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Jeffrey Rivera  
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c/o Paul Kelley  
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RE: Upper Wenatchee Pilot Project Draft EA

February 9, 2021

On behalf of Hampton Lumber Mills, Inc. (Hampton), thank you for the opportunity to comment on the Upper Wenatchee Pilot Project (UWPP). As you are likely aware, Hampton is a family owned organization with deep ties to many of the smaller communities around the state of Washington where our manufacturing facilities are located. We are a committed, efficient, small community-oriented company with a long term vision for the future. We directly employ approximately 500 people at our sawmills at Darrington, Morton, and Randle along with our reload and remanufacturing facilities in Arlington and Napavine. Our ability to support these communities and source our manufacturing facilities is highly dependent on the availability of raw material from the USFS timber sale program and/or stewardship projects. The absence of the USFS timber sale program or a decline in raw material outputs from the program would jeopardize our ability to continue to operate and severely strain the well-being and social fabric of the small rural communities in which we operate.

Our sawmills at Darrington, Morton and Randle are directly linked to the raw material outputs from the Okanogan-Wenatchee National Forest. The family-wage employment we provide along with the indirect employment provided by the presence of our manufacturing facilities benefits schools, businesses, and the overall economic wellbeing of Chelan County and far beyond.

The UWPP covering 74,760 acres (of which 83% is Forest Service) north of Leavenworth, focuses on improving watershed health and resiliency by returning fire to the landscape, improving wildlife habitat, and improving watershed function.

Hampton would like to extend our thanks to the Wenatchee River Ranger District for being proactive in the outreach during this pilot project. We support a fully proactive and adaptive approach to forest management as forest conditions in the project area must be restored to create a better functioning, more resilient landscape.

**Purpose and Need**

While we support the UWPP purpose and need to:

- create a more resilient terrestrial and aquatic landscape;
- increase sustainability and resiliency;
- improve habitat conditions and connectivity;

- reduce risk of and impacts from fire;
- maintain, enhance, or accelerate large and old trees development and increase old forest structure proportions;
- conserve and develop spotted owl and old forest habitat; and
- support biodiversity by restoring, enhancing, and/or maintaining unique habitats,

we do not support prescriptions that solely focus on *growing* large and old trees. This is particularly bothersome in stands that could be treated multiple times over the course of time. A consequence to the Forest solely focusing on growing large and old trees is large swaths of landscape of a primary structure, limits the Forest treatment to one final entry, halting productivity of these landscapes, and severely limiting the ability to provide forest products over the long term. This is an unsustainable practice that will preclude the Forest's ability to meet its mission to sustain the health, diversity, and productivity to meet the needs of future generations.

We strongly encourage you to include a **purpose** of *sustaining the health and economic well-being of people* and a **need** for *forest products via a sustainable timber supply that will help maintain the stability of local and regional economies, and contribute valuable resources to the national economy, on a predictable and long-term basis.*

These needs were reflected by President Clinton at the Forest Conference when he spoke of the need “to protect the long-term health of our forests, our wildlife, and our waterways.” and of “the human and the economic dimensions” of the problem and asked for a plan that would “produce a predictable and sustainable level of timber sales and nontimber resources” (NWFP 1994 ROD p.26).

The Final SEIS selected alternative under the NW Forest Plan (NWFP) 1994 ROD, responds to multiple needs, the two primary ones being the need for forest habitat and the need for forest products. Complementary purposes and needs cannot be understated in the UWPP and are appropriately accounted for 1994 ROD p.26 which states:

*The congressionally directed purposes for managing the National Forests include both conserving the ecosystems upon which species depend, and at the same time **providing raw materials and other resources that are needed to sustain the health and economic well-being of the people of this country...***

*The need for forest products from forest ecosystems is the need for a sustainable supply of timber and other forest products that will help maintain the stability of local and regional economies, and contribute valuable resources to the national economy, on a predictable and long-term basis.*

While each of the stated UWPP needs are important, the stability of local and regional economies from forest products is equally as important. A focused socioeconomic purpose and need is essential to ensure proper alignment with and full realization of intended outcomes of the NWFP. Hampton and local communities depend on the availability of raw material from projects like the UWPP. We ask that the final UWPP EA place an emphasis on economics in the defined purpose and need, sending a strong signal of the importance of the regional manufacturing facilities, along with the loggers that will be supporting and performing the treatments on the ground.

### **Adaptive Management and Condition Based NEPA**

We support a project-specific NWFP amendment to provide high-quality NSO and late-successional and old forest associated species habitat. We believe doing so would support the UWPP purpose and need to restore and accelerate the development of the late-successional stand characteristics as well as reduce the risk of large-scale habitat loss from severe wildfires, insect outbreaks, and disease. We also support the Forest in analyzing impacts from landscape level restoration using the condition based approach as described in the draft EA.

## **Alternatives**

We support the implementation of Action Alternative 1 which emphasizes ecological restoration and landscape resilience. We also support shaded fuel breaks and heavy thinning to help reduce the risk of wildfire (both to wildlife habitat and the local community) and protect NSO habitat over the long term. We believe that Alternative 2 accepts too great a risk and does not adequately protect existing NSO habitat from the real and immediate threat of significant loss and severe damage due to wildfire or other natural disturbances.

Although the types of vegetation treatments do not vary across the action alternatives, Alternative 1 focuses on the six highest-quality owl circles in order to maximize habitat improvement and fire risk reduction long term, in addition to regenerating stands to treat root rot within the LSRs, and considers treatments on an additional 4,200 acres compared to Alternative 2. We support maximizing the number of acres treated to fully meet the stated purpose and need, while providing forest products and other associated socioeconomic benefits of restoration.

## **Socioeconomics**

We appreciate the work the District has done to work collaboratively through the NCW Forest Health Collaborative (Collaborative), especially with instituting an Economics Subgroup; which Hampton facilitates to promote learning and restoration project implementation improvement. We commend the Forest for working to maximize efficiencies under the new NEPA regulations and appreciate your commitment to working with Forest Industry experts and community members to facilitate new and innovative approaches to project design and implementation. As the current Economic Subgroup chair, Hampton supports strengthening our collaborative relationship to implement this project to ensure economic feasibility of sales out of the UWPP.

We value learning together through after action review of previously awarded and unsuccessful timber sales. We urge that the District develop a process for consulting with the Subgroup to find cost efficiencies and ensure the feasibility of UWPP proposed treatments. We also recommend consulting the Subgroup and/or purchaser upon implementation to explore industry's most current and effective design features mitigate and minimize adverse impacts. We urge the Forest to work closely with Industry partners through this Subgroup to continuously engage in review and discussion through boundary marking and presales layout, cruise, appraisal, throughout implementation and in after action review. Doing so will aid the Forest in meeting the true intent and desired outcomes in the UWPP landscape.

Page 2.11 of the EA suggests that "in most cases...prescribed fire would be conducted following mechanical treatments; however, prescribed fire as a standalone treatment could also be used in areas where access or logging system limitations inhibit mechanical treatments..." We strongly encourage the District to consult with Industry partners to aid in the determination of what is truly a limitation in logging systems that inhibit mechanical treatments due to economic feasibility, as technologies are ever evolving within the Industry and the logging contractors are the foremost experienced determiner of what current logging systems are capable of.

Helicopter logging is not economically feasible on this project unless it is coupled with extremely consistent high volume ground based logging units. Consider tethering or other methods to treat these areas, and consider making helicopter units "optional" to increase potential bids for sales where helicopter units are necessary to meet the stated purpose and need. Recent experience on the Forest has shown where large portions of a sale are infeasible, purchasers will not come to the table to bid. We urge you to consider the economic balance of these sales to ensure economic feasibility of the actions proposed play a greater role in the decision making process going forward. Hampton, as part of the Economics Subgroup, has provided feedback that "*end product markets will generally not cover the cost of helicopter logging therefore other units in the planning area will need to make up the cost impact for use of this system*" taken from the *Economic Matrix: Rules of Thumb for Economically Viability*, developed by the Economics Subgroup in February 2020 (attached below for reference). However, it is important to note

that the *Economic Matrix* is only intended as a guide, and not a replacement for consultation with Industry experts on site specific conditions affecting sale viability.

Table 2.3-1 on page 2-28 suggests use of “winter logging operations to avoid soil impacts”. We encourage the District to present opportunities for year round harvest across the UWPP landscape, using other mitigation measures to reduce and/or avoid adverse soil impacts. An example of this would be to operate on a layer of slash to minimize soil impacts in the summer.

We believe that the geographic scope and the scale of economics impacts in Chapter 3 may be too narrow. The current geographic scope seems to suggest that only Chelan county residents would benefit from job opportunities created through this project. However, it would be more appropriate to assess the location of previous contract holders for similar types of work (i.e., timber sales and aquatic restoration) to expand the scope into the surrounding counties who have benefited through job creation (both direct and indirect) in the past. Table 3.10-4 outlines regional mills/companies that would potentially benefit from timber sales as a result of the UWPP. Multiple companies from across the state, including Hampton, have been actively engaged in the UWPP planning process and are needful of raw material outputs from the Forest.

We also believe that the amount of indirect jobs created by a project that would be implemented in phases over approximately a decade would increase over the current assumed 3.5, and 2.9 numbers projected in the draft EA. We maintain that for every one job in the mill, two indirect jobs outside of the forest products sector (e.g., town grocers, school district employees, parts and equipment distributors, and other subcontractors) are produced. Therefore, even with the conservative estimates of 6.9 and 5.8 direct wood products manufacturing jobs stated in the socioeconomics section of Table 2.6-1, an estimated 13.8 (6.9 x2) and 11.6 (5.8 x2) jobs would be more accurate.

Thank you for your consideration,

Anjolene Price  
Hampton Lumber  
Collaborative Forestry Manager

**NCWFHC Economic Subgroup  
Economic Matrix: Rules of Thumb for Economically Viability  
February 26, 2020**

These rules of thumb are intended to help determine when units and a project are economically viable. When volumes fall below these defined thresholds or variables are significantly different from what is outlined in the rules of thumb, the Economics Subgroup (potential bidders) should work with the Forest Service to evaluate the economic viability and, if needed, make recommendations prior to the project being advertised for bid. This document is meant to be a guide, not a rulebook. If units are questionable, be sure to ask a purchaser or logger to review. The intent of this guide is to use it for the UWPP and update as needed from thereon.

**Tractor Ground (< 35% slope) Tethered logging allowed on slopes greater than 35%**

1. If skidding distance is less than 800 feet
2. If avg size of trees are  $\geq 14$ " Dbh\*

3. If species composition is >50% DF/L
4. If unit size is  $\geq 40$  acres
5. If distance between tractor units is <2 miles

- Then average volume should be  $\geq 4\text{Mbf/acre}$
  
- If any one of the variables are less favorable than shown above, then avg volume needs to be  $\geq 6\text{ Mbf/acre}$
  
- If two or more of the variables are less favorable than shown above, then avg volume needs to be  $\geq 8\text{ Mbf/acre}$

**Note:** *If a few units fall slightly below these thresholds but the average volume per acre of the units combined for each harvest method meet these guidelines, the project may still be economically viable. If in doubt, the Economics Subgroup should be invited to assist in evaluating the overall viability. Always consider distance to market, i.e., even if it is 100% ground based but 250 miles from the closest mill may not pencil out.*

**Tractor Ground Rationale:** 1. Generally, the shorter the skidding distance, the cheaper the skidding cost. Costs for rubber-tire and especially tracked skidding (tractor) typically go up significantly when exceeding 800 feet. (Uphill tractor is usually less productive and more expensive than flatter ground or downhill skidding. This should be taken into account when applying a rule of thumb).

2. \*This number may fluctuate, and is meant to describe a perfect world scenario. It is rare to see a USFS sale with an average much larger than this. A lot of USFS sales on the Eastside are 12" to 13" Avg DBH. Tree size is relevant to costs when considering number of logs per tree and handling costs.

Trees 14" DBH and larger generally contain 1 long log (33' or 35') and one short log (16'6" or 17'6") which will be more efficient and yield more volume per tree. Depending on tree taper, trees less than 14" DBH generally contain 1 long or two short logs. The smallest trees may only contain 1 short log and handling costs of small diameter logs are at their highest based on number of logs per MBF.

3. Species composition is relevant to cost based on finished product value. DF/L has higher value for having the highest stress rating for random length lumber and studs, and DF/L is used for manufacturing plywood, which a high value finished product. Lodgepole pine has a decent stress rating but other white firs and spruce are used for a lower value common grade lumber. Ponderosa pine generally is a lower value species but the large diameter (greater than 12" top diameter logs) can yield a higher price on the market. A stand with more than 50% DF/L or, in other words, the more the DF/L harvested from a unit and a project, the higher the value captured and the greater the harvesting costs are offset by the revenues. However, note that you can have a sale that is 100% Pine. It doesn't have to be 50% DF if other factors help it, i.e., if 100% pine- offset by bigger DBH, bigger units, etc.

4. Unit size is relevant for efficiency of moving in and moving out equipment and personnel. Once moved in, the more production accomplished, the lower the costs of operations and the more the timber volume can offset those costs. As a rule of thumb, small units (under 40 acres) requiring many moves between units are more costly.

5. Distance between units is also relevant when addressing the time it take to move equipment. Sometimes shorter distances between units allows equipment to be “walked” down the road rather than being loaded onto a lowboy and trucked to the more distant units.

### **Cable Ground (>35% slope)**

1. If uphill yarding distance is less than 800 feet
  2. If avg size of trees are  $\geq 14$ ” DBH\*
  3. If species composition is >50% DF/L
  4. If unit size is  $\geq 40$  acres
  5. If avg volume removed from each corridor is  $\geq 10$ Mbf
  6. If distance between cable units are < 2 miles
- Then avg volume should be  $\geq 6$  Mbf/acre
  - If any one of the variables are less favorable than shown above, then avg volume should be  $\geq 8$  Mbf/acre
  - If two or more of the variables are less than favorable than shown above, then avg volume should be  $\geq 10$  Mbf/acre

***Note:** If a few units fall slightly below these thresholds but the average volume per acre of the units combined for each harvest method meet these guidelines, the project may still be economically viable. If in doubt, the Economics Subgroup should be invited to assist in evaluating the overall viability.*

***Downhill cable yarding is not recommended unless there is ample runout room. It is extremely expensive due to production, and layout considerations, and much less safe. There are a limited amount of contractors who can or will perform downhill yarding. The potential for residual damage is also higher.***

**Cable Ground Rationale:** 1. The rationale for tractor skidding for 1, 2, 3, and 4 still apply for uphill cable yarding. However, it is more amplified since uphill cable yarding is significantly more expensive than tractor skidding and therefore, more volume per acre must be produced to offset the higher costs. Downhill cable yarding has even higher costs than those with uphill cable yarding. In addition, environmental concerns and crew safety become additional factors that need to be considered.

2. \*This number may fluctuate, and is meant to describe a perfect world scenario. It is rare to see a USFS sale with an average much larger than this. A lot of USFS sales on the Eastside are 12” to 13” Avg DBH. Tree size is relevant to costs when considering number of logs per tree and handling costs.

5. Cable corridors are unique from tractor skidding in that corridors are a narrow clearing width that span downhill on steeper slopes (>35%) in which logs are skidded up hill. These corridors are generally equidistant apart, (70’ apart) and the costs are mostly generated by set up and tear down of the

equipment for each corridor. The more volume harvested per corridor, the more revenue to offset the costs. A general rule of thumb is 25MBF or 5 truckloads per corridor would offset the costs.

6. Again, similar to distance between units for tractor skidding. However, cable yarding equipment transporting is a higher cost than tractor equipment. If cable skidding equipment can be “walked” down the road to the next unit rather than being loaded onto a lowboy, costs can be reduced. The more units there are and the closer the units are together, the more efficient the operation and the lower the costs. “Walking” equipment down the road more than 2 miles may break even with the cost of loading on a lowboy and trucking the equipment. Often F.S roads are paved, additional cost is incurred if logging off paved roads to avoid bituminous damage.

### **Helicopter Ground\***

#### **\*Extremely cost prohibitive**

1. If turn distance is less than  $\frac{1}{4}$  mile
  2. If avg size of trees are  $\geq 14$ " DBH
  3. If species composition is 100% DF or Cedar
  4. If unit size is  $> 40$  acres
  5. If total volume of helicopter units combined  $\geq 400$  Mbf (due to move-in costs).
- Then avg volume should be  $\geq 8$  Mbf/acre
  - If one of the variables are less than favorable than shown above, then the volume should be  $\geq 12$  Mbf/acre
  - If two or more of the variables are less than favorable than shown above, then the volume should be **16 Mbf/acre**

**Note:** End product markets will generally not cover the cost of helicopter logging therefore other units in the planning area will need to make up the cost impact for use of this system. Consult the Economics Subgroup to evaluate overall viability.

**Helicopter Ground Rationale:** 1. Turn distance is the distance the helicopter (ship) must travel (as the crow flies) between picking up the logs from the unit, flying logs to the landing, and returning again to the logs in the unit. Turn time is the time it takes for the ship to make a roundtrip for landing to the logs and back again. As a rule of thumb, log landings within  $\frac{1}{4}$  mile of the furthest away logs is considered the most efficient configuration. Greater than  $\frac{1}{4}$  mile will take more turn time and costs increase significantly from there.

2, 3 and 4 are the same rationale as tractor and cable but is more amplified because costs are higher than cable and much higher than tractor. Therefore, volumes per acre must be higher than cable and tractor to offset costs.

5. Since helicopter logging personnel and ships are so expensive and in demand, a minimum total volume for projects to be viable must be met. A rule of thumb is 400 MBF total for this harvesting method but is contingent upon all the other variables addressed above.