices have been informed primarily by the Washington State Board of Natural Resources, with limited opportunities for direct input from individual county forest trust beneficiaries. I want to change that. As a former city councilmember, I know that the people best able to

make decisions about what happens in their community are the people who live there and are most impacted by these decisions. I also know that what works for one county, may not work for all counties. That is why I'm reaching out.

In light of the recent expansion of DNR's toolset, and our shared commitment to ensuring that our forests meet the constitutional and statutory duties to our beneficiaries as well as the critical environmental, social, and economic needs of your communities, I am excited to invite you to collaborate with DNR on a forest-management strategy for your county trust lands that best serves the needs of the beneficiaries, your constituents, and our state.

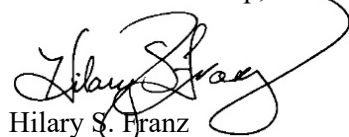
The truth is that not all forests are the same and our management strategies should reflect that. In fact, I outlined this broader vision for our state forestlands in [op-ed](#) last year. Like you, I believe that our high ecological and cultural value forests should be conserved and managed to maximize those benefits, while our working forests should continue to provide reliable, long-term timber supply for our homes, hospitals and schools, as well as quality local jobs for our communities. I believe that by working together in partnership we can achieve this win-win approach that enhances the value of all forests and creates a truly sustainable environment, renewable economy, and just society.

I would like to invite you to work with me and my team to develop a strategy for how DNR manages the county forest trust lands in your County. I am seeking your collaboration and input so that together we can make decisions that reflect our shared values and your vision for your County, while considering the many, varied needs of our shared constituents. I know that we are all deeply committed to creating a healthy and sustainable environment in the face of a rapidly changing climate while continuing to grow a strong economy and meet the critical financial needs of your communities.

I suggest we start this conversation with a deep dive into the county trust lands that DNR currently manages on your behalf and the suite of management tools available, so we all have a clear understanding of your assets and can make informed decisions about how best to maximize the multiple benefits that these forests provide to the beneficiaries of these lands, your communities, your local economy, your environment and the region we all represent. We want to answer any questions and listen to you on challenges and opportunities you see and ideas you have. From there, we can have an inclusive, robust, and collaborative discussion about the needs and interests of your community concerning these forests and develop a forest-management strategy for your county trust lands that best serves the needs of the beneficiaries, your constituents, and our state.

Sarah Ogden from my staff will reach out in the coming days to provide further details and work with you to schedule a first meeting. We look forward to working with you on this and finding pathways to manage our forests for the benefit of our communities, our economy, and the climate.

Yours in stewardship,



Hilary S. Franz
Commissioner of Public Lands