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☞ Informational hearing September 1, 2009: Managed Forest Law

(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)
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- 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)

Hoey, Joseph

From: Earl Gustafson [gustafson@wipapercouncil.org]
Sent: Monday, August 31, 2009 6:44 PM
To: Rep.Sherman; Hoey, Joseph
Subject: Forestry Committee Hearing

Representative Sherman and Mr. Hoey:

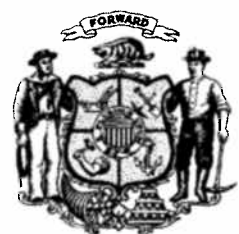
I regret that I will not be able to attend the Forestry Committee hearing on Tuesday. I am a member of the state's Unemployment Insurance Advisory Committee and we are meeting Tuesday to vote on proposals DWD would like to provide to the legislature yet this year. I do plan to view the Forestry Committee hearing when Wisconsin Eye has it available in archives. I just wanted to let you know that the Wisconsin Paper Council's absence is not due to lack of interest in the MFL.

Earl Gustafson
VP - Energy, Forestry & HR
Wisconsin Paper Council
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It's okay to print this e-mail. Paper is a biodegradable, renewable, sustainable product made from trees. Growing and harvesting trees provides direct employment for millions of men and women, and millions more in secondary, related employment. Working forests are good for the environment, providing a renewable resource, clean air, clean water, wildlife habitat, recreational opportunities and carbon storage.



WISCONSIN STATE LEGISLATURE



Hoey, Joseph

From: Steve Kariainen [Steve.Kariainen@lpcorp.com]
Sent: Tuesday, September 01, 2009 6:48 AM
To: Hoey, Joseph
Subject: MFL Hearing

Dear Mr. Hoey,

I want to thank Representative Sherman for holding a hearing of the Assembly Forestry Committee and for allowing me to provide comments regarding the Managed Forest Law program.

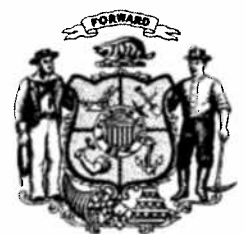
Although the MFL program is one of the most successful forestry programs ever developed in Wisconsin, I feel the WDNR's administration of the program could be improved by allowing landowners more freedom of choice in how they manage their forest lands. The forest management guidelines developed by the WDNR are very good, but they should only be considered guidelines - not mandates - in the management of forest lands.

I am especially concerned that the WDNR tends to view the economic aspects of forest management as being unimportant, or at least less important than the other aspects. Sustainable forestry is like a three-legged stool - it requires a proper balance of economic, environmental, and social considerations. Thank you.

Steve Kariainen
Resource Manager
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WISCONSIN STATE LEGISLATURE





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August 31, 2009

Representative Gary Sherman
Room 304 East
State Capitol
P.O. Box 8953
Madison, WI 53708

Representative Sherman:

Thank you for inviting me to provide testimony at the September 1st public hearing on the Managed Forest Law Program (MFL). The MFL program is of great interest and concern to the members of the Living Forest Cooperative as well as conservation minded citizens across rural Wisconsin. Please share my comments below with the whole of the Assembly Committee on Forestry. I would be pleased to provide further testimony or information regarding the MFL program.

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. We now have nearly 200 members in eight counties in Northwest Wisconsin.

First, I would like to reference my testimony before the Committee on January 21, 2009 in which the MFL program was addressed. I'll reiterate my point from that testimony and elaborate on improving the MFL program. My three primary concerns are:

- 1) The MFL program is in general a good thing – much better than nothing – and should be retained as is versus being torn apart by a revision process.
- 2) Within the existing statutory language, improvements may be possible by updated DNR policies, handbooks, or clarification of statutory intent.
- 3) The DNR needs to be flexible in working with landowners sincerely implementing sustainable forestry practices.
- 4) The greatest statutory need in MFL is for expanding the concept of forest management to include ecological and conservation practices to bring in landowners ready to be land stewards.

1) **MFL is fundamentally a good program.** I work with community-level forestry organizations around the country and the MFL program is far ahead of most state forest

programs. There is room for improvement to be sure, but please work carefully to ensure we maintain the MFL program.

Legislative Actions Suggested:

- a- Maintain 25 and 50 year entry options and do not weaken the incentives to stay in forestry over conversion to other uses.
- b- Give landowners additional incentives to enter for 50 years such as a lower tax rate.
- c- Allow landowners to lease their lands for compatible uses – even on “closed” lands.

2) As I stated in my January testimony, 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. I will paraphrase some of my earlier testimony on this point:

Forestry in the state has largely been captured by the interests of production silviculture despite legislative direction to bring forestry into the modern era – and despite a sincere belief at the DNR senior management level that they practice sustainable and modern forestry. 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. 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 bureaucracy 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.

Legislative Actions Suggested:

- a- Engage DNR management regarding the “timber primacy” interpretation of the MFL program and request they reinterpret this policy for field staff to encourage ecological forestry.

3) **Flexibility in working with landowners is critical to increasing and encouraging participation.** DNR's approach to the MFL program is that of a punitive regulator pushing landowners into industrial forestry.

MFL contracts are structured as legal documents with "enforceable" language requiring "mandatory practices." There is good reason to require some legal "teeth" in MFL contracts – landowners are after all being given a tax break and the major purpose of the legislation is to produce wood products. The irony is that industrial producers are not held to nearly the level of scrutiny or productivity as small private landowners in the "industrial MFL" program. This program is inverted from most other industries where for example the small dairy farmer is not required to put in the level of waste mitigation that an industrial feedlot might.

Similarly the DNR Silvicultural Handbook is explicitly based on maximization of timber production. Field foresters then must truly rise to the occasion to be flexible in the face of a "timber primacy" program with "enforceable" contracts tied to a handbook on industrial forestry.

Legislative Action Suggested:

- a- Engage DNR to clarify a program of increased flexibility which would still encourage landowners to produce timber from their lands while not hewing to an industrial productivity standard for silviculture.

4) **Expanding forest management to include ecological values is the key to modernizing the MFL program.** One simple and significant change to the statutory language which is needed is the insertion of the word "biodiversity" or maybe generically "conservation" into the list of values recognized by the program. If this were coupled with addressing the issues above – such that DNR broadened the recognized values of the program beyond industrial timber production – this could take the program into the modern era of ecological forestry. Alternatively, rewording the statute to place the "production of forest crops" on par with other recognized values would force the agency to recognize these values, and a case could be made that watersheds and wildlife habitat include biodiversity.

In our core service area – Chequamegon Bay – many landowners own clay lands with steep and deep ravines which flow into trout streams and Lake Superior. Special DNR guidance for landowners on these soils, or along trout streams, suggests they maintain forest cover and diversity of conifers on these lands. This means these lands are considered "non-productive" for MFL because the Handbook would have these areas clearcut. Yet the statute recognizes watershed protection as a value. The agency's own guidance for landowners is to manage for uneven-aged forests in these areas but they are unable to figure out how to include these lands in MFL. Often the agency justification is that "MFL is not for everyone or every land," and I don't disagree with that. However, **MFL should be for conservation minded landowners** who are willing to do timber harvesting with a balance of ecology and economics in mind.

Legislative Action Suggested:

- a- Include biodiversity as a recognized value of the MFL program.

Resolution of these issues could bring thousands of acres into the MFL program and into active management to help build the forest we need for the future.

Thank you for your consideration in this matter of great importance to the future of the forests and our rural communities.

Sincerely,

Charly Ray
General Manager





Jeff Mursau

STATE REPRESENTATIVE • 36TH ASSEMBLY DISTRICT

Date: September 1, 2009

From: State Representative Jeff Mursau

To: My Colleagues on the Assembly Committee on Forestry

Subject: Managed Forest Law (MFL) Program

Unfortunately, I am unable to attend today's hearing due to a prior commitment in the district. I had previously mentioned this hearing in one of my electronic newsletters and asked that if any constituents had comments they wished to submit regarding MFL, that they could e-mail them to me. I have attached the comments I received. Thank you.

Good morning Jeff.

I have very big concerns about this program as it applies to big companies like Plum Creek and public access. From what I see up here a company like this buys paper company land that has been open to the public(IE: Snowmobile Trails) for many years, then they manage it for profit and log it off and finally sell prime pieces of land to private folks. Net result some of these private landowners do not want motorized recreation and long standing trails are closed. I know that this is happening in Forest County.

Solution: If we have this MFL Program, which I believe is basically sound, that we change it to include a provision to have permanent easements for at least the corridor trails. A small increase in the taxation formula could be used to fund paying for these easements. Our Northwoods is dependent on recreation and closing corridor trails will have a big impact on our winter economy up here. Thanks for listening.

John Brantmeier, President
Red Arrow Snowmobile ATV Club Inc.
17643 Bennett Lane
Townsend, Wi 54175

I do not feel some of the lands should be included as a tax dodge for millionaires from across the country. There is a hunting and fishing club that bought up many thousands of acres in Marinette County who are from Chicago and California along with many other places including New York. They pay thousands of \$to belong to this exclusive club and I don't see why they should have there land tax exempt.

Darlene Rodman
706 5th St.
Goodman, WI 54125

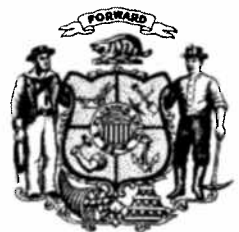
I live in Northern Wisconsin and we have very high property taxes here because of all the private land that is in the program. There is also vast amounts of land that are national forests and state and county forests that do not help with the tax burden either I believe that the managed forest lands program should be abolished. We have schools to support plus all the other Gov programs and a small number of people are paying the bills. A lot of the mfl are in a part of the program that by paying a token sum can keep from letting their land be used by the public for recreation. It is not fair to the residents to bear the whole tax burden for these lands. It is the most unfair program there is. Most of these lands belong to people who do not live here, but in other places. We are paying for their recreation with our tax dollars. As property taxes go up more large land owners put more land into the program so they don't have to pay their fair share of the tax burden.

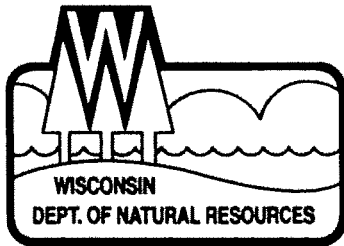
My feelings are to drop the program and let everyone pay their fair share,

Audrey Nowak



WISCONSIN STATE LEGISLATURE





State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor
Matt Frank, Secretary

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Hearing on the Managed Forest Law

Assembly Committee on Forestry

Department of Natural Resources Testimony
Paul DeLong, Administrator
Division of Forestry
September 1, 2009

Mr. Chairman and Committee Members:

Good morning. My name is Paul DeLong and I am the Administrator of the DNR's Division of Forestry and Wisconsin's Chief State Forester. I appreciate this opportunity to appear before you to discuss the Managed Forest Law program (MFL).

The MFL is Wisconsin's largest and most widely used incentive program to encourage sustainable forestry on private lands. It is a program that was enacted in 1985, but had its roots in 1927 when its predecessor program, the Forest Crop Law (FCL) was enacted. The people of Wisconsin, through their elected representatives, have a long history of encouraging sustainable forestry on private lands. The basis of this commitment is the fact that forests provide an array of benefits to the public. These benefits include clean air, clean water, wood products, settings for recreation and tourism, wildlife habitat, renewable energy, carbon sequestration and scenic beauty. Our forests generate jobs throughout Wisconsin and contribute billions in value to Wisconsin's economy. Forests are an essential element of Wisconsin's landscape and the places where millions of us live, work and recreate. MFL is a key tool in keeping forested land in forest and providing these benefits to both present and future generations.

Wisconsin's private forestry program is well recognized and respected as one of the best in the United States. One significant reason for this is the MFL. The MFL program currently has 43,000 enrollees with over 3 million acres of land. It is the largest and arguably most successful program of its kind in the nation. It has facilitated millions of acres of forest land in Wisconsin being managed for long-term public benefits. It has provided thousands of landowners technical assistance to help them achieve their objectives for their land in a manner that is compatible with the public interest.

MFL has facilitated Wisconsin gaining both recognition and market access through third-party certification of smaller family-owned forests. In the last few years, the MFL program has been certified under both the Forest Stewardship Council (FSC) and American Tree Farm as being managed sustainably. The MFL certification is far and away the largest group of certified family forest owners in the world. Independent, third-party certification means management of Wisconsin's forests meets strict standards for ecological, social and economic sustainability. Publishers, building contractors and other manufacturers are expanding use of certified wood to assure customers that their products are from well managed forests and not from timber either illegally harvested or destructively cut. Forest certification helps Wisconsin remain competitive in global markets that increasingly demand certified raw materials, and it could be a conduit for

helping landowners benefit from emerging markets, such as for carbon, which will in turn increase value to Wisconsin.

Forests are a long-term investment; the values they provide can not be readily turned on and off. Decisions regarding management of a forest often have consequences that affect the public benefits provided for many years. The original law was put in place in 1927 in the face of clear evidence of what can happen when there is a financial incentive to "cut and run". Wisconsin created a program in which annual property taxation was reduced in exchange for a long-term commitment to practice sound management of the forest to produce wood products that were, and still are, an important part of the state's economy. Deferring some taxes to the time in which the landowner received income was an effective way to encourage sustainable management of this long-term asset. It still is.

An incentive program targeting private forest landowners is important since nearly 70% of forested lands in Wisconsin are privately owned. Family-owned forest lands alone contribute two-thirds of all the timber harvested in Wisconsin. These are the forests most at risk of losing the capacity to provide public benefits due to conversion from forest or poor management. The approach taken by MFL to assure the provision of benefits long-term from our private forests includes:

- significant reduction in annual property taxes from forest land;
- long-term (25 or 50 year) commitment to keep that land forested and managed sustainably for multiple public benefits;
- payment of taxes at the time of harvest when income is received by the landowner; and
- a greater incentive to keep land open for public recreation, with a requirement that larger parcels be open.

There is no doubt Wisconsin would not have the large blocks of working forest lands were it not for MFL and FCL. Property taxes would drive the parcellization and fragmentation of these lands, reducing their contributions to the state's economy – both forest products and recreation/tourism – and the quality of our environment.

Although the net result of MFL is that fewer taxes are paid on those lands over the term of the enrollment, the benefits received by the public can be substantial. Furthermore, uninhabited forest lands require a significantly lower level of public services than most other land classes.

There is a natural tension between the investment the public makes in a program like MFL – reduced taxation – and the level of incentive needed for landowners to make a long-term commitment to manage their forest for those public benefits. As the agency that administers this program, we see the effects of this tension play out on a regular basis.

Although the benefits are extensive and diverse, the MFL program is not without its challenges. By definition, any program in which the public seeks to provide incentive for private individuals to act in a manner that assures public benefits will have the challenge of finding the right balance between public and private interests. With respect to MFL, there are several issues that are at the center of that balancing act.

First, the tax rate under the program influences the attractiveness of the program to landowners and local governments. The lower the rates (annual tax and yield tax) the more attractive the program is to landowners. On the other hand, lower rates increase the concerns expressed by local units of government. Furthermore, the level of services provided by the state for landowners within the program can influence its attractiveness. With constrained budgets and staff, reductions have occurred in some of the services provided by DNR.

Second, the term of enrollments under the program, currently 25 or 50 years, influences the willingness of landowners to get into the program. Forests are long-term investments, however, many landowners are concerned about making such a long commitment. Exacerbating the issue of length is the fact that conditions of the designation can change during the term, increasing landowner concerns.

Third, although MFL was designed to balance landowner desires to be able to close a portion of their land to public recreation, many view public recreation as one of the most important benefits provided by the law. The law allows a landowner to close either 80 acres (pre-2005 entries) or 160 acres per township to the public. This was designed to ensure that the majority of larger ownerships remain open to the public for recreation. There is no question that most family forest owners will not enter land under MFL if they are required to have all their land open. This would result in the loss of the many other benefits derived from lands under MFL.

The original program design worked well for a number of years. However, some landowners eventually figured out a way to work around the closed acreage limitation by dividing their ownership into what appear to be separate ownerships and entering them individually under the law. In the last few years some high profile large owners have taken this step, generating complaints from the public who perceive this as violating the clear intent of the program. The Legislature responded by prohibiting leasing of MFL land for private recreation, a response seemingly designed to eliminate the financial incentive for large landowners to configure their lands in such a way as to close them to the public. This angered many landowners who entered the law during a period in which recreational leasing was allowed.

Fourth, the law requires the sound management of forests under the law. The Legislature designed the program to ensure that the forests under the program would be able to provide public benefits – including forest products – over the long-term. Consistent with the law's intent to provide a supply of forest products to support the state's economy, the law is designed to have landowners pay a deferred tax at the time of harvest. DNR is in the position of evaluating whether the management practices desired by landowners are in keeping with the public interest. To address this challenge, DNR has developed forest management guidelines based on scientific research provided by the U.S. Forest Service, universities, and other research institutions. A range of management options are available to landowners. Foresters prescribe actual practices for an individual forest based on the landowner's objectives, current site conditions and the generally accepted practices.

We receive feedback by some landowners that our silviculture standards are too narrow, both by those wishing to manage more aggressively for short-term economic reasons or those wishing to manage in a manner that might not produce recurring forest products. DNR has outlined a range of acceptable practices that allows various levels of intensity in managing the forest to produce wood products while also producing an array of other public benefits. We work with landowners who wish to pursue alternative management practices and approve them if they are supported by research and are in keeping with the law's intent that lands under MFL provide multiple public benefits.

Finally, as the agency charged with administering the law, we strive to ensure that both landowners and local units of government are treated fairly under the law. We endeavor to help landowners understand the law before they enter their land and to keep landowners under the law and in compliance during the length of their enrollment. We collect and pass along to local units of government both yield taxes and withdrawal taxes. The latter can be substantial, particularly for lands under the program for many years. The Legislature created a strong incentive to stay in the program for the length of the term.

Although MFL has its challenges, I firmly believe that it is a program that delivers great value to the people of Wisconsin. Forests are one of Wisconsin's great natural assets; they produce benefits that all of us enjoy. MFL fills an important niche in our overall efforts to protect and sustainably manage Wisconsin's forests to provide economic, ecological and social benefits for present and future generations. The program is not for everyone, nor can it alone ensure the conservation of all our private forest lands. However, no other program does more to advance this goal.

The Department welcomes dialogue about ways in which MFL can be improved. We also welcome the opportunity to explore with you in more detail other tools that can be used to further private forest conservation. After all, Wisconsin's forests are a major reason why our state is an excellent place to live, work and recreate.

I appreciate this opportunity to share with you the importance of the MFL and would be glad to answer any questions you might have.

Public Benefits of the Managed Forest Law Program

Of Wisconsin's 10.7 million acres of private forestland, 3 million acres are enrolled in Wisconsin's Managed Forest Law (MFL) program. MFL includes essentially all forest industry land (about 800,000 acres) and a fourth of family forest land (2.2 million acres). The incentives provided through MFL to private forest landowners serves as an effective stimulus that generates significant environmental, social and economic returns.

Environmental Benefits

MFL lands purify our water and clean our air. Forests sequester carbon and release oxygen as part of the trees' photosynthetic life processes. This ecological service is becoming more important to mitigate the adverse impacts of climate change. Companies that purchase carbon credits are becoming active in Wisconsin. Landowners who are entered into the MFL program and are 3rd party certified by the Tree Farm and FSC programs are able to sell carbon credits. Regardless of being able to sell carbon credits, forests provide for cleaner air by virtue of having trees on the landscape.

Forested lands that are managed sustainably prevent eroded soil from entering water systems (streams, lakes). Wisconsin's *Best Management Practices for Water Quality Manual* provide landowners the tools and knowledge to keep equipment out of riparian management zones, create access roads on stable environments, establish erosion control structures on active logging roads and complete other management practices. Forest management practices can be used to correct or prevent sedimentation problems from occurring.

MFL lands provide habitat for a wide array of plant and animal species. Private landowners provide most of the wildlife habitat in Wisconsin. Landowners are interested in providing good habitat to benefit hunting opportunities or watching wildlife.

Lands entered into the MFL program must protect endangered and threatened species and habitats, as well as any cultural and historic sites. This level of protection is not always found on lands not enrolled in the MFL program, particularly if landowners are not aware of either the existence of or protection needs of these important resources.

Social and Economic Benefits

Wisconsin's forests have an enormous impact on the state's economy. The value of the forest products industry in the state is approximately equal to the value of agricultural impacts. Based on 2007 data, the forest products industry contributes about \$3.1 billion per year in wages to the Wisconsin economy – about 13% of all manufacturing wages in the state. The forest products sector employed 68,846 men and women in 2007, and their average personal income was \$44,438. That is 22.5% higher than the Wisconsin average per capita personal income of \$36,272 in 2007.

One of the reasons Wisconsin's forest products industry is successful is because the raw material for their manufacturing processes is readily available from private landowners. Sixty-eight percent of wood harvested in Wisconsin comes from family forests, MFL land playing an important role. Landowners in the MFL program are

required to harvest timber for forest health and other ecosystem objectives in the program. Management plans are prepared for each landowner and the harvest date is entered into the computer data system and tracked by the department. Reminder letters and mandatory practices lists are developed each year so that DNR and cooperating foresters contact each landowner to implement their mandatory practices. MFL program timber sales might not have been harvested sustainably or harvested at all without the incentive offered by this program.

The Managed Forest Law provides landowners with the incentive to keep forests as working forests, meaning that forests are kept in larger blocks that make it economical for woodland management practices to be accomplished. Without MFL, more Wisconsin forestland would be fragmented into smaller parcels. The average family forest MFL parcel has remained at about 52 acres, but the average parcel size of other woodlots in Wisconsin dropped 24% from 37 acres to 28 acres between 1997 and 2006.

MFL lands provide an important setting for forest-based recreation and tourism, which are significant to the economies of rural areas. The MFL program increases the amount of lands open to public recreation. Most of the open lands are provided by industrial landowners and some larger private landowners. The MFL and FCL programs provide 20% of all lands open to the public for hunting and other recreational activities.

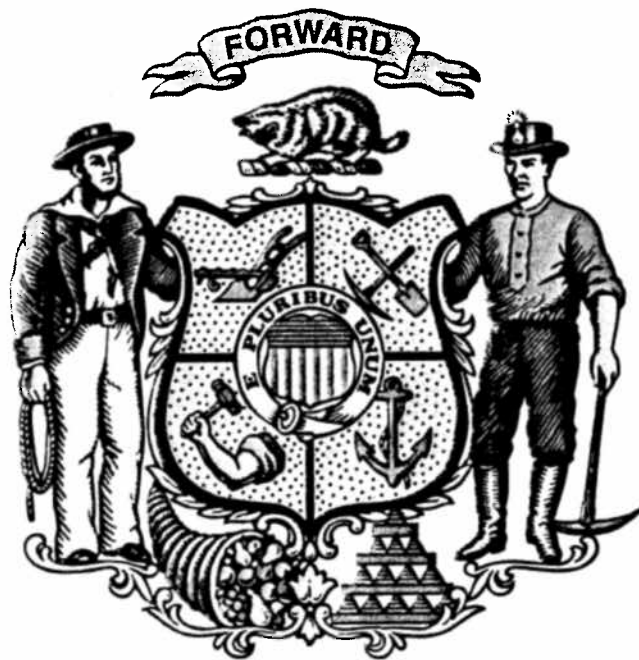
Wisconsin's forested landscape encourages tourism in the state. While many tourists visit public recreational facilities, private forests provide the landscape that keeps people coming back to look at fall leaf color, spring leaf out and woodland flowers, as well as the larger landscape of open green space.

Wisconsin's forests also contribute to the production of renewable energy. Although wood has long played a role in providing energy, increasing concerns about both fossil fuel use and importing energy have resulted in increasing recognition of our forests as one source of home-grown renewable energy.

The fact that MFL is recognized with both Forest Stewardship Council and American Tree Farm System forest certification is further assurance that MFL meets comprehensive standards of responsible management. Independent auditors review MFL operations to verify conformance to the chosen standards. Wisconsin's MFL is the largest certified family-forest group in the world. Certified MFL land helps distinguish Wisconsin as one of the leading states in the country for responsible forest industry and environmental protection.

All of these benefits together add up to making MFL a very wise investment by the people of Wisconsin.

September 1, 2009





Plum Creek

Growing Value from Exceptional Resources

September 1, 2009

Assembly Committee on Forestry
c/o Representative Gary Sherman
Committee Chairman
Room 304 East
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Assembly Forestry Committee Members:

On behalf of Plum Creek, I want to share some important points related to Wisconsin's Managed Forest Law (MFL), its great value to the state, and why we support it. I also want to share through this letter, as well as my comments at the public hearing, some concerns with and suggestions for MFL that I believe are crucial to the future of the forest products industry in Wisconsin.

I am the senior resource manager for Plum Creek Timber in the Lake States region, and our company currently has more than 250,000 acres of our central and northern Wisconsin timberlands registered under the MFL program. That is nearly 98 percent of our 260,000 acres in the state, which is open to the public for recreational uses such as hiking, biking, skiing and more.

The MFL program is also very valuable for Plum Creek, as it allows for a predictable and consistent tax on our forestland, which is crucial to running our business, especially in the current economy. Other beneficiaries of the MFL program are other private landowners and the forest products industry. Through MFL, those private landowners receive assistance with their forest management needs, which helps ensure a sustainable supply of wood for Wisconsin's paper, lumber and other forest products industries.

I have worked in Wisconsin's timber and forest products industry for more than 25 years, and Plum Creek is a national leader in sustainable forest management practices and utilizing the science of silviculture to plant, grow, maximize and harvest the best trees possible. It is with that background, and commitment to sustainability and the MFL program, that I want to share some comments and concerns about the current administration of the program.

Currently, MFL management guidelines are established independently by Department of Natural Resources (DNR) staff without prior input from others such as silviculture experts, academia and participants of the program. We think engaging in discussions about those guidelines on the front end of their creation will help ensure that the latest scientific information will be utilized.

As an example, there is excellent new information and management prescriptions that are being done elsewhere that could improve the growth and yield of Wisconsin's forests. However, for that new science and information to be utilized and incorporated into Wisconsin's DNR handbook, the department requires such information to be peer reviewed and published. Due to drastic decreases in funding to publish such peer-reviewed literature, that opportunity rarely exists and thus, good information and science is not being used to benefit the state.

That said, such research and science is very important to Plum Creek. We dedicate resources to it, including a key staff person that works in the Lake States region to work with top forestry and forest management academia and researchers. We also sponsored a March 2009 symposium in Wisconsin, which more than 50 industry leaders, including WDNR staff, attended. That symposium aimed to highlight that research and provide a forum for peer review and for department staff to ask questions of the researchers. We remain hopeful that the symposium will further more discussion on such new research.

The second point I wanted to stress regarding the administration of the MFL program, is the need for greater acceptance of economic considerations in silviculture guidelines. The forest products industry is the second largest industry in the state, and to most effectively meet its needs and support its jobs, landowners should be given the ability to maximize their lands' economic potential. Shorter rotations and lower planting densities for red pine are two examples that could produce more fiber, more quickly, for an important industry in Wisconsin without compromising forest sustainability.

Additionally, shorter rotation ages in some cover-types would create a larger amount of early successional habitat across the state – something that is declining and critically important to several wildlife species.

I hope you will consider the many benefits of MFL, as well as these program administration issues and our recommendations as you review the program. Certainly, key to everyone is ensuring a sustainable supply of wood for Wisconsin's timber and forest products. For timberland owners, it is crucial that MFL guidelines are sensitive to the economics of the industry and that economics play an appropriate role in how MFL is administered.

Thank you again for your time and consideration.

Sincerely,



Scott Henker
Senior Resource Manager – Lake States
Plum Creek
Stonewood Center
1411 N. 4th Street
Tomahawk, WI 54487
(715) 453-6992 ext. 22

cc: Representative Fred Clark, Vice Chairman
Representative Nick Milroy
Representative Donald Friske
Representative Jeffrey Mursau

Rotation Length and Forest Management Symposium

March 10, 2009

Executive Summary

Six speakers representing forest science, forest education, forest management and forest ownership provided information regarding key aspects of harvest planning and resource availability. There were approximately 60 attendees at the event, including representatives from the forest products industry, timberland owners and managers, paper companies, and energy companies, as well as representatives from the Wisconsin Department of Natural Resources. A summary of the key points from each speaker's presentation follows.

Dr. Alan Ek, Professor and Head Department of Forest Resources, University of Minnesota

- ❖ Lake States forests and the industries they support compete directly with global forest industries.
- ❖ The age classes of Wisconsin forest types are older relative to 20 years ago. Fewer acres of young forest are developing, creating an uneven distribution of age classes and future reductions in wood supply.
- ❖ Harvest planning and scheduling are crucial components of maintaining a sustainable wood flow to wood users and an economic return to landowners.
- ❖ An aspen rotation age of 30 years will not limit future harvest levels and will provide annual harvest opportunities greater than currently available with a 40- or 50-year rotation.

Mr. Mark Waterman, Manager of Forest Inventory and Planning, Plum Creek Timber Company

- ❖ Accurate planning and efficient harvest decisions rely on forest inventory data that consider the types of forest available, the number of acres within those types and their age.
- ❖ Information management requires statistically sound growth data, sound economic data and silviculture planning.
- ❖ Landowner harvest decisions are guided by market and price, forest growth, sustainability, limits on activity and return on investment.

Dr. David Reed, Vice President for Research and Professor of Forest Biometrics, Michigan Technological University.

- ❖ A final harvest decision can be based on criteria that either maximize a financial return associated with growth or maximize biological productivity without financial considerations.
- ❖ Rotation ages based on maximum mean annual increment provide the greatest volumes, but ignore prices and costs.
- ❖ Maximizing discounted net revenue (land expectation value) assigns a value to the opportunity cost of delaying a harvest. This widely-used analysis assumes a site will stay in forest production in perpetuity and considers the effect current decisions have on future possibilities.
- ❖ Current management handbooks use data from several sources and often provide one yield table that may or may not be applicable across the range of the species. Conflicts within a management handbook can occur when more than one data set is used.
- ❖ Aspen rotations, depending on product, can be as low as 30 years; red pine rotation ages can be as low as 35 years.

Dr. Mike Demchik, Associate Professor of Forestry, University of Wisconsin, Stevens Point.

- ❖ Tree vigor is dependent on site quality, species, thinning timing, age and vegetation control.
- ❖ Initial planting density affects tree size, ability to thin economically, and the early development of merchantable trees.
- ❖ Planting densities between 400 trees per acre on low-quality sites and upwards of 600 trees per acre on higher quality sites provide the same amount of wood over a rotation as high-density plantings but on fewer stems.
- ❖ Tree crown development and maintenance are among the most important aspects of forest management, requiring timely thinning entries and recognizing site and management influence on crown growth.

Dr. Eric Vance, Principal Scientist, National Council for Air and Stream Improvement

- ❖ Economic viability provides incentives to keep forests as forests.
- ❖ Managed forests provide high environmental contributions relative to other land uses.
- ❖ Demonstrated calcium deficiencies related to increased harvests are rare.
- ❖ Worst-case scenario on sandy soils indicates three 20-year rotations will remove <5% Ca, which is equivalent to one ton of wood ash.
- ❖ Little evidence of forest productivity declines, particularly uncorrectable declines, by shortening rotation age.
- ❖ Most forest sites are remarkably resilient.
- ❖ Preconceived notions of site impacts are often incorrect.

Mr. Peter Aube, Lumbermill Manager for Potlatch Land and Lumber LLC

- ❖ Red pine markets include pulp and paper, sawbolts, poles, sawlogs, cabin logs and biomass.
- ❖ Red pine dimension lumber of 2x4 and 2x6 inches is the primary market for sawbolts.
- ❖ Little demand for sawlogs or utility poles relative to other red pine markets.
- ❖ Margin drivers are capital, operating costs, product recovery and price.
- ❖ Economic rotation ages justify ownership and investment in future forests.



Plum Creek

Growing Value from Exceptional Resources



Potlatch®

Rotation Length and Forest Management Symposium

Speaker Background

Alan Ek

Alan R. Ek is Professor and Head of the Department of Forest Resources for the University of Minnesota, St. Paul. He has B.S. and M.S. degrees from the University of Minnesota in forestry and a doctorate from Oregon State University in forest measurements. He joined the faculty at Minnesota in 1977, after service with the Canada Department of Fisheries and Forestry and the University of Wisconsin-Madison.

Ek is the author of numerous research and technical papers on forest growth modeling, inventory design, resource analysis and planning. He served on the Society of American Foresters (SAF) Forest Science and Technology Board and served as chair for one term. Ek also served as the Minnesota SAF State Policy Chair. Ek was elected a Fellow of the SAF in 1993. From 1990-1994 he served as the Study Group Coordinator for the Generic Environmental Impact Study of Timber Harvesting and Forest Management in Minnesota. In 1997, he worked in Finland as a Fulbright Scholar. In the late 1990s, Ek served on the USDA Forestry Research Advisory Council, including two years as chair. He has also served several terms as Research Chair for the National Association of University Forest Resource Programs. In the past year, he served as a member of the Governor's Task Force on the Competitiveness of Minnesota's Primary Forest Products Industry. He is also a member of the Minnesota Forest Resources Council.

Mark Waterman

Mark Waterman is Plum Creek Timber Company's Manager of Forest Inventory & Planning. In this role, Waterman oversees the harvest planning and inventory management for all 7.4 million acres of Plum Creek timberland. He has served in this position for the last 10 years and currently resides in Georgia.

Waterman, who has a degree in forestry from the University of Missouri, has 35 years of experience in the forest products industry. He spent the first 20 years of his forestry career at Weyerhaeuser and Georgia Pacific Corporation in wood procurement, specifically purchasing pine and hardwood sawtimber and pulpwood. While with Georgia Pacific, he also spent five years in Operations Research at the company's pine and hardwood sawmills. There he worked on modeling to determine the relationship between log quality and value.

David Reed

Dr. David Reed is Vice President for Research and Professor of Forest Biometrics in the School of Forest Resources and Environmental Science at Michigan Technological University. He has been principal investigator or co-investigator on over \$9 million in externally funded research. Dr. Reed has authored or co-authored over 130 technical publications and reports and two books since joining Michigan Tech in 1982. His work has involved collaboration with researchers from a variety of disciplines at the university as well as from outside institutions, and his sponsors range from the National Science Foundation to Mead Paper.

Dr. Reed received the Scientific Achievement Award from the International Union of Forest Research Organizations in 2000. This honor is given to no more than ten scientists every five years worldwide and signifies international recognition of scientific achievement in forest research. He received the Forest Science award from the Society of American Foresters in 2002, and was awarded the Career Achievement Award by the College of Natural Resources at Virginia Tech in 2008. He was a Fulbright Scholar in 1996 at the Technical University of Lisbon (Portugal).

Dr. Reed is on the editorial board of Forest Ecology and Management, and is a member of the Board of Directors of Oak Ridge Associated Universities and the Michigan Tech Enterprise Corporation. He has served as a reviewer for many journals and granting organizations, including the National Science Foundation and USDA, as well as the governments of Portugal, Chile and Qatar.

Dr. Reed received his PhD in Forest Biometrics and MS degrees in Statistics and Forest Biometrics from Virginia Polytechnic Institute and State University and a BS in Forest Science from the University of Arkansas-Monticello.

Mike Demchik

Mike Demchik is Associate Professor of Forestry at University of Wisconsin Stevens Point. Demchik teaches courses in silviculture, international resource management, soils and various other natural resource topics. His research interests include soil impacts on silviculture, forest management on harsh sites, biomass harvest and agroforestry.

Eric Vance

Dr. Vance is Principal Scientist with the National Council for Air and Stream Improvement (NCASI), a non-profit environmental research organization serving the U.S. and now North American forest products industry since 1943. In that capacity, he manages research, serves on agency advisory boards, and collaborates with industry, agency, and university partners on a range of sustainable forest productivity research topics. Eric received his B.S. in Forestry from Michigan Technological University and his Ph.D. in Forest Soils from the University of Missouri. He was a Visiting Fulbright Scholar at Rothamsted Experimental Station, U.K. and has held research appointments at the University of California-Santa Barbara and the Institute of Arctic Biology, University of Alaska.

Peter Aube

Peter Aube is currently Lumbermill Manager for Potlatch Land and Lumber LLC in Bemidji, Minnesota. He holds a Bachelors of Science Degree in Forest Management, and a Masters of Science Degree in Forest Economics from the University of Minnesota.

His career spans over 30 years of forestry and forest product manufacturing in Minnesota and Wisconsin. He has held positions of Forest Economist, Area Forester, Strategic Planning Manager, Lake States Resource Manager, and Lumber Manager for Potlatch. He has been responsible forestry operations on 375,000 acres of land in the Lake States, and construction and operation of Minnesota's largest sawmill. Aube is proud to have planted a million red pine trees a year, and see those trees enter his sawmill to produce lumber and fiber products.

For the past 22 years, Aube has served as an officer of the Northern Softwood Bureau (The rules writing agency for softwood lumber in the Lake States). He has served on national grading rule committee for the American Lumber Standards, and is a board member of American Lumber Standards Committee in Washington DC. Aube is currently President of the Bemidji Joint Economic Development Commission, and was its founding chair for its Forestry Affairs Council. He is also on the Board of Directors for Minnesota Forest Industries.

March 24, 2009

Mr. Paul DeLong
Chief State Forester
Wisconsin Department of Natural Resources
PO Box 7921
Madison, WI 53707

Dear Mr. DeLong:

Thank you for attending the recent Rotation Length and Forest Management Symposium. I personally appreciate the time you committed to attend the event, as well as having your department well-represented at the symposium. Since that event, I have heard from many of the attendees that the presentations by the six speakers were extremely valuable and informative. I hope you and your staff share that feeling.

As you know, this event was coordinated by Plum Creek and Potlatch, and it drew more than 50 other leaders from the forest products industry. The attendees are all interested in working together to ensure Wisconsin forests are best-managed, protected, productive, and meet the needs of both the long-time and emerging industries that rely upon them. I know you and your department share those goals, and I would like to request that we continue to explore the topics addressed at the symposium.

There are many key issues facing Wisconsin forests and the symposium brought together forest scientists to address many of those. In particular, we hope the symposium can be a starting point for the industry and WDNR to discuss and incorporate this new information into the State's Forest Management Guides and Silviculture Handbooks as we go forward. Rotation length, and its affect on long-term harvest planning and wood supply, was a key symposium theme. Several presenters also addressed limitations inherent in the management handbooks from which the current rotation ages are drawn from. These include changed product specifications, improved harvest efficiencies, capital investment and its impact on management decisions, and the site and regional impact on yield tables. Red pine in particular is represented in all of those examples.

I would like to propose a meeting in the near future between industry representatives and the Department to continue this dialogue while information gained from this symposium is fresh in our minds. Moreover, given the fact that the Department is currently reviewing materials and guidelines that directly impact this issue, such a meeting would be particularly timely.

I will follow up with you in the coming days to discuss a meeting and gain your feedback on the symposium and how we best move forward. Also, enclosed is a summary of the symposium presentations that is being shared with key legislators and others who could not attend but requested such information.

I look forward to talking with you soon.

Sincerely,

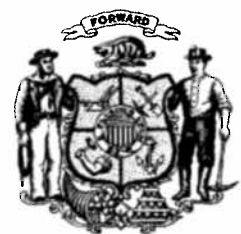
Lynn Wilson
General Manager, Plum Creek - Lakes States Region

Enclosure

Cc: Dan Toivonen, Potlatch
Scott Henker, Plum Creek
Gary Wyckoff, Plum Creek



WISCONSIN STATE LEGISLATURE



To: Assembly Committee on Forestry Chair, Rep. Sherman and Members

From: Matt Dallman, Director of Conservation – Northern Wisconsin for The Nature Conservancy

RE: Testimony to the Assembly Forestry Committee on the Manage Forest Law (MFL)

The Nature Conservancy is an international conservation organization with programs in all 50 states and 33 countries around the globe. We enjoy a membership of over 1 million people in the U.S. with over 20,000 members in Wisconsin. The Nature Conservancy currently manages over 24,000 acres of land in the state, of which 2,100 are enrolled in the MFL program. We'd like to stress the importance of the MFL program as it is the primary tool that guides the sustainable management of approximately 3 million acres of Wisconsin's forestland.

The purpose of the MFL program according to statutes is to encourage the management of private forest lands for the production of future forest crops for commercial use through sound forestry practices. MFL offers private landowners the tools they need to effectively and sustainably manage their forests. Effective management helps maintain access to a critical supply of timber to keep our Forest Products industry in Wisconsin viable. In turn a viable industry offers a market and the MFL program offers an incentive to private landowners to keep their lands intact and productive.

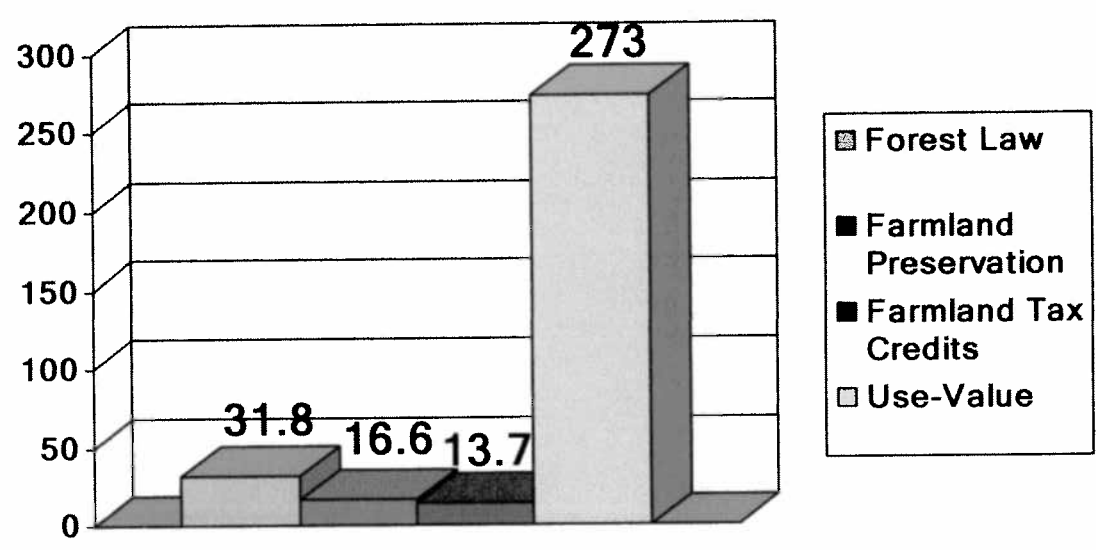
While accomplishing its goal of producing forest crops, the citizens of Wisconsin receive many ancillary benefits from the land protected in this program including; the protection of wildlife habitat, a reduction in the fragmentation of our forests, protection of our water quality, and tremendous public recreation opportunities. MFL guided private lands form landscape connections to Federal, State and County lands that maintain critical habitat for Wisconsin wildlife and linkages for outdoor recreation, such as snowmobiling to take place.

The MFL program may also prove an important tool in Wisconsin as our state and country begin to address climate change. While many carbon offset programs have focused on afforestation projects, the conversion of degraded lands to forests by planting trees, new projects have begun to focus on managing forests more effectively. Over the past year the Chicago Climate Exchange has developed new rules and guidelines that establish a process for the enrollment and verification of Managed Forest Projects and woodland owners enrolled in MFL in Wisconsin meet these requirements.

We believe the benefits to the citizens of Wisconsin that this program provides are clear. By focusing on the goal of effectively and sustainably managing our private forests for the production of forest crops, we have seen incredible increases in quality wildlife habitat, better protection of the water quality in our lakes and streams, increased capacity for carbon sequestration, high quality outdoor recreational opportunities, and a decrease in forest fragmentation. We hope that the Legislature continues to support the goals that are outlined for the MFL program by honoring their contracts with landowners that currently exist as well as promoting strong relationships with new participants in the program. We believe that any changes to this program that would result in less forest land protected would be a mistake. Thank you for your attention to this issue.



Rural Land Property Tax Incentives in 2002 (Millions of Dollars)



Pastured Woodlands

TAX = \$1.63/ACRE



TAX = \$50.00/ACRE



Assumptions: FMV Assessment = \$2000/acre, Pasture UVA = \$65/acre,
Mill Rate = \$25/\$1000



Wisconsin Wildlife Federation

Testimony of Wisconsin Wildlife Federation on MFL Law

Chair Sherman and Members of the Assembly Forestry Committee:

Thank you for this opportunity to testify on the perspectives of the Wisconsin Wildlife Federation on Wisconsin's Managed Forest Law. My name is Jerry Knuth and I am a past President, Member of the Board and Chair of the Federation's Forestry and Parks Committee. The Federation represents over 160 hunting, fishing, trapping and forestry-related organizations located throughout Wisconsin. The Wisconsin Woodland Owners is an important affiliate of the Federation and as you know, an organization deeply tied to the MFL program. Many of our members, including myself, own MFL lands.

The Federation has several other important interests tied to the success of the MFL law in Wisconsin. The law results in over three million acres of well-managed forests in the state which provide excellent wildlife habitat critical to the game, nongame and endangered wildlife species that our members deeply care about. The well-managed forestlands covered by the program assure the protection of the state's watersheds which are fundamental to the protection of water quality and fish habitat, also critically important to our members.

The lands entered under the Managed Forest Law program provide the valuable raw material that is the basis for Wisconsin's logging, construction, paper, sawmill and printing industries. A very large number of our members are employed or supported by these industries.

Lastly, but very importantly, MFL lands and the Forest Crop lands before it, provide valuable public access for hunting and fishing by hunters and anglers. The requirement that these program lands be open for hunting and fishing is a critical element of those programs and is a major justification supporting the constitutionality of providing major property tax reductions to thousands of private property owners in the state. Public access on MFL lands has been seriously and greatly eroded over the years and its loss has significantly weakened the justification for the unique tax treatment of MFL owners. Currently there are 3,039,474 MFL acres in the state, of those acres only 1,155,963 acres are publicly open to hunting, fishing and other recreational pursuits. A large number of MFL lands, 1,883,510 acres or 62% of MFL lands are closed to public hunting and fishing. This clearly breaks the commitment to sportsmen and women in this state that these lands, receiving substantial public tax benefits, would be open to hunting, fishing and other recreational opportunities.

The Forest Crop Law program allowed a private landowner to close 40 acres to public hunting and fishing. The subsequent MFL program initially allowed a landowner to close

80 acres to public use. Subsequently the MFL law was modified to allow all the private property owners receiving substantial property tax reductions to close 160 acres to public use. The Federation opposed this change as being excessive but was unsuccessful in preventing it becoming law. We were told that in fact there would be a new program using the additional dollars generated by the difference between the open land acreage fee and the closed acreage fee to purchase hunting and fishing access on other lands in order to compensate the loss of access for hunters and anglers and to assure that there was proper justification to constitutionally protect the property tax benefits provided to private owners. For two state budgets, the legislature rejected Governor Doyle's proposed MFL public access grant program and then after finally having the grant program established and funded by the Legislature at \$1,000,000, the Administration lapsed that amount to pay for budget shortfalls.

These long- term actions by the Legislature and the Governor have broken the state's commitments to the sportsmen and women of the state and seriously threaten the constitutionality of the tax benefits afforded to private landowners under the Managed Forest Law.

The Wildlife Federation, on behalf of Wisconsin hunters, anglers and other recreational users is respectfully asking you to review and correct this situation. One logical approach would be for the Legislature to fully fund the MFL public access grant account with funds from the State's Forestry Fund. However we recognize that the state forestry account has been seriously depleted in this and past state budgets. The Wildlife Federation believes however that the Forestry Account spending by the Legislature for purposes other than those authorized by the Wisconsin Constitution has reached or exceeded its constitutional limits.

Today's public hearing is limited to the issue of the MFL program and not the general issue of spending from the Forestry Account and whether or not it complies with the Wisconsin Constitution. We respect the Committee's time and will submit the Forestry Account spending information either at a future hearing or in writing to the Committee, whichever you would prefer.

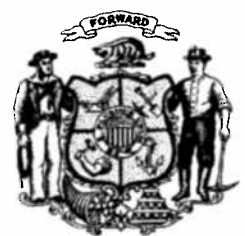
Chair Sherman and Committee Members, on behalf of the Wisconsin Wildlife Federation, thank you for the opportunity to testify before you today.

Submitted by Jerry Knuth,
Chair, Forestry and Parks Committee
Wisconsin Wildlife Federation

September 1, 2009



WISCONSIN STATE LEGISLATURE



① GM/JK =

↓
CRITICAL TO MEMBER

3 MILLION ONLY 1+ MILLION OPEN TO MONITORING

80 ACRES ORIGINALLY / 7 160 ACRES HELD OUT AS CLOSED

FROM PUBLIC USE 62% ~~BEING~~ CLOSED

DIVERTED FROM FORESTRY ACCOUNT

BROKEN COMMITMENT TO SPORTS

? FASKE → UNCONSTITUTIONAL EXPENDITURES LIST FROM WWF

→ ? FAIR TRADEOFF FORESTRY # TO STEWARDSHIP

A: # FOR STEWARDSHIP DEBT EXCEEDING \$ SPENT ON LAND

→ 7 TO 160 CHANGE DESIGNED TO END SPLITTING OF PARCELS

ENTERED INTO PROGRAM TO KEEP EACH 80 ACRE PART OUT

A: (GM) TRADE OFF ? FULLY FUNDING GRANT PROGRAM

? GRAY → DOES 62% CLOSE = UNCONSTITUTIONAL ?

A: (GM) COULD BE CLOSE

G: OTHER PUBLIC BENEFITS ?

② PAUL BELONG : SIGNIFICANT PUBLIC BENEFIT 3 MILLION+ ACRES

WE ONE OF MANY POSSIBLE APPROPRIETIES

LONGTERM

MANAGEMENT REQUIREMENTS

RECREATIONAL — FOREST CROP LAW ORIGINS

FRAGMENTATION / PARCELIZATION PREVENTED

CERTIFICATION CHALLENGES

TENSIONS & CHALLENGES

TAX RATES : AD VALORUM ↑ MFL RATES ↓

ENROLLMENT TERMS = 25/50 SOME WANT SHORTER TERM

CLOSED ACRESSE

FCL '27 ALL OPEN

WTP '51 CLOSED

MFL '80s HYBRID

BALANCING ACT BETWEEN
RECREATION & SMALL OWNERS' ^{PRIVATE LAND} RELUCTANCE
TO OPEN ALL THEIR LAND TO HUNTING

⇒ UNINTENDED CONSEQUENCE = SPLITTING OF LARGE
PARCELS = MORE LAND
CLOSED

⇒ PROHIBITION ON LEASING

MANAGEMENT ?s ≡ SUSTAINABILITY? HOW DEFINED

LOCAL UNITS OF GOV'T

- BALANCE ACT -

BEHAVIOR DELIVERS GREAT VALUE

OPEN TO EXPLORING WAYS TO IMPROVE PROGRAM.

?s GARY: ? COSTS TO LAND OWNER SIGNIFICANT?

A: DNR USED TO PROVIDE PLANS

? COMPLIANCE COSTS = REPORTING?

? TOWN OFFICIALS SEE AVOIDANCE OF YIELD TAX

A: WILL PROVIDE DATA ON YIELD TAX

CLARK: ? LOOKING FORWARD ? BIOMASS ? CARBON CAPTURE

A: BIOMASS JUST ANOTHER PRODUCT

CAP & TRADE PROGRAM WILL DETERMINE WHAT EFFECT ON MF

? PROTECTING FOREST LAND = WHERE ARE GAPS?

2 CONT...

? ~~CLARK~~

A: CONVEYANCE OF COMMITMENT

LAND OWNERS WHO DO NOT WANT TO CUT AT ALL

↳ LANDOWNERS OBJECTIVE

? FRISKE

? ANNUAL PAYMENT TO LOCALS = SOURCE

TOWN COUNTY
80/20

A: FORESTRY ACCOUNT (MILL TAX + OTHERS)

? CLOSED ACREAGE FEE = GOES WHERE?

A: RECREATION FUND

? DESIGNED TO REPLACE PPTY TAX W/ YIELD TAX
W/ CLOSED ACREAGE FEE GOES TO STATE

A: THE WAY PROGRAM WAS DESIGNED ORIGINALLY

BY PENALTY DIRECTED ALL TO LOCAL GOVT

? GARY ? EXPLOSION IN PRIVATE CERTIFICATION

WILL IT ADVERSELY EFFECT MFL

A: NO : MFL ALLOWS INEXPENSIVE WAY TO GET
CERTIFICATION

? FRISKE ? AGRICULTURAL FOREST LAND PROGRAM

DOES IT ADVERSELY EFFECT MFL ENROLLMENT

A: HARD TO QUANTIFY

? ARE MORE MFL OWNERS CLOSING ALL 160 ACRES

A: TENSION POINT

→ ? GARY MEMO ON ISSUE

3

SCOTT HENNER PLUM CREEK

25 YEARS HE'S BEEN INVOLVED IN WIL FORESTRY

CONSISTENT & RELIABLE TAX

① MANAGEMENT ^{GUIDELINES} PRACTICES = DISCRETION

② MORE WEIGHT TO ECONOMIC CONSIDERATIONS IN SILVICULTURE
GUIDELINES

3. CONT...

? CLARK ? WHAT MEASURES DO YOU USE TO GUAGE EFFECTIVENESS ?

A: PINE THIN MODIFICATION MONITORING

PLANTING DENSITY MONITORING

? ARE THESE METHODS SUBJECT TO VERIFICATION

4. MARK RICKENBACH

① ASSESSMENT / ② POSSIBLE IMPROVEMENTS.

IMPRESSED W/ EXTENSIVE INVOLVEMENT

— ● 3 CHALLENGES

① SMALL WOODLAND OWNERS — CHANGING OBJECTIVES

② ECOSYSTEM SERVICES — SOME QUANTIFIABLE
— SOME NOT

③ PAY TAX — NO REAL EFFECT ON LOCAL PAY TAX TOTALS

— ● RECOMMENDATIONS

① EXPAND ~~MFL~~ MFL TO OTHER OBJECTIVES

② TIE MFL TO PLANS

③ SCALE (MODIFICATIONS)

④ \$ INCENTIVES TIED TO SERVICES PROVIDED

⑤ TIMBER MANAGEMENT ≈ NOT PRIMARY

5. RICHARD WEDERHOL

WATER QUALITY

~ MARY EDWARDS COST OF COMMUNITY SERVICES

PER TYPE OF LAND SERVED

REQUIREMENTS GETTING MORE ONEROUS

6. GENE ROURKE WWOA.

CO-OWNS 3 PARCELS IN MFL

→ ① LEASING PROVISION

BAN IS UNFAIR

AG USE & AG FOREST LAND GET BIGGER
VALUE ASSESSMENT TAX BREAK

BUT ARE NOT SUBJECT TO

SAME RESTRICTIONS

→ ② CATASTROPHIC LOSS & YIELD TAX

TAX IS NOT ^{TIED} TO CURRENT MARKET CONDITIONS ?

? LEG COUNCIL STUDY OF MFL ?

? FRISKE? TRYING YIELD TAX TO ACTUAL SALE COULD RESULT
IN SHORT SALES & CHEATING.

A: COULD COME UP WITH SAFEGUARDS.

7 MABLEE JONES =

115 ACRES IN MFL

EXPAND OBJECTIVES - BIO DIVERSITY

8 DON NICHOLS WALTON COUNCIL

DEFINITION OF LAND THAT IS LEASED

AND WHAT CONSTITUTES "WORK"

PAYMENTS IN KIND WHEN

WORK IS DONE ON PPTY

9. DON WATER

LONG TERM ECOLOGICAL CHANGE

ECO SYSTEM SERVICES

MFL WORKED FOR ① REFORESTATION
② TIMBER PRODUCTION

= OTHER OBJECTIVES =

? FRISKE? ? ONLY 1/4 OF SMALL LAND OWNERS ENROLLED

? AUDIT BUREAU STUDY?

WHAT THE PROGRAM BENEFITS?

? GRRH ? ASKING NEIGHBORS TO PAY YOUR TAXES?

~~XXXX~~
C.F. MINNESOTA TAX INCREASE?

- WORKING LANDS -

? FRISKE? MANAGEMENT EFFECTS