



SIERRA PACIFIC INDUSTRIES

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VIA online submission: [Comment Analysis and Response Application \(CARA\)](#)

May 16th, 2024

Responsible Official – Cynthia Sandeno, Acting Forest Supervisor
c/o Meg Trebon
Methow Valley Ranger District
24 West Chewuch Road
Winthrop, WA 98862

Dear Meg:

On behalf of Sierra Pacific Industries (SPI), thank you for the opportunity to provide Draft EA comments for the Midnight Restoration Project.

SPI is a third-generation family-owned company based in Anderson, California that employs over 6,000 employees nationwide and operates a combined 16 sawmills in California, Oregon, and Washington. These sawmills rely on timber that is generated on Federal Forests, including the Okanogan-Wenatchee National Forest.

In general, SPI supports the Midnight Restoration Project, including the Purpose and Need. SPI hereby incorporates the comments submitted by the American Forest Resource Council into ours, and in addition, SPI offers the following.

ECONOMICS

Within the Economics Specialist Report there is a statement in subsection 3.3.1 that states,

*The financial viability of commercial thinning treatments proposed in this project can be measured by the net value of the timber produced as a **byproduct** (emphasis added) of restoration treatments.*

Commercial harvests are proposed on Matrix and LSR land designations and both have different objectives. One of the objectives for Matrix lands is to manage for and provide a sustainable supply of timber. Therefore, SPI recommends that the Forest recognize the difference between the classification of timber removal from Matrix versus LSR lands and clarify that timber removal from Matrix lands is not considered a byproduct.

Also, within the Economics Specialist Report, subsection 4.1 states,

.....delivered log values differ little by size, grade, or even by species expected from the Midnight Restoration Project.

SPI recommends that the above statement be revised and that the Forest have a better understanding of value. Not only do log values vary greatly by species, but also by size and grade. For example, a low grade, five-inch diameter log that is sixteen feet in length is significantly less valuable than a high grade, twelve-inch diameter log that is forty feet in length. When they are compared side by side in a sawmill, the larger log will produce more lumber volume per unit of time measurement (minute, hour, etc.), reduce manufacturing costs, and produce different and higher quality lumber. Just the difference in lumber

product value can be more than \$100/mbf. Furthermore, species is a significant factor in value as well. Current local log markets have a nearly \$300/mbf price difference between Douglas-fir and hemlock/true firs. Douglas-fir produces more lumber than hemlock in the same time interval, takes less time to dry, and generally sells for a higher price in the lumber market. Finally, the value of residuals/by-products (chips, shavings, sawdust, etc.) that sawmills produce and rely on for revenue stream also varies by species. All of these factors contribute to the value of a delivered log.

The Economics Specialist Report also states that there will be approximately 496 acres of harvest that will require the use of a helicopter. SPI recognizes that the Forest has stated that this harvest method is unlikely to occur within the Midnight Project due to economics. SPI recommends that any harvest units proposed for helicopter be made optional.

Finally, the pulp and paper industry continues to be marginal at best after a large manufacturing facility in Tacoma permanently curtailed operations in 3rd quarter of 2023 and others have reduced capacity due to weak demand. This impacts the ability to remove low value material from the Midnight Project area. Unless conditions change over the course of the project, SPI recommends that the removal of non-saw material be optional.

WINTER OPERATIONS

The Draft EA states that approximately 74 acres of Riparian Reserves would default to winter harvest restrictions in order to protect sensitive soils and aquatic resources. SPI recommends that the Forest recognize and acknowledge that these winter restrictions not only impact the Riparian Reserve acreage, but also the immediately adjacent upland harvest unit acreage as well. The additional cost and logistics to operate on the upland portion of a harvest unit during the dry season and then come back in the winter to the same location to operate in the Riparian Reserve outweighs the benefit. Rather than rely on the purchasers to provide a mitigation plan for soil protection, SPI recommends that the Forest create a plan that allows for dry season harvesting in Riparian Reserves while still meeting resource protection requirements. Otherwise, the already limited purchaser pool becomes even more limited due to the added costs of equipment mobilization, log handling, hauling, and the seasonal closure of Highway 20.

SPI appreciates the Forest allowing for snow plowing on this project and understands that it is to allow winter operations to occur. However, the seasonal closure of Highway 20 only allows for log haul to the west 6 months out of the year. As mentioned above, the additional costs of handling prove to be challenging, and reduces the ability of the Forest to maximize funding and complete projects. Removing winter restrictions would also reduce the impact to the local recreation community. Instead of funneling everyone to a single route, they could continue using both routes during the winter months. This would allow for a more enjoyable experience and minimize safety and security concerns that can develop due to the overlap between the public and active road/harvest operations.

ROADS

This project proposes 55.4 miles of roads to be decommissioned. SPI is concerned about the impacts this may have on short- and long-term management. First, it seems that some of the road systems proposed for decommissioning are located within Matrix land designations. It is important that the Forest evaluate these for future use and understand the potential cost savings of road maintenance versus reconstruction. Second, all proposed road systems should be evaluated for strategic fire protection use. Catastrophic wildfires continue to occur within the geographic area and can devastate habitat on LSR lands as well as commercial timber on Matrix lands. Roads can offer many benefits for fire protection including, initial attack, fire behavior changes, and evacuation routes. Lastly, road decommissioning is expensive and can be a significant factor in timber sale success. Depending on many other factors, it may be prevalent to

make a significant portion of this work optional when developing timber sale/stewardship contracts. SPI requests that the Forest closely evaluate each road system proposed for decommissioning to ensure the greatest long-term benefit.

CARBON

While the Draft EA and Climate Report discuss carbon and climate impacts, there is limited discussion regarding the entire carbon cycle. SPI requests that the Forest acknowledge the full carbon cycle and include a more in-depth discussion that includes the ability of wood products to store carbon, provide green energy, & reduce dependency on more carbon intensive products such as concrete and steel. In addition, a recent case study was completed by the Consortium for Research on Renewable Industrial Materials (CORRIM) and the University of Washington's Center for International Trade in Forest Products. The case study examined a harvest scenario versus a no-harvest scenario on state trust lands. It concluded that, when accounting for the entire carbon cycle, including substitution (effects of more carbon intensive products, like concrete and steel, instead of wood) and leakage (importing wood products from other countries), more carbon is stored in the harvest scenario when compared to the no harvest scenario. This study can be found [here](#).

Thank you for the opportunity to provide Draft EA comments on the Midnight Restoration Project. SPI looks forward to having some of our suggestions put into the Draft Decision, and having this Project implemented quickly.

Sincerely,

A handwritten signature in blue ink that reads "Adam Ellsworth". The signature is fluid and cursive, with the first name being more prominent.

Adam Ellsworth
Log Procurement Manager
Sierra Pacific Industries
Burlington Division