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☞ Informational hearing January 21, 2009: Forestry in Wisconsin

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2009-10

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Forestry...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (July 2013)

**Bill Johnson, President
Johnson Timber Corporation**

Assembly Committee on Forestry Hearing - 1/21/09

Mr. Chairman, committee members, thank you for inviting me to discuss forestry related issues with you today. My name is Bill Johnson and I am President of Johnson Timber Corp based in Hayward and Director of Government Affairs and Public Relations for Flambeau River Papers in Park Falls. I would like to begin by thanking Speaker Sheridan for continuing the Committee on Forestry and thank each of you for serving on this very important committee. The work done in this committee affects virtually all industries in the state. Building, printing, papermaking, and a list of other industries in Wisconsin all begin with sound forestry policy.

One issue I'm sure that will be discussed in this committee and some point in the session will be biomass. With the energy crunch we all felt last year and the need to be more energy independent, biomass and alternative fuels became a very hot button issue. There are many different policy initiatives being proposed throughout the Country. Our neighbor to the West, Minnesota, has implemented the 25-by-25 Policy and, to my understanding, Governor Doyle is exploring this policy as well. To require 25 percent of our electrical and transportation fuels from renewables is a noble goal. To decrease our dependence on foreign oil using American products and manufacturing, or producing electricity from renewables to open new markets, is something I hope we strive for. However, it is paramount that the state takes measured steps based on sound and sustainable policy. Before any action on a renewable fuel standard is implemented, I strongly urge State government and this

Committee, to thoroughly assess the renewables Wisconsin currently possesses; be it wind, solar, hydro, biomass, or other resources.

Since this is the Committee on Forestry I would like to address biomass. As Wisconsinites, you all are able to see first-hand the abundant forestland as you drive from your districts to Madison. We are very fortunate to have the resources we have here. These forests have allowed Wisconsin to be the #1 papermaking state in the country for more than 50 years. Papermaking creates tens of thousands of direct, good-paying jobs here in Wisconsin. In addition, Wisconsin's sawmills have a storied history that includes thousands of hardworking citizens who depend on our wood resources. Upon leaving wood manufacturing facilities, our forest products are delivered to builders, printers and other vendors across the state and country. Adding to the discussion, the global economy we now face makes it more difficult to produce products in the state. Investment in new equipment by non-Wisconsin based companies is being sent to mills overseas, while long term investments in Wisconsin mills are falling by the wayside. Fiber costs here were among the highest in the world a short time ago and are still close to the top today. We are competing against fiber coming from China, Brazil, and a host of other countries that have cheap labor and fiber that makes investments in Wisconsin mills more difficult.

To move forward with a policy or mandate that adds to any of these factors could be the proverbial straw that breaks the camel's back for some of the wood-using mills

in Wisconsin. To mandate, by any means, that Wisconsin produces X percentage of our electricity from renewables, especially biomass, will do nothing but drive wood costs up further. Wood is generally one of the top two expenses in the papermaking process. Mills compete very hard for the necessary resources, however, our resources are getting harder and harder to acquire at a price that keeps businesses open and people working. To mandate through policy more competition to reach an RFS could destroy the papermaking industry in the state and drive tens of thousands of Wisconsin jobs to Brazil or other countries.

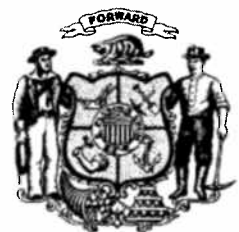
I am not saying we should forgo more renewable energy; I am simply asking the committee to have all its facts and studies complete and reviewed before committing to a policy that has the potential to greatly harm Wisconsin's economy. True competition takes place on a level playing field. With mandates and/or cap and trade policies the field is tilted to an unfair level against traditional Wisconsin wood-using companies.

There are other issues you will hear about today regarding forestry in the state. I think all of us speaking recognize the need for workers' compensation reform for the in-woods producers; MFL issues; what can the state do, if anything, to help struggling boardmills and sawmills; how can the state free up more stumpage on state-owned lands so we are reaching our annual allowable cuts; and can you continue to build efficiencies into the industry like you did a few years ago by increasing gross vehicle weight limits for raw forest products.

These are all challenges that I'm sure this committee is ready to take on. I offer any help I may be able to provide and I thank you for your time today.



WISCONSIN STATE LEGISLATURE





422 Third Street West, Suite 103
Ashland, Wisconsin 54806

Toll free: 866-995-9663
Local: 715-682-0007
www.livingforestcoop.com

Testimony Before the Assembly Committee on Forestry
January 21, 2009
by

Charly Ray
Living Forest Cooperative

Talking Points

1. Introduction - Living Forest Cooperative

- A private landowner cooperative providing forestry services since 2000.
- One of several forest landowner cooperatives in Wisconsin and dozens nationally.
- 178 landowners in 8 Counties with approximately 17,000 acres of forestland.
- Also manage 1,000 acres for the Nature Conservancy.
- Services include forestry planning, timber sale administration, and tree planting.

2. Deer Management

- The deer herd is slowly destroying our forests.
- Help landowners working to replant forests by encouraging DNR to cost share on deer fencing and repellents which are more cost effective and sometimes more productive than the single tree enclosures currently cost shared in the WFLGP (Wisconsin Forest Landowner Grant Program).
- Compile facts on the impacts of deer and influence any policy discussions in the legislature.
- Carrying capacity for deer should include the natural regeneration of native forests.

3. Managed Forest Law

- Statutory intent of s. 77.80 – the production of future forest crops and recognition of other objectives.
- The practice of MFL – timber primacy to the neglect of other objectives.
- Handbook on forestry emphasizes even aged production forestry (see back of sheet).
- Other programs tied into Handbook and colored by MFL program.
- These issues are keeping thousands of acres from being managed through MFL and also limit the choices landowners have to produce a variety of future forest crops.
- Discussions with the agency on this issue could determine if this issue requires an actual change to the statute or administrative redress.

Table 21.1 Natural Regeneration Methods by Forest Cover Type for Wisconsin

← EVEN-AGED | Uneven-Aged ↓

| FOREST COVER TYPES ¹ | NATURAL REGENERATION METHODS | | | | | | |
|---------------------------------|------------------------------|------------------|-----------|-------------------|-------------|-----------------|-----------------------|
| | Coppice | Clearcut | Seed Tree | Overstory Removal | Shelterwood | Group Selection | Single-tree Selection |
| Jack Pine | | GAP | GAP | GAP | X | | |
| Red Pine | | | X | GAP | X | | |
| White Pine | | | GAP | GAP | GAP | X | |
| Aspen | GAP | X | | GAP | | | |
| White Birch | X | GAP ² | X | GAP | GAP | | |
| Scrub Oak | GAP | GAP | X | GAP | GAP | X | |
| Oak | X | GAP | X | GAP | GAP | X | |
| Black Walnut | X | X | | GAP | X | X | |
| Red Maple | GAP | | | GAP | GAP | GAP | |
| Central Hardwood | X | X | | GAP | GAP | GAP | X |
| Northern Hardwood | X | | | GAP | GAP | GAP | GAP |
| Hemlock-Hardwood | | | | GAP | GAP | X | GAP |
| Fir-Spruce | | GAP ² | X | GAP | GAP | X | X |
| Swamp Conifer (Fir) | | GAP ² | X | GAP | GAP | X | X |
| Black Spruce | | GAP ² | X | GAP | GAP | X | X |
| Tamarack | | GAP ² | X | GAP | X | | |
| Cedar | | GAP ² | X | GAP | GAP | X | X |
| Swamp Hardwood | X | | | GAP | GAP | X | |
| Bottomland Hardwood | GAP | X | | GAP | GAP | GAP | |

GAP (generally accepted practice): Method generally accepted in Wisconsin and supported by literature. Refer to appropriate cover type chapters for application details. The generally accepted methods may not be reflected in some cover type chapters that have not been updated recently.

X: Method may have potential for application

¹ Natural regeneration methods apply to the cover type to be regenerated, not necessarily the currently existing cover type.

² Strip clearcutting generally recommended

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| White Birch | X | GAP ² | X | GAP | GAP | | |
| Scrub Oak | GAP | GAP | X | GAP | GAP | X | |
| Oak | X | GAP | X | GAP | GAP | X | |
| Black Walnut | X | X | | GAP | X | X | |
| Red Maple | GAP | | | GAP | GAP | GAP | |
| Central Hardwood | X | X | | GAP | GAP | GAP | X |
| Northern Hardwood | X | | | GAP | GAP | GAP | GAP |
| Hemlock-Hardwood | | | | GAP | GAP | X | GAP |
| Fir-Spruce | | GAP ² | X | GAP | GAP | X | X |
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| Tamarack | | GAP ² | X | GAP | X | | |
| Cedar | | GAP ² | X | GAP | GAP | X | X |
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Introduction

Representative Sherman – thank you for inviting me to speak to the Assembly Committee on Forestry regarding issues of concern for forestry in Wisconsin. It is a real privilege and pleasure to have this opportunity.

My name is Charly Ray. I am the General Manager at the Living Forest Cooperative in Ashland Wisconsin and have been since February of 2000. The Cooperative was started by landowners interested in managing their land with a conservation ethic and an eye towards making value added products from the land.

In our first few years of operation we managed to produce and sell flooring, paneling, and other custom milled products from our forests before we came to our senses and focused our business on services to members. Before we went further with manufacturing, we realized we first needed to get our forests organized and managed to understand what mix of products we might have to work with on a value added basis. We have been developing our capacities to manage our lands ever since.

Ours is a small piece of the forestry pie in Wisconsin – but we represent a critical and growing segment of private landowners. There are other forestry cooperatives organized in the state – the Kickapoo Woods Cooperative in LaFarge has over 200 members. Our forest lands are being fragmented into more and more ownerships. Our forest landowners are becoming more conservation oriented. Organizations working with landowners to pool resources, to manage land with a conservation emphasis, to help small landowners gain economy of scale will be critical to the future of forestry in Wisconsin.

Our Cooperative now has 178 members in eight counties across Northwest Wisconsin. These folks own about 17,000 acres of forestland. We also help the Nature Conservancy manage and implement timber sales on their 1,000 acre property at Caroline Lake outside of Mellen. Our focus on services includes management plans for our members, timber sale set up and administration, and tree planting. We have a permanent staff of four and seasonally employ up to 15 workers doing tree planting and forestry contract work.

I would like to focus my remarks on two issues of great concern to the Cooperative: deer management and the interpretation of legislative guidance on Managed Forest Land.

Deer

Do not pay heed to the wails from the hunting lobby that the herd is in decline – if it is, then we should all celebrate. Let us be clear about deer in our forests – the deer are devastating. Tree and understory plants are disappearing from our landscapes due in large part to deer browse. We are presiding over a slow motion catastrophe – an extinction in real time – if we allow deer populations to continue to soar. Look to the east for the possibilities – the state of Pennsylvania now regularly fences acre after acre of forest land to ensure the regeneration of trees after a harvest. Bayfield County recently did a test fencing of 29 acres and 50 acres. The cost was \$442 per acre. Our forests are subsidizing our deer population.

What can this committee do about deer? One easy step would be to see that DNR provide cost sharing for a multitude of deer browse mitigation strategies for private landowners. Currently DNR will cost

share on single tree cages to protect against deer browse, but will not cost share on fenced exclosures or spray repellents. Single tree cages are expensive to purchase, install, and maintain and there are performance concerns. Single exclosure costs can easily exceed \$1,000 per acre. Fenced exclosures may be less expensive on larger plantings and may also be higher performing. Repellents are much less expensive and are effective enough that the US Forest Service is using them to protect thousands of acres of plantings on our National Forests. USFS sprays land for about \$50 per acre, with three to five return visits necessary to get above the deer browse.

The Committee should undertake a fact finding on the extensive literature related to deer impacts on the landscape and summarize these findings for use in policy discussions.

The Committee could explore the question of carrying capacity – how many deer can our forests sustain and still regenerate a diverse forest. We should be looking to the landscape for guidance – when we can regenerate a cedar, a hemlock, a canada yew again, then we have the right balance.

Forest Policy

At the policy level, the Forestry Committee should take leadership in asserting the legislative intent of existing statutory guidance for Managed Forest Land in the State with the DNR. This may not need new legislation – I believe asserting the statutory intent of the current law should be adequate.

Forestry in the state has been captured by the interests of production silviculture despite legislative direction to bring forestry into the modern era. This translates into a simplified forest ecosystem with reduced opportunities for economic development and production of forest products. The will of the people has been thwarted by entrenched interests with a stake in maintaining the status quo.

(s) 77.80 states that the purpose of the MFL is to “encourage the management of private forest lands for the production of future forest crops... through sound forestry practices, recognizing the objectives of individual property owners....watershed protection... wildlife habitat....”

The legislature did not state the forests would be managed for industrial wood products primarily, but wisely recognized that our forest resources can provide multiple benefits while producing valuable products.

This is the work of LFC – we help landowners manage their forests for the production of products and the conservation of the forests for the long run. One would think we would find ourselves embraced by the DNR Forestry Program when in fact we find ourselves thwarted repeatedly at institutional levels. On the ground, we find many DNR foresters to be progressive and willing to work on ecological approaches to forest management. However, that is not always the case, and when we turn to the management within the agency for determinations on policy – the “timber primacy” policy rules the day – production forestry comes first and the legislature’s guidance to recognize other objectives comes second if at all.

How did things get this way from this very specific guidance in the statute? The Managed Forest Law (MFL) program provides landowners with tax relief in exchange for the active management of their forests. While I am not a scholar of the long legislative history of MFL going back into the mists of time with the Forest Crop Law program, the sense seems to be - “We’ve got to cut trees in MFL because we’re giving people a tax break.” That makes sense to some degree. The catch is – it is a red herring.

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In the MFL program, many folks, like myself, have land on which NO HARVEST IS REQUIRED DURING THE ENTIRE 25 YEAR CONTRACT – and that is fine. I have 40 acres which were largely clearcut a few years before I bought it so the forest is still growing back. So the MFL program does not require harvesting for the sake of it – the point is to manage forests for long term forest productivity.

The DNR codifies its forest management guidelines in the Silvicultural Handbook – the Bible of forestry in Wisconsin as it were. The Handbook seeks to lay out management approaches to every forest cover type in the State, and does an impressive job. However, the focus of the Handbook is **explicitly and admittedly** on industrial forest production. Language in the Handbook wisely identifies that “forestry is as much an art as a science” and that in given forest cover types there are different approaches which would be valid for other management objectives – but the dominant management approach is industrial forest production.

This is evidenced in the table included with my outline for you. Here are the major forest cover types of Wisconsin as discussed in the Handbook and the Natural Regeneration Methods in each one. Note there are only two cover types in the State which “single tree selection” is the “Generally Accepted Method” for regeneration – Northern Hardwoods and Hemlock-Hardwoods. This means all other forests are generally clearcut to one degree or another to regenerate the forest. Even aged management across the board. To look at this table one has to wonder how on earth the forests of Wisconsin survived before we were here to clearcut them for their regeneration!

I do not really have problems with the Handbook – my concern is with the interpretation and implementation of the Handbook. At a meeting discussion our concerns with DNR management, an official stated, “There is no interpretation of the Handbook,” another official said, “Our hands are tied by the Handbook.” What happened to the art of forestry? It died on the desk of our bureaucracy.

How the Agency leans on the Handbook is critical to us. Cost sharing from DNR for landowners to plant trees must comply with the Handbook. Stewardship Plans must comply with the Handbook in order to receive cost sharing. And we, as “Cooperating Foresters” with DNR are asked to follow the Handbook in our work with private landowners. Yet the Handbook does not address many of the things we work on with landowners – deer browse protection strategies, prairie restoration, old growth forest restoration, native forest recovery, and maple syrup production. This has led to some absurd scenarios.

In one case, preparing a Stewardship Plan (not an MFL Plan) for a conservation-minded landowner with a stand of middle aged aspen, red maple, and oak, we sought to advise the landowner to manage for slow conversion to a mixed pine, red maple, and oak forest. The landowner did not want to clearcut. The Handbook does not have management guidelines for mixed forests – the Handbook would have the landowner clearcut and regenerate the same forest. DNR advised us that, “As Cooperating Foresters agreeing to follow the Handbook,” our options were to advise the landowner to clearcut this forest OR do nothing with the forest. No middle ground – clearcut or nothing. If we do not agree, our landowners give up their cost sharing and we are asked to leave the Cooperating Forester program.

The Handbook ought to be a guide and not a Bible. I believe DNR is managing to the lowest common denominator with the Handbook because that is what is easiest. The truth is we do not know how the ecosystem works. The truth is the environment is constantly changing. I have been told, straight faced, by a DNR Forester that we should clearcut an oak stand despite the fact deer are browsing oak

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regeneration to the point of failure – BECAUSE THAT IS WHAT IS IN THE HANDBOOK.

Yes there is an option for foresters who want to work outside of the Handbook to petition the Agency with a scientifically based alternative practice. We tried this path and realized this was a very onerous standard – the science in forestry is largely driven by economic rather than ecological management so the literature is not easily identified, and furthermore – with the type of forestry we practice, we would need a new justification for each new habitat we are working in.

The practical result of the DNR forestry program is a bias against ecological forestry and a diversity of forest products. Ecological forestry is based first and foremost on site specific adaptive management – you manage for the possibilities of the site, the landowner objectives. The emphasis of the Agency on even aged management means less opportunity for mixed species forests, less opportunities for growing big sawlogs, and a bias in favor of pulpwood across the landscape.

This issue is important for a multitude of reasons, but I will emphasize private landowners since that is who I work for and the economy of rural Wisconsin since that is where I live. There are dozens of landowners I know and more which I have heard of who chose to do no active management, not join the MFL program, not plant trees, not cut trees, because they were advised by DNR that they should clearcut their land or would be required to under MFL. This represents thousands of acres of land which we could be bringing into active participation in the timber industry, creating jobs, regenerating forests, doing the good work – all of it missed because of the way DNR implements its forestry program.

A further impact on our rural economy is the simplification of our economic opportunities with the current policies rather than the legislative direction due to an emphasis on even aged forests. The even aged systems are productive for pulp and that is a huge part of our economy. The problem, both at a State level, but also for the small private landowner I represent, is that even aged forests are EVEN AGED – they get mature at the same time, they get diseases at the same time, they get hit by wind and drought the same way, and when you are done, you have one product to bring to market. But have you seen the price of pulp swing the past few years? Have you hear of the paper and OSB mills closing around the country? Where will we be if industry shifts and we are left with no options for our wood products? How does the agency pretend to understand what our future forest product needs will be? Would we not be more conservative to manage our forests for multiple age classes and multiple species such that multiple products may be removed at intervals rather than in one lump sum every 40-60 years?

The Committee needs to engage the Agency to understand why it has strayed so far from your legislative intent and determine if additional legislation is necessary or if administrative reforms may address this issue.

I do not want to see the Agency further manage to the lowest common denominator by reducing the field authority of Foresters on the ground. Rather, direction from Madison that they are to more widely interoperate the Handbook or support ecological forestry could go a long way towards reconciling this issue.

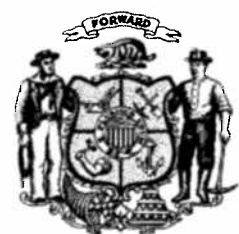
Resolution of this issue could bring thousands of acres into the MFL program or simply into active management and help build the forest we need for the future.

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WISCONSIN STATE LEGISLATURE



Great Lakes Timber Professionals Agenda presented to the Assembly Committee on Forestry January 21st, 2009.

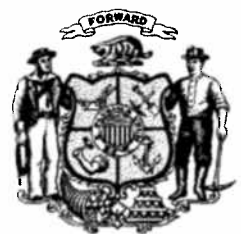
- 1) We are asking the committee to do an audit of the Forestry Account to see how funds are being spent and if those funds are supporting the retention and growth of the Forest Products Industry.
- 2) We are asking the Committee to look at whether or not forestry should be placed in the Department of Agriculture.
- 3) We are asking the Committee to take an active role to insure that Biomass Harvesting Guideline remain voluntary until such time that science and data have been collected to determine the best scenario for harvesting biomass material.
- 4) We are asking the committee to support changes to Act 167 to remove the sunset on the frozen road declaration and also make it possible to fully utilize the intent of Act 167 in regards to the transportation of forest product year round on state highways.
- 5) We are asking that the committee support changes to the workers compensation laws by any or all of the three ways suggested which are
 - An open rating system such as Minnesota
 - A self-insured fund like that in Michigan
 - Or the elimination of the minimum premium policy based on the Nine Points of being a self employed entrepreneur.
- 6) In order to support our members who have made huge investments in Wisconsin's biomass industry, we are asking that you introduce legislation that would give a one time tax credit to families that purchase and use pellet stoves. In doing this, you would be helping to support plants that are converting undesirable species to fuel and also helping individuals who wish to burn alternative fuels.

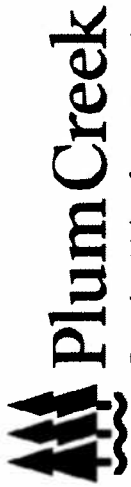
Tim Lee
North County Lumber

- Make the changes in Act. 167 so the industry will be able to haul 98,000 lbs. year round on all State and Federal and most Counties Highways. Make language changes to where the DOT interprets the law for how it was written. This is a cost savings, fuel savings, and the less traffic should lead to safer roadways and with less abuse to the roadways.
- Make State Highway 77 from the Michigan border to the Devils Creek Bridge in Mellen open to 154,000lbs. Make necessary changes to the Michigan border permit so all Michigan configured trucks can take advantage of this privilege. The three major industries in Mellen would all benefit from this change. We have a population of under 900 people and employ nearly 400 in forest products related jobs
- Hold the Public land holders accountable for following the management plans for timber harvests. Ex. State, County and Federal Lands.
- Small businesses like us cannot continue to absorb or pass on to the employees the high cost of health insurance. We experienced a 30% increase this year.
- We in the Forest Products Industry need these changes now more than ever, we need every advantage available to us to be able to stay viable and compete in the global economy we are faced with. This State or the Industry can ill afford the possibility of losing any more manufacturing jobs.



WISCONSIN STATE LEGISLATURE





Growing Value from Exceptional Resources

Assembly **Informational Meeting Committee on Forestry**

Wednesday, January 21st, 2009

Plum Creek in Wisconsin



- ▶ Thank you
- ▶ Importance of the Forest Industry - \$ and jobs
- ▶ Basic Plum Creek statistics – acres, production, contribution to the economy
- ▶ Commitment to SFI, sustainable forestry, and following Wisconsin’s strict laws and rules & regulations
- ▶ Overview of issues facing the forest industry

2008 Financial Investment in Wisconsin



- ▶ Payments to logging and trucking contractors - \$15.5MM *
- ▶ Investment in roads - \$0.6MM
- ▶ Planting & regeneration - \$0.5MM **
- ▶ MFL Property & Severance taxes - \$1.3MM

* INCLUDES
1.5 MILLION
IN ADDITIONAL
PAYMENTS FOR
FUEL COSTS

*
1,350,000

Issues Facing the Forest Industry



Issues facing the growth and health of the Forest Industry

- ▶ The Market for Fiber
- ▶ Growth of the Workforce
- ▶ Unique Infrastructure Needs
- ▶ Wisconsin as a Forest Industry Leader

Issues Facing the Forest Industry



▶ The Market for Fiber

- Paper Industry
- Creation of New Markets
 - Renewable Fuels
 - Woody Biomass definition
 - Biomass Harvest Guidelines
 - Sawmills and other secondary manufacturing

70% of product
is pulp wood
products

1. MARKET
FOR
BIOMASS
PRODUCTS

ACTION ITEMS FOR THE FORESTRY COMMITTEE TO CONSIDER:

- Maintain the broad definition of woody biomass contained in the state statutes.
- Support markets for the growth of renewable fuels.
- Support a strong and health paper industry.
- Encourage secondary manufacturing investment in WI.

Issues Facing the Forest Industry



- ▶ Growth of the Workforce
 - Contractor capacity in the Region
 - Workers Compensation hurdle for growth of logging industry

MANAGEMENT
IN
MIND

ACTION ITEMS FOR THE FORESTRY COMMITTEE TO CONSIDER:

- Solve the Workers Compensation issues facing Wisconsin's Loggers.
- Support the Certified Logging Safety Program.
- Continue to explore the best alternatives for logging professional.

INVESTMENT
CREDITS ?

Issues Facing the Forest Industry



- ▶ Unique Infrastructure Needs
 - Significant competitive disadvantage to MI in truck weights
 - Problems with CN Rail
 - High cost of transportation may affect growth of renewable industry
 - DOT Study

ACTION ITEMS FOR THE FORESTRY COMMITTEE TO CONSIDER:

- Increase truck weight limits on designated routes to support WI businesses.
- Address the rail issue facing WI's businesses.

Issues Facing the Forest Industry



- ▶ Wisconsin as a Forest Industry Leader
 - Concern about how changes can be made to the operating environment in the state without Legislative involvement.
 - How volunteer guidelines become mandatory
 - Silviculture Handbook and BMPs
 - MFL Program Abuse – Town Fire Protection Tax

BIDMAS
HAPPENING
GUIDELINES

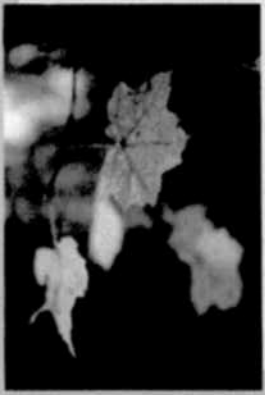
ACTION ITEMS FOR THE FORESTRY COMMITTEE TO CONSIDER:

- Support maintaining the MFL program.
- Support automation of MFL administration and reporting.
- Support adherence to the goals of the Healthy Forest Initiative.
- Support maintaining a strong forestry division.
- Support science-based sustainable forest management. ↙

Wrap Up

- ▶ Commitment to be a resource for the Committee on Forestry
- ▶ Science-based sustainable forest management
- ▶ Please call me whenever questions arise
- ▶ Invitation to the Committee to host a northern Wisconsin meeting when it fits their schedule
- ▶ Thank you

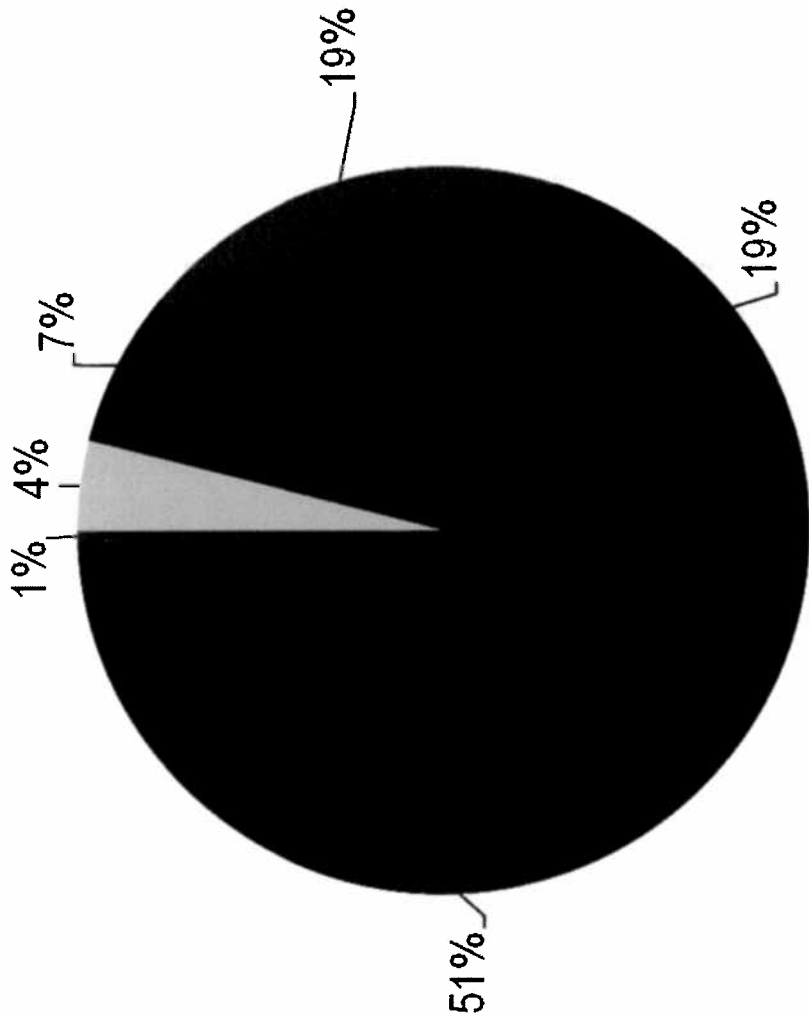





Plum Creek
Growing Value from Exceptional Resources

Appendix

Product Mix



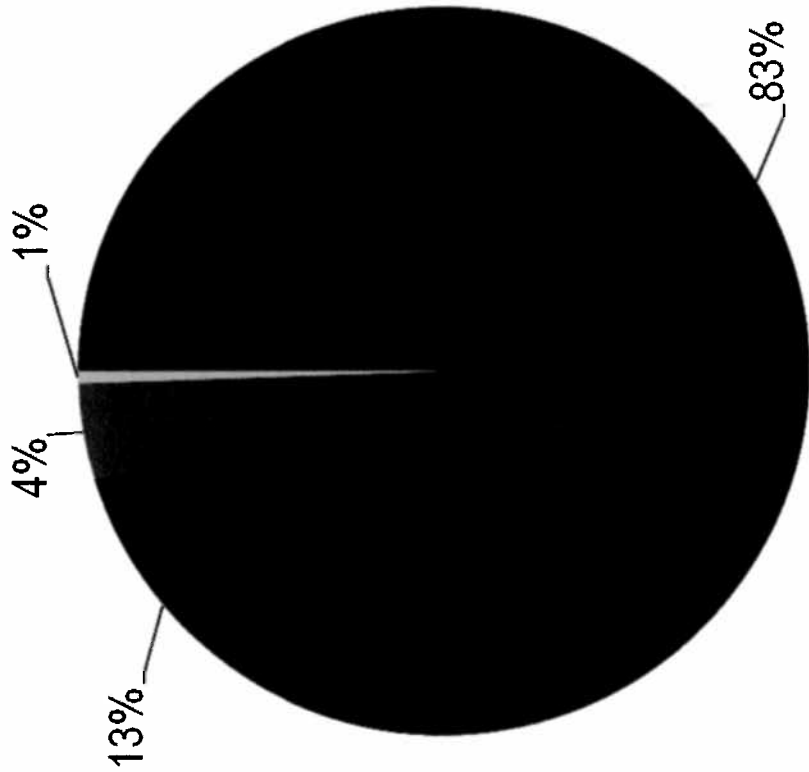
Revenue

- SWD Log
- SWD CNS
- SWD Pulp
- HWD Log
- HWD Pulp
- Biomass



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Destination

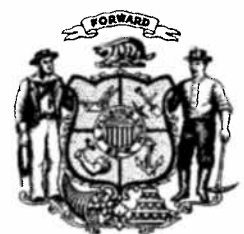


Customer Location

- WI
- MN
- MI
- Outside LS



WISCONSIN STATE LEGISLATURE



21 Jan 09

Bill Loewen, President, Lohman Timber + Co. Rel.: Flamboro Papers.

- biomass - hot button issue (25 by 25)

measurement steps - sustainable policy.

access what we have: #1 paper making state for just 50 yrs.
fibre costs high, labor costs high, new investment nil.

biomass can drive fibre costs higher.

be sure have facts. keep playing field level.

- workers comp reform

- mkt.

- help hard mills

- more stringency on state land.

- vehicle weights, other efficiencies (links on GVW?)

Flamboro papers - #6 wood boiler - reduce 60 tons coal to 18 tons/day
goal to be fossil fuel free: reduced nat'l gas by 1/3 through
efficiency.take waste and create gasification (Gorman process) - makes
diesel + waxes.

S MW power will replace rest of nat'l gas.

need the #30 mill moved to complete

construction in year.

Tim Lee - N.C. Lumber, Mellen.

GVW - border permit - buy 77 - to Devil's Creek in
Mellen. (23) (10-12 miles beyond border permit)

hardwoods - market is poor - prices falling. having the

has level of 13-20, not of 50-60 (down to 37.)

2/

Charles Ray. Living Forest Coops
Ask DNR guy about fenced enclosures.
Deer carry capacity - get determining.
Worked by DNR.
(have Tom Salzman history).

Henry Scheinbech. - Great Lakes Timber Professionals.

Lynn Wilson, Plam Creek Timber Co.
70 WI customers.
DWD training funds.
- MI weights - varts in:
Ashtabud not sure.
Woodruff - 16 miles, no bridges.
Mellan. -
- CN rail -

Assembly

INFORMATIONAL HEARING

Committee on Forestry

The committee will hold an informational hearing on the following items at the time specified below:

Wednesday, January 21, 2009

11:30 AM

300 Northeast

State Capitol

Forestry In Wisconsin

The Committee will hear testimony from the following invited speakers:

Bill Johnson - Johnson Timber Corporation

Tim Lee - North County Lumber

Charly Ray - Living Forest Cooperative

Henry Schienebeck - Great Lakes Timber Professionals Association

Lynn Wilson - Plum Creek Timber Company

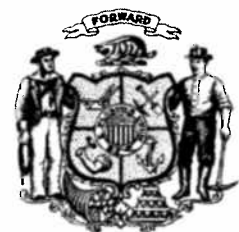
The Committee will meet at a future date to hear testimony from other invited speakers.



Representative Gary Sherman
Chair



WISCONSIN STATE LEGISLATURE



BILL JOHANSON

BIO MASS - ALTERNATIVE FUELS

25% BY 25

MANDATES ON BIOMASS \nearrow COST OF WOOD PRODUCTSBUILD EFFICIENCIES \rightarrow GROSS VEHICLE WEIGHT

PLUMBERS RIVER PAPERS

WOOD & COAL 60 \rightarrow 18 TONS COAL AVERAGE

PLAN TO MAKE FOSSIL FUEL FREE

FISCHER-TROPPEL - GASFICATION ? PROCESS

FUEL / WAX / POWER

- DOE NEPA PROJECT -

FRISKE

? RESEARCH ? UNIVERSITY ?

FOREST PRODUCTS LAB IN MADISON

? DR. JOHN @ UTLIS ?

*
ADD TO
LIST FOR
FUTURE
MEETINGSTIM LEE

HIGHWAY 67. | 77 ?

PUBLIC LANDOWNERS ACCOUNTABILITY

HEALTH INSURANCE

LAYOFFS 60 \rightarrow 37.

? DEFUNTION

BUY 2 PERMITS IS PROBLEM.

NOT ENOUGH PRODUCT

DYING NATURAL FOREST

CHARLY RAY

FOR PROFIT

MANUFACTURING INITIATIVE

FRISKE ? TRADE OFF YIELD TAX ↔ MFL TAX BREAK
EVOLUTION OF LAW AS CLUE
TO INTENT.
PUBLIC USE - RECREATIONAL & HUNTING

SHERMAN

BALANCE OF OBJECTIVES

MFL NOT RETAIN A REDUCTION = SHIFT OF TAXES

CLARK ? FIGHTING ON INDIVIDUAL CASE BY CASE BASIS IN
8 COUNTIES W/ 8 DIFFERENT FORESTERS OR
APPROACH DNR AT MASTER LEVEL ?

HENRY SCHIENEBECK

17
COUNTIES
LOBBING
#1
INDUSTRY

GLTPA - 1000 MEMBERS

① ? COST AUDIT OF FORESTRY ACCOUNT 2007 ?

② FORESTRY ~ DNR OR AGRICULTURE ?

③

④ PERMIT GOES W/ POWER UNIT = ENDS UP REQUIRING MULTIPLE

⑤ CERTIFIED LOGGERS SAFETY PROGRAM = 15% DISCOUNT

FRISKE

? WHAT WOULD REDUCTION IN RATE FOR WORK COMP DO ?

?
FISTA 6
CLS ?

INCREASE COMPETITIVENESS

ALLOW COMPANIES TO HIRE MORE WORKERS/EXPAND

LYNN WILSON

136 LOGGERS/TRUCKERS WORKING IN WI
DELIVERING TO OVER 90 COMPANIES

INDEPENDENT
CONTRACTORS
ARE NOT
CONTRIBUTING
TO
POOL

(# OF CHRISTMAS CARDS IN WI V. MICH.)

CERT. LOGGER SAFETY

MORE \$ FROM DWD TO DEVELOP.

98,000 lbs HAS BEEN HELPFUL

RECIPROCAL TRUCKING RULES W/ MI?

DROP FROM 30% TO 5% IN AMOUNT MOVED
BY RAIL

? REGIONAL DISADVANTAGE

GARY ? CN: ANTI-TRUST CONCERNS?

BRIDGES

ANTIGO / WOODRUFF / MELLON

|

?
BRIDGES

?

16 MILES
ADDITIONAL
NO
BRIDGES

FORESTRY
JOBS
HIGHLIGHTED
IN
CAREER
GUIDES
FOR
YOUNGER
SCHOOL
KIDS

FRISKE

? HANDBOOK ? STATIC ? CHANGES ?

ANSWER: REVIEWED IN SECTIONS

PART THEY WANT CHANGED NOT DUE

FOR REVISION ANY TIME SOON

? CHECK W/ DNR STAFF ~ PROCESS ?

|
WTC
IS
WORKING
ON IT