

species' (fine filter) habitat requirements.

Some of DNRC's forest management activities have the potential to impact species subject to protection under the ESA. Section 10(a)(2)(B) of the ESA contains provisions for the issuance of incidental take permits to non-Federal landowners for the take of endangered and threatened species, provided the take is incidental to otherwise lawful activities and will not appreciably reduce the likelihood of the survival and recovery of the species in the wild. An applicant for a Permit under section 10(a)(2)(B) of the ESA must prepare and submit to the Service for approval a Conservation Plan (commonly known as a HCP) containing a strategy for minimizing and mitigating, to the maximum extent practicable, the impacts of the take on listed species associated with the proposed activities. The applicant also must ensure that adequate funding for the Conservation Plan will be provided.

The DNRC initiated discussions with the Service regarding the development of a HCP and permit issuance for their forest management activities. During this process DNRC intends to employ the Service's technical assistance. The goals of DNRC's HCP are:

(1) To the maximum extent practicable, minimize and mitigate the impacts of DNRC's forest management activities on all species covered by the HCP.

(2) Provide habitat conditions that are necessary and advisable to conserve and enhance species populations, and allow for the long-term survival of species covered by the HCP, in a manner consistent with DNRC's Trust mandate. To the extent unlisted species are covered by the HCP, DNRC's goal is to address the listing factors under its control such that the listing of such species would be unnecessary, assuming the measures in the HCP were implemented by similarly situated landowners throughout a species' range.

(3) Provide DNRC with predictability and flexibility to manage its forest lands economically, consistent with its statutory mandate to generate revenue for Trust beneficiaries.

As currently envisioned, the HCP would involve a multi-year agreement covering approximately 283,280 hectares (700,000 acres) of blocked and scattered school trust lands across the State of Montana. In addition, the HCP might include an additional approximate of 121,406 hectares (300,000 acres) of non-forested parcels that could involve access associated with timber management activities on forested lands. The DNRC is currently

considering an agreement term of 50 years. The Service specifically requests comment on the term of a permit.

The DNRC has indicated that the HCP will adopt a multi-species approach for several listed and non-listed terrestrial and aquatic species. The HCP would be integrated into an existing biodiversity management approach for State school trust lands. The approach would apply to all lands identified in the planning area.

The intent of employing a multi-species habitat-based approach would be to address biological concerns associated with listed and sensitive terrestrial and aquatic species in the planning area and minimize threats to their habitat associated with forest management activities. The intent of the approach would be to address habitat concerns for the species of interest through incorporation of overlapping mitigation strategies that may collectively provide greater conservation benefits and management flexibility. Species initially considered for inclusion in the HCP include listed species—(1) grizzly bear (*Ursus arctos horribilis*); (2) gray wolf (*Canis lupus*); (3) bald eagle (*Haliaeetus leucocephalus*); (4) Canada lynx (*Lynx canadensis*); (5) bull trout (*Salvelinus confluentus*); and unlisted species—(6) wolverine (*Gulo gulo*); (7) fisher (*Martes pennanti*); (8) northern goshawk (*Accipiter gentilis*); (9) black-backed woodpecker (*Picoides arcticus*); (10) pileated woodpecker (*Dryocopus pileatus*); (11) flammulated owl (*Otus flammeolus*); and (12) westslope cutthroat trout (*Oncorhynchus clarki lewisi*). Species may be added to or removed from the initial list of covered species as a result of the analysis. The Service specifically requests comment on the multi-species habitat-based approach to plan development, and the possibility of inclusion of these and other species in the plan and permit.

A key assumption for species protection in the HCP is that actions taken to address the biological needs of listed wide-ranging terrestrial and aquatic species would be beneficial to other non-listed species dependent on associated habitats. The conservation needs of all species to be included in the HCP would be fully and independently identified and analyzed, and any additional actions necessary for their conservation would be included in the HCP. The Service will evaluate the conservation needs of the identified listed and non-listed species throughout their ranges to ensure that conservation measures agreed to in this planning process are adequate to contribute meaningfully to their protection overall.

As a component of this planning process, the Service seeks to identify habitat conditions and land management actions on lands adjacent to those owned by the State of Montana that are administered by DNRC. In many cases, nearby or adjacent lands may be managed by the Department of Agriculture Forest Service, and Department of Interior Bureau of Land Management. In such cases, the Service will work with the Forest Service and Bureau of Land Management under existing authorities to develop and implement management actions that are complementary to those developed for lands administered by DNRC. This approach to habitat conservation planning will help ensure that adequate conservation of habitat for target species is achieved in the planning area.

Management activities undertaken by DNRC that might impact species covered under the HCP include activities associated with forest management such as, but not limited, to timber harvest, salvage harvest, thinning, control and disposal of slash, prescribed burning, site preparation, reforestation, weed control, road construction, road maintenance, forest inventory, monitoring, grazing of classified forest lands, gravel quarrying for the purposes of logging and road construction, pesticide/herbicide application, fertilization, forest fire suppression, electronic facility sites, and other activities common to commercial forest management.

For the proposed HCP, the DNRC would develop specific conservation measures to be implemented under Rules following the Montana Administrative Procedure Act and Montana Environmental Policy Act as appropriate. Measures would likely be developed under the following general categories:

1. *Biodiversity and Silviculture.* Alteration of forest vegetation is recognized as having the potential to impact terrestrial and aquatic species in various ways. Conservation measures would be developed to maintain biological diversity and species conservation, while maintaining the ability to generate reasonable and legitimate returns for school trust beneficiaries. To accomplish this the following considerations would be among those incorporated into developing conservation strategies for species included in the HCP—stand structures, compositions, stand age diversity, salvage, snags, downed wood, patch conditions, fragmentation, thinning, cover needs, and natural disturbance processes.