

**CLERK OF THE COUNCIL**

Dana Brown-Davis, C.M.C.

**COUNTY COURTHOUSE**311 Grand Avenue, Suite #105  
Bellingham, WA 98225-4038  
(360) 778-5010**COUNCILMEMBERS**Barry Buchanan  
Tyler Byrd  
Todd Donovan  
Ben Elenbaas  
Carol Frazey  
Kaylee Galloway  
Kathy Kershner**WHATCOM COUNTY COUNCIL**

January 10, 2023

Hilary Franz, Commissioner of Public Lands  
Csenka Favorini-Csorba, Senior Policy Advisor, DNR  
Jay Guthrie, NW Region Manager, DNR  
Laurie Bergvall, Assistant Region Manager, DNR  
Bevin McLeod, Director of External Affairs & Community Engagement, DNR  
Chris Hankey, Baker District Manager, DNR  
Cory McDonald, Proprietary Forester, NW Region, DNR

Dear Commissioner Franz and Staff:

Thank you for providing Whatcom County with the opportunity to weigh in on Phase II of DNR's Carbon Project. We appreciate DNR's commitment to engaging county governments throughout this process, and we hope DNR will expand this approach to consultation in the future.

Whatcom County Council and the Administration continue to engage with various stakeholders, including our County's Forest Advisory Committee and Climate Impact Advisory Committee on forestry related issues. The Climate Impact Advisory Committee recognized the High Conservation Values of the four Phase II parcels located in Whatcom County, including their contributions to carbon storage and sequestration, and appreciated the diversity of age class being included in the proposed parcels. The Climate Impact Advisory Committee recommended inclusion of all four parcels.

The Forestry Advisory Committee provided significant additional questions regarding how the Carbon Project interacts with other state programs, what management activities are permitted under a carbon lease, the quantifiable carbon sequestration benefits of the carbon project, how the project will impact trust land beneficiaries, and what the potential secondary social and economic impacts of leasing these lands might be. Without answers to these questions and others, the Forestry Advisory Committee could not recommend nor reject any of the parcels identified.

Whatcom County has also received a significant community response regarding timber sales in mature forests on DNR land in recent years. Proponents have encouraged the County to support inclusion of Phase II parcels, especially Upper Rutsatz and Van Zandt Dyke. Whatcom County recognizes that both of these parcels have High Conservation Value to our community because they contain mature forests and remnant old growth, and border the Middle Fork Nooksack River. The Middle Fork Watershed is currently listed under section 303d of the Clean Water Act for excessive temperatures, and we recognize that mature forests play an important role in watershed health. Others have shared their questions or concerns, citing support for our timber industry and potential loss of revenue. We acknowledge and share these perspectives.

Based on the input received, and recognizing that DNR has requested input within a limited timeframe, we support DNR's commitment to sustainable forestry and managing public lands for multiple benefits. We recognize creative policy solutions, such as the pilot Carbon Project, can be a tool to help protect public lands with high conservation values; however, we lack the information necessary at this time to specifically recommend which of the parcels should be included in Phase II. We hope to continue our participation throughout this process because we believe County engagement is important.

We respectfully ask that the Board of Natural Resources direct DNR to provide the following information for each of the seven parcels in Whatcom County identified for potential inclusion in Phase I and II of the Carbon Project:

- Detailed revenue and Net Present Value (NPV) projections comparing estimated revenues from carbon leases versus timber harvests for each beneficiary, including Whatcom County and Junior Taxing Districts. Any revenue projections should consider both the short- and long-term revenue and a NPV comparison for the end of the 40-year lease period.
- A forest and wood product carbon accounting of the net carbon pool comparing a permanent, no-harvest scenario with sustainable timber harvests conducted consistent with the DNR's Habitat Conservation Plan and Sustainable Harvest Calculation. Any carbon accounting should include a Life Cycle Assessment for embodied carbon in wood products as well as leakage and product and energy substitution factors specific to Washington state for wood products and biomass energy.
- A socioeconomic impact analysis of the reduced harvest levels on direct and indirect employment associated with the forest products sector in northwest Washington and the potential impacts of timber supply disruptions on the viability of local mills and forestry contractors.
- A site-specific analysis of the environmental effects of setting aside these parcels from timber harvest, including any immediate environmental benefits not already being achieved through the policies that set aside half of state trust lands in western Washington.

We also request that any carbon leases in Whatcom County be subject to approval by the Board of Natural Resources and that the Board not consider further action until DNR produces this information.

The Whatcom County Council recognizes the complexity of this pilot project, and recommends that the agency take additional steps to quantify the positive and adverse impacts this project may have to our local forestry economy and our environment. County staff also require additional technical information about the forested stands themselves to more adequately evaluate DNR's candidate parcels. These additional details will better help us understand the costs and benefits of this approach, and whether or not carbon monetization is an appropriate tool for further application on state lands in Whatcom County.

Our support for the Carbon Project is predicated on the understanding that revenue will be generated on an annual basis for trust beneficiaries, and that local beneficiaries such as Mount Baker and Nooksack Valley School Districts will not be adversely impacted by the project. It is a high priority for Whatcom County that this project provides consistent payments that make the beneficiaries whole.

Whatcom County supports actively managing forestlands for multiple co-benefits including economic and employment benefits, forest health, watershed resilience to climate impacts, recreation, and fish and wildlife habitat. We are committed to ensuring that the protection of critical forests and the expansion of climate resilient forest management practices does not burden the local timber economy and can in fact enhance our local forestry economy. Through innovative forest management practices informed by today's science, we believe DNR can help ensure that Whatcom County's economy, ecosystems, and communities thrive in the years ahead.

In order to accomplish the goals outlined above, DNR must expand its consultation with stakeholders, local governments, tribes, and community members. Whatcom County is eager to continue working with DNR to facilitate community dialogue about the stewardship of state-owned forests.

Thank you for your collaboration. We look forward to our continued work together.

Sincerely,

A handwritten signature in blue ink, appearing to read "Barry Buchanan", with a long horizontal flourish extending to the right.

Barry Buchanan, Chair  
Whatcom County Council

c: Councilmembers  
AB2023-048