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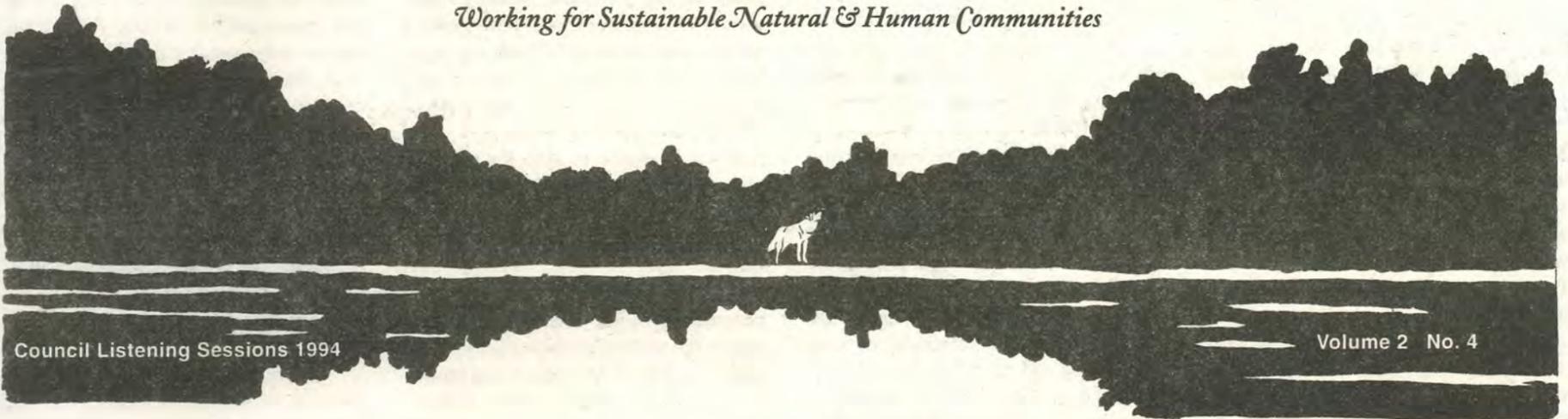


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FIRST CLASS

# The Northern Forest Forum

*Working for Sustainable Natural & Human Communities*



Council Listening Sessions 1994

Volume 2 No. 4

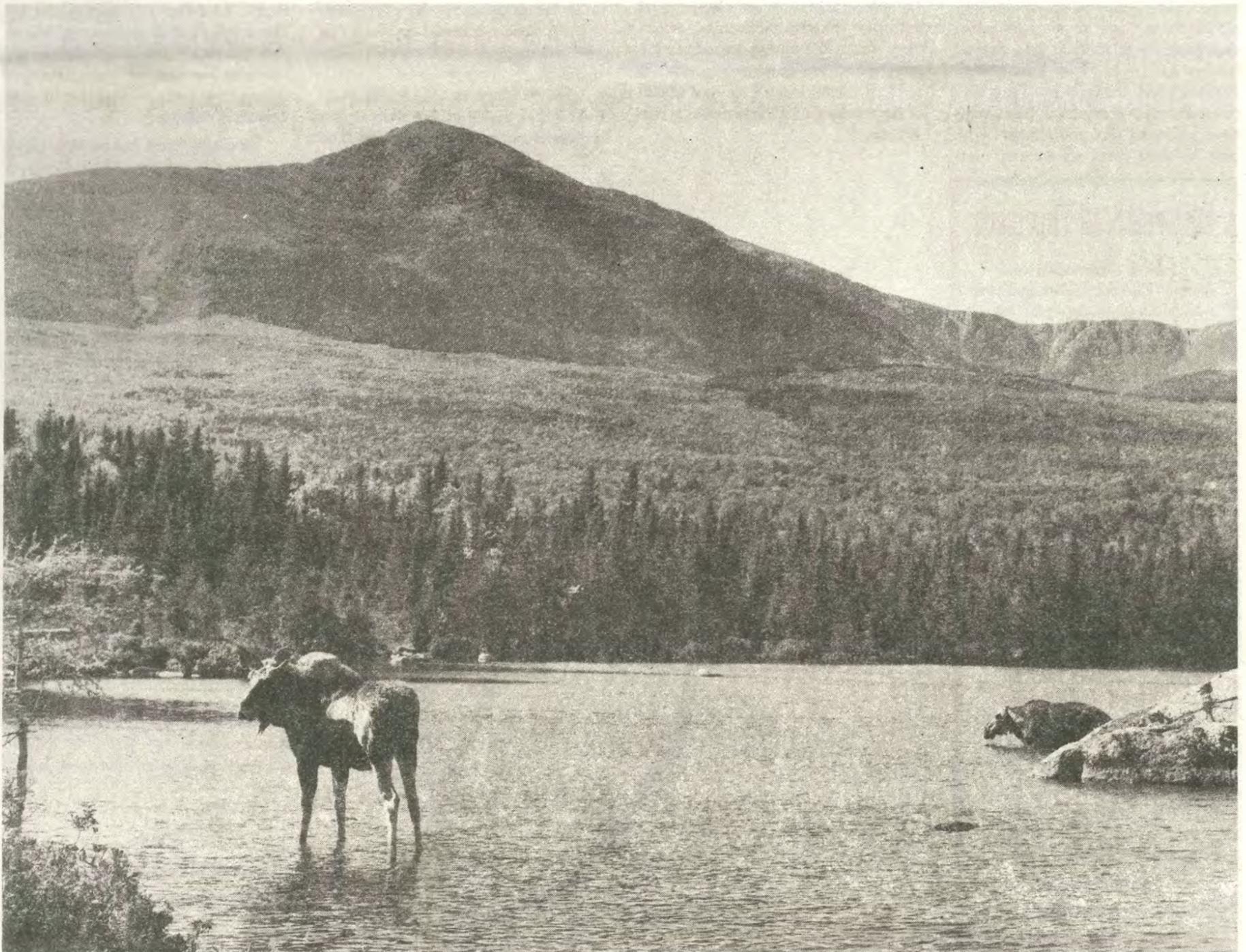
Special Issue ➤ *Forum* Critiques Northern Forest Lands Council's "Draft Recommendations"

➤ **Timber Industry Bias Undercuts Emerging Regional Identity**

➤ **More Tax Breaks for Clearcutters Proposed**

➤ **Are States Capable of Protecting Biological Diversity?**

➤ **Council Offers Little to Strengthen Region's Economy**



Inside ➤ Selections from Citizens' Letters to Council ➤ Myths of Anti-Enviros Debunked

*Printed on Chlorine-Free Paper*

# Finding Common Ground ~ Postponing the Day of Reckoning

Yesterday the Secretary of Commerce announced a \$30 million package for the fishermen of New England. But, it's too late for the crashed fisheries of the Gulf of Maine; disaster relief will not buy back vanished fish populations.

The inability to address a problem until after calamity strikes is the hallmark of a collapsing society. The release of the Northern Forest Lands Council's Draft Recommendations "Finding Common Ground" early in March signals that something similar is about to happen in the Northern Forests. In place of an intellectually honest assessment of the very real problems afflicting the Northern Forest region, the Council offers platitudes, more subsidies to the absentee landowners and corporations responsible for much of the region's crisis, and, worst of all, this **regional** Council's Draft Recommendations (DRs) promise to abort the emerging regional identity that may be our only hope for establishing sustainable natural and human communities in the Northern Forests.

In the last issue of the *Forum* I wrote: "The story of the century for the Northern Forests is a marvelously positive, life-affirming story, a story of rebirth..." After two weeks of living with the DRs in preparation for this special issue, I have sadly concluded that the NFLC has missed the story of the century.

Because past generations failed to protect the options of our generation, the Northern Forest region is in crisis: degradation of habitat has caused species decline and even local extinctions; massive clearcuts have degraded forest and river ecosystems; paper mills have poisoned fish and lobsters with dioxin; weak rural economies, con-

trolled by absentee corporations face an increasingly bleak future; jobs are disappearing due to mechanization in the woods, automation and shutdowns in the mills and the export of raw logs. Democracy no longer works here because we—the citizens of the region—have scant control over decisions that affect our destiny.

Our generation has a rare opportunity to break this vicious cycle of short-changing the options of future generations. The dominant paper industry is gradually abandoning this region; large tracts of land are for sale. The public supports large-scale land acquisition and the establishment of a network of ecological reserves large enough to meet the needs of wolves, cougars, and wolverines. The public is ahead of the state legislatures in rejecting massive clearcutting and whole-tree harvesting. We had high hopes that the **regional** NFLC would assess these fundamental problems and chart a sound future course of action.

In the Pacific Northwest, unrestricted clearcutting of old growth on industry and public lands and massive raw log exports have provoked a crisis: species and ecosystems hover on the brink of extinction; mills are closing down. Meanwhile, industry propaganda—with the willing assistance of the region's politicians, including the notorious Senator Packwood—has polarized the communities into an insane "jobs vs. owls" battle in which everyone loses except the transnational corporations and their friendly politicians. While there was still a chance to address the problems of the region, government and industry studies evaded the root causes of the problem; now the region is at war with itself.

So, how does the Council propose to avoid this sort of polarization? By ignoring the needs of the biotic community and refusing to address unsustainable forest practices (lip service is not enough); by refusing to examine the root causes of the region's economic crisis; and by permitting industry representatives to exercise veto power over a whole range of issues. Chief among its failures, the Council has abandoned regionalism and has turned protection of the environment back to the very states that have refused to stop the massive clearcutting or to establish reserves large enough to protect the full complement of native species and communities.

Sadly, the DRs have not found common ground. Since the Council placed the welfare of the industry ahead of the welfare of the natural and human communities of the Northern Forests, the DRs are a prescription for the sort of polarization we have worked hard to avoid.

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**The Northern Forest is a region.** It is the last remaining, relatively undeveloped forested area in the northeastern U.S. It is dominated by the same large landowners, and its economy is dominated by reliance on a declining timber industry and a growing tourism economy. Logging trucks cross state and national borders all the time. Much of the region is owned by transnational corporations. State and local governments are no match for these huge entities. We need a regional approach that involves the Federal government constructively.

The NFLS (from 1988-1990) established that the Northern Forest is a region of *national significance*. The

Council's DRs undo this in a particularly distasteful way. The ideological bias against the Federal government which funded this Council, is extraordinary. The simplistic faith in the purity of the state governments is equally bizarre.

We do not suggest that the Feds can solve our problems. Rather, we believe the communities of this four-state region must stand together and work with the Federal government to creatively address crises the states cannot—or will not—address alone.

The NFLS had many flaws, but it did not promote an ideological hostility to public lands and the Federal government. The NFLS was a product of the collaboration between the representatives of the four states (the "Governors' Task Force") and representatives of the Federal government.

There was a lot of conflict, but in the end, the NFLS demonstrated the importance of the dynamic tension that can result from a state-regional-Federal collaboration.

Unfortunately, the US Forest Service representative to the NFLC, Mike Rains, abdicated his role and left the state representatives to their own devices. Without a strong federal presence to provide checks and balances, the most narrow, parochial elements of the Council asserted themselves.

This "States' Rights" document is as unacceptable as was the behavior of the states' rights champions of the South during the Civil Rights movement. Leaving the regulation of clearcutting to the governor of Maine and the Maine Legislature is about the same as leaving the integration of Alabama schools to Bull Conner and Governor Wallace.

Ironically, there is a perverse silver lining to this sad story. When Congress reads this anti-Federal document, and then discovers that the Council and industry want more tax breaks for industry and more federal money for the states to spend without strings attached, the report will be shelved. After insulting Congress, the Council is naive to expect that Congress will be particularly interested in doing its bidding.

We who remain in the region after the Council dissolves on September 30 must find new ways to protect our communities and our children's options. The Council's DRs demonstrate anew that reliance on a "top-down" government study subject to corrupt political forces does not serve the region well. We must come together as a community; we must lead our elected "leaders," and we must understand that our own personal needs are best protected if we work with generosity of spirit on behalf of those without a voice in our society, including the unborn generations of all species.

Or, we can wait another ten years and then ask the Feds to bail the Northern Forest out, just as it "bailed" out the New England fishermen yesterday.

Too late.

—Jamie Sayen

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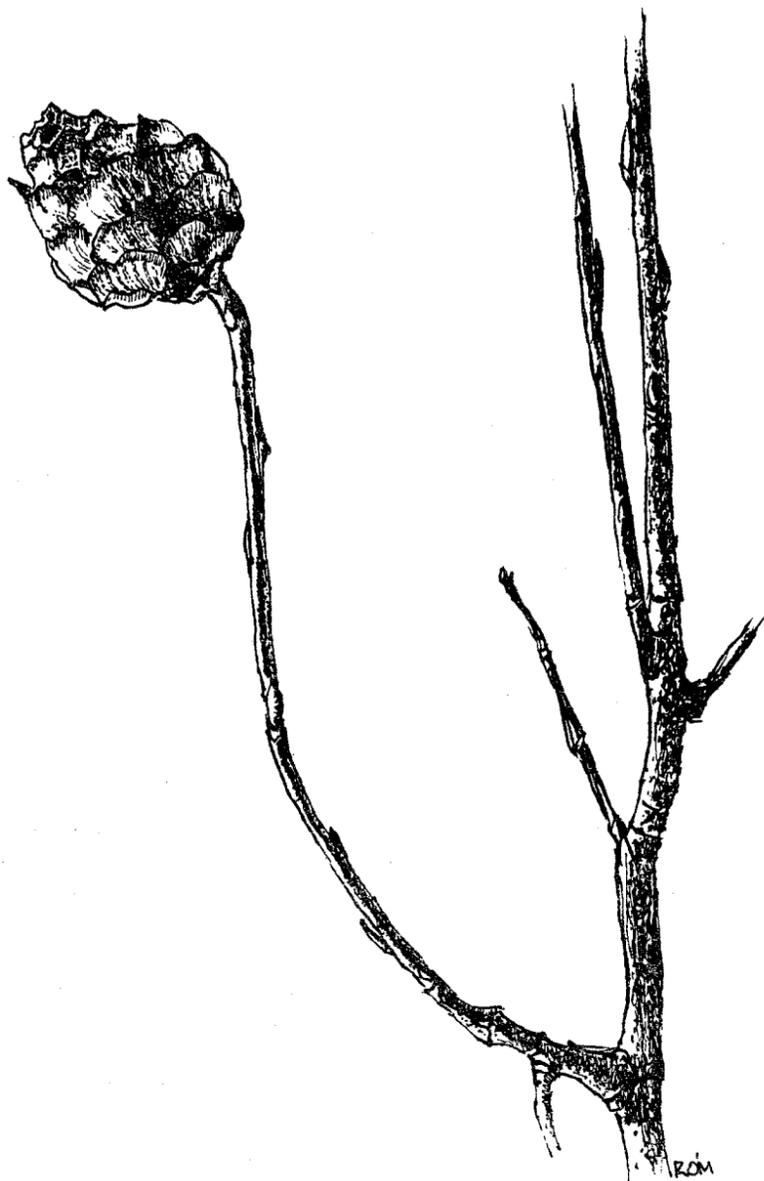
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# A Guide to Forum Special Issue on Council's "Draft Recommendations"

This special issue of *The Northern Forest Forum* presents an in-depth analysis of the Northern Forest Lands Council's Draft Recommendations "Finding Common Ground." Regular *Forum* contributors have analyzed the Council's recommendations for: protecting the biotic integrity of the region; forest practices; land acquisition strategies; the crisis in the region's economy; taxation policies; development; and life after the Council. We also debunk some of the favorite myths of the anti-environmentalists.

Along the way we have sprinkled in a liberal sampling of comments received by the Council in September-October 1993 in response to its "Findings & Options." Paramount among the concerns of most letter writers were the need to: nourish an emerging regional identity; protect the environment; purchase vast tracts of mostly paper company lands and establish large ecological reserves; end the abusive, unsustainable forestry that dominates most of the region; and promote healthy economies that provide for the needs of the citizens of the region without compromising options of future generations. Many letter writers criticized the Council's pro-timber industry bias; its slanted tax studies; its shallow economic studies; and the appalling anti-Federal bias that pervaded the Findings & Options. Approximately 260 of the 406 letter-writers to the Council raised one or more of the above concerns.

The letters are eloquent testimony to the talent, dedication, and generosity of spirit of folks who live in the region, or who live outside it but care deeply about its fate. They stand in stark contrast to the narrow, parochial, selfish views expressed in many of the letters of the "property rights" zealots and many of the representatives of the timber industry.

These letters to the Council inspire me to believe that if the people of this



region work together we can chart a better future—before ecosystems and economies collapse, as has happened with the New England fisheries.

But these letters also depress me: they are filled with hope, generosity and a genuine love of the region. But, alas, to judge by the Council's Draft Recommendations, they fell largely on deaf ears.

Since the Council has failed to propose a meaningful strategy to protect the region, it's up to us; we'll still be

here after September 30. It's past time for us to get to work.

To get a copy of the Draft Recommendations & dates and times of

Council "Listening Sessions", contact: NFLC, 54 Portsmouth St., Concord, NH 03301. Tel. 603 224-6590.

## Attend Listening Sessions

The Council is sponsoring 20 "Listening Sessions" from New York City to Presque Isle, Maine between March 23-May 5. Please attend and support large-scale land acquisition, the establishment of ecological reserves, stringent regional forest practices regulations, and an on-going regional initiative.

### Letter Writers to Council

## 'Protect Northern Forest Region for Future Generations'

### Timothy J. DiChiara, Durham, NC

As someone who has traveled all around the world, let me assure you that some of the most awe-inspiring sites I've ever seen are in the Northern Forest specifically, parts of the White Mountains, Green Mountains, and Baxter State Park. As citizens of planet Earth above all else, we must not take lightly the tremendous responsibility conferred on us by living in these areas. Future generations will not forgive us if we prostrate ourselves, once again, before the altar of 'economics' and make only token concessions to biological diversity and long term ecosystem sustainability.

### Roger Beneitone, Southwich, ME

My sons and I have hiked the White Mountain National Forest for the past three years. My son Justin at age eight wants to climb Mt. Washington next year and already talks about hiking through the Appalachian Trail.

I hope the Northern Forest will be there for my grandchildren and their grandchildren.

### James Wilson, South Glens Falls, NY

Once again, if we look at the environment as a source of income, pleasure and a home for wildlife and treat it as such, all will be able to survive into the future. I would hate to think that future generations would not be able to enjoy and use what we have been fortunate to have.

### Jeff Ramsey, Upton, MA

Our Northern Forests are the Northeast's most valuable natural resources and should be protected and preserved for all to enjoy. I personally have been to the Northern Forests of Maine, New Hampshire, Vermont, and New York and there I have found some of the most beautiful wild areas in this country. Its hard to describe

the awesome beauty and tranquillity to anyone who has not experienced it. The sight of a moose as it tramples off into the brush; the eerie call of a loon on a starlit night; the incredible beauty of lakes and rivers uncluttered by vacation homes and unpolluted by motor boats—this is true wilderness (a shrinking wilderness).

These irreplaceable treasures must be protected and managed properly in order that they remain for future generations to enjoy. So I ask the NFLC to do everything in its power to prevent the needless destruction and development of these forests. Once they are gone, they can never be replaced.

### Rudy Engholm, Brunswick, ME

As a pilot, I fly over the Northern Forest in a small plane quite extensively. My wish is that every resident of the region could have the benefit of this special "Big Picture" perspective. It helps turn an abstraction into a very personal reality. Some days I look down and swell with pride and gratitude to live in such a place. Other days, I find myself grieving for the land and for those who will come after us. Please do the right thing for future generations.

### (No Name, Just Address) Hudson, NH

As a resident of New Hampshire for over 82 years, I have enjoyed these forests of Maine, New Hampshire, Vermont, and even some in New York state. Climbed 100 mountains, and downhill skied for over 40 years, and as a boy scout leader realize these natural resources and importance of the ecosystem that must be preserved. I realize the economic pressure that threatens the forest for our young people to enjoy and the simple and natural nature of the wildlife that is also threatened.

I pray that Congress can be prevailed to protect and preserve a great part of the forests for the younger generation of our United States citizens and their friends.

# The Council's Recommendations: Are they Justified?

by Mitch Lansky

The Northern Forest Lands Council, after years of intensive effort, research, and public comments, has come up with its draft recommendations. Many of these recommendations, taken in isolation, seem reasonable and helpful. Most of them will cost money. In a world with limited funds, we will have to assess whether these recommendations are important enough to merit action. We therefore are justified to ask why we should favor these recommendations over other competing recommendations concerning other pressing problems—all of which also require public expenditures.

What is the problem that the Northern Forest Lands Council is solving? After 4 years of congressional funding at a cost of \$4.5 million we ought to know. In its introduction to its draft recommendations, *Finding Common Ground*, the Council sets forth its argument as to why we should pay heed to its advice. Unfortunately, some of the premises are weak and the logic flawed. We therefore have reason to suspect the validity of the conclusions.

## The Land and People

In its introduction, the Council argues for the importance of the Northern Forest Lands: it is big; a million people live there and depend on it; and it provides lots of ecological and economic benefits to the local people and to the region.

The Council also lets us know that 85% of the land is privately owned and that, "the economic viability of these private land ownerships is integral to community strength and the overall economic health." (pg. 9) When talking about private property (and accompanying property rights), the Council rarely distinguishes between the property of local owners and the property of large, absentee owners. Indeed, the Council seems to deliberately fuzz the distinction.

Despite the fact that the majority of the private land in the Northern Forest is owned in big blocks by absentee landowners (indeed, these big blocks of ownership are what distinguish the Northern Forest from what lies to the south), the document highlights "some families" that have taken care of their

forests for generations. These families "have seen storms, droughts, great fires, and hard times." (pg. 9) Despite many difficulties, the people of the Northern Forest, we are informed, "are proud of their endurance, their heritage, and a way of life..." (pg. 9)

The document does not mention that some of the hardships people endure are not just due to the weather, but to a political and economic system dominated by the forest industry. People have had to endure rural poverty, restricted economic diversity, leveraged prices for wood, unsafe working conditions, polluted air and water around paper mills, and threats of job blackmail. I do not know too many people in my region who are proud of this type of heritage.

## Changing Times

Having asserted the first two premises—that the Northern Forest is a great and wonderful place and that its well being depends on the economic viability of the large private landowners—the document then informs us of the threat to "public and private values of the forest." (pg. 10) In 1988, one mil-

lion acres of former Diamond International lands went on sale, some of it to developers. The threat of massive land conversion in the region led to the Northern Forest Lands Study whose guiding principle, enunciated by Senators Leahy and Rudman was that:

*"The current land ownership and management patterns have served the people and forests of the region well. We are seeking reinforcement rather than replacement of the patterns of ownership and use that have characterized these lands for decades."*

The status quo of industrial domination, according to the senators, has been benign. The role of the NFLS was to find strategies to protect this status quo.

The massive land conversions of the Diamond lands feared by many did not, however, occur. The Council has discovered that "the final disposition of the bulk of these lands was, ultimately, not much different than in the past..." (pg. 10) This maintenance of the status quo happened despite all the threats identified by the Council and despite the absence of the Council's current solutions. The government and various interest groups continue to promote the work of the Council because they perceive a risk that massive land conversions are still possible and preventive actions are still needed.

## The Council

Although the majority of Council members are Northern Forest land owners or represent (or used to represent) large landowners, the Council believes that it represents "many constituencies in all four states." (pg. 11) The Council is careful "not to present or represent extreme views." (pg. 12) Instead, the Council is searching for "common ground." (pg. 12)

Given the dominant interests on the Council, to clearcut most of a township is not "extreme," but to criticize such a practice is.

Although it is admirable that the Council is trying to find common ground, this may lead to a situation where members can agree on how to arrange the deck chairs on the proverbial Titanic, but they cannot agree on which direction to steer the ship.

## A Way to the Future

Despite several thousand square miles of clearcuts in Maine over the last decade and a half, and despite a declining forest inventory, the Council believes that the conditions that "up to now have conserved the Northern Forest can no longer insure its perpetuation." (my emphasis. pg. 15) The Council identifies "forces for change and current problems" that threaten the current happy status quo, none of which include the serious flaws of the status quo itself—unless one takes "incomplete knowledge of land management techniques to maintain or enhance biological diversity" (a knowledge that is incomplete for literally everyone) to be a serious flaw.

While the list includes "rising taxes," it does not identify the problems resulting from the unbelievably low taxes paid by the forest industry for forest land in Maine, the bulk of the

## Public Advises Council

# Promote Sustainable, Not Abusive 'Traditions'

Rachel O'Meara, Fairfield, VT

Your mission statement to reinforce the traditional patterns of land ownership and use of large Forest areas at first made me think of my community, Fairfield—a traditional agricultural/forest economy with more working farms and more maple syrup production than anywhere in Vermont. Then I thought about different land use traditions in the Adirondack Park. Then about Native Americans. Then about corporate land-use in Maine. A lot of different traditions! Should we always be upholding traditional use?

In Fairfield, the mix works fairly well—people work the woods are healthy, there are protected areas for wildlife. Perhaps it works because so much of the land is owned locally. People care: they live here. In other places "tradition" may mean absentee corporate ownership, poor forest practices leading to environmental degradation; increased mechanization, loss of meaningful jobs, less local control.

I feel that, although your findings and options have some positive aspects, you haven't questioned the Status Quo enough. There was too little discussion of forest practice—how it can be destructive to both the wild and human communities it touches. There was too little acknowledgment that wilderness is important in its own right—and that we should have a lot of it if the Northern Forest is to continue to exist as any kind of ecological entity. Not everything needs to be "managed" for "resources." I think you should explore the option of public funding for large land acquisition much more thoroughly. Not all the old traditions work anymore. We need to start anew.

Susan Allen, Adirondack Fairness Coalition, N. Hudson, NY

The Mission Statement proclaims that we have to "reinforce traditional patterns of land ownership and use which have characterized the land for decades." The poor economy of the region, which is too dependent on low-wage jobs in forestry and tourism, along with a declining population, show that this "traditional pattern" has not served the region very well, and the NFLC should not proceed on the assumption that it has.

Tom Linell, Hanover, NH

While purporting to be "only a menu of options" the *Findings* constitute one of the most biased ideological papers I have ever read. You wish to keep the federal government out of the northern forest study area. You wish to continue the status quo of a narrow economic base, small potential profits, low wages, and job insecurity. You wish to foster the illusion that the northern forest economy is somehow under "local control" rather than subject to world economic pressures. You offer a host of unworkable options, which would rip off the taxpayer and betray the northern forest landowner, if these options had a chance of ever being enacted.

Timothy DiChiara, Durham, NH

In general, the number one priority of the Council—by far—must be to promote long-term ecosystem health and diversity. To focus on "forest-based economics," "property rights and taxes," or "state and federal taxes" is to only rehash the status quo, the same tired old platitudes that caused the problems in the first place. What the forest desperately needs, after so many years of abuse, is not hypocrisy, not greed, not arrogance, not myopia, not "management," not the knee-jerk mantra of "all economic growth is good economic growth." *It needs to be left alone.* But, alas, we live in a time when the only universally revered value is profit.

Rudy Engholm, Brunswick, ME

It is necessary to give economic criteria due weight. However, economic value is not the ultimate measure of all things. For example, we all recognize that the value of tourism or the replacement of cost is an incomplete way to value the Statue of Liberty. It also has non-economic value as a national and personal symbol, as an historical monument, and as an artifact of our culture. Similarly, the Northern Forest is more than the aggregate stumpage value or the total dollars spent by hunters and tourists. Wilderness areas have incalculable biodiversity value and spiritual value as places of occasional solitude, awe and relief from the stresses of our culture. They remind us of something greater than ourselves. Please do not be driven solely by economic arguments that devalue non-economic benefits. Enjoyment of the outdoors is still one of the most democratic pursuits left in our society!

Northern Forest. While the list includes "loss of respect for the traditions of private ownership and uses of private land," it does not include the abuses of large, absentee landowners over hundreds of thousands of acres, demonstrating a disrespect for the forest and for the public.

In case we did not get the message that the status quo is acceptable, if not desirable, the Council (pg. 16) gives us its vision for the future: "We see a north country much as it is today..." (my emphasis) It is a world with rich resources, successful businesses, stable jobs, unpolluted waters, hospitable communities, and vast tracts of forest managed to sustain biodiversity. The Council "sees traditional ways of life and patterns of ownership continuing..."

The Council, intoxicated by its happy vision, appears to have forgotten the findings of the NFLS that the Northern Forest region has had a disproportionate share of rural poverty, unemployment, brain drain, low education status, poor health care and other problems and that the "economy and availability of jobs in the northern forest is heavily influenced by the use of forest resources and the industry it has spawned." (NFLS, pgs. 34-36) The Council has also not paid attention to fights over dams, water quality (color, odor and foam), and pollution (such as dioxins) problems in our rivers. And the Council, apparently, has not heard of declines in jobs, forest inventory, and timber quality in Maine or the threat of mill shortfalls.

The Council's recommendations, the document tells us (pg. 16), "are not a response to an imminent crisis." But they are also not "business as usual." What kind of business do they recommend? In the next sentence I will deliberately delete the words "and people, in the states and region," to make this more clear. "Today, corporations [...] need to investigate tools for taking the future into their own hands. No longer should they simply be subject to economic forces beyond their control."

The role of the Council is to ensure that states "should have sufficient resources to protect public values in ways that are fair to private landowners." This fuzzy mission will be accomplished (pg. 17) by "new, imaginative thinking and doing." Governments, the document tells us will have to "put aside long-standing views and understand a greater good."

For such a message we paid \$4.5 million?

#### Fundamental Principles

The Council asserts that its work rests on certain "fundamental principles" that it states with the use of the words "must" and "should." Some of these principles, if followed, would lead to a very different approach to the issues. The Council, for example states that "people have a right to participate in decisions that affect them." (pg. 19) This implies that local citizens should be able to have a voice in industry management plans in their towns. The Council, alas, neglected to include this amongst its recommendations.

The Council also asserts that "natural systems must be sustained over the long-term." Unfortunately, like many of these principles, the statement is written in the passive voice, so it is not clear who is supposed to sustain the natural



Given the dominant interests on the Council, to clearcut most of a township is not "extreme," but to criticize such a practice is. These clearcuts are the sort of "tradition" the Draft Recommendations will safeguard. Photo by Alex MacLean—Landslides.

systems. One would think that, based on this principle, the Council would recommend an end to whole-tree clearcuts on short rotations. Such a practice does not sustain soil nutrients and organic matter... but the Council has deferred all forestry issues to the states.

The Council has one principle that asks for fiscal conservatism: "Public funds are scarce; the greatest public benefit must be secured for the investment." Since some of the more important recommendations are for various tax breaks or "incentives," we can certainly demand to know how much these changes would cost and what benefits the Council can guarantee for these expenditures. How much, for example, would a capital gains tax break for every forest-landowner in the United States cost, and would this prevent unwanted conversions (if this is the problem the tax break is supposed to address) of high-amenity value land in the Northern Forest better than some other remedy (such as zoning, a land-gains tax, or purchase)?<sup>1</sup>

#### Guiding Concepts

The introduction ends with what the Council calls "guiding concepts" that help them to "adopt policies that move ahead of events." (pg. 21) In this section the Council reveals to us the astounding message that the "potential for undesired change still exists today." Perhaps I am a pessimist, but I tend to believe that the potential for undesired change will always exist. I do not, therefore, find the statement to be an adequate call to action.

The Council asserts that rising property and estate taxes are still a major threat towards massive land conversions. Besides its research on conversion, the bulk of the Council's research contracts went to study these tax issues. The conversion research, however, failed to prove that tax issues were the major spur to massive land conversion. Indeed, it failed to show that massive land conversion occurred. And if some of these large landowner-

ships are broken up, is this necessarily bad? Is it the duty of the Council to promote the undiminished transfer of inherited wealth?

Ironically, there are former Diamond lands in Maine that are right now being liquidated of commercial timber and will soon be subdivided and sold. They are under the Tree Growth Tax Law and thus have very low property taxes. Low property taxes neither ensure that land will stay undeveloped, nor that it will be well managed.

The Council also notes the pressures of national and global competition on regional forest products industries. But it does not mention that some of this competition is coming from different divisions of the same multinational corporations that currently dominate this region (and are represented on the Council).

The Council asserts that "it is entirely possible to conserve the forest and sustain towns and villages..." (pg. 22) This, however, is not always happening. Where cutting is exploitive for the benefit of the short-term at the expense of the long term, it is not true, as the council asserts, that the connections of the people earning their living from the land is, "just as irreplaceable as those of plants and animals of the forest to soils and waterways."

The Council makes an observation in this section that deserves a great deal more discussion. It notes (pg. 23) that "our society consumes the greatest percentage of the world's natural resources," and thus "we have a moral and ethical responsibility" to be efficient and to conserve for the future. "In doing so, we should not be asking other, perhaps more environmentally sensitive, regions of the world to supply our needs." "We must," the Council urges, "set the example."

The State of Maine is the most heavily forested in the Nation, yet, it is a net importer of raw wood products. The cut has been greater than growth for many tree species and the inventory has declined. The quality of hardwoods

has also steadily declined. And timber and mill jobs have declined. If we are going to tackle this major moral and ethical issue that the Council is raising, we will have to take a close look at what is happening to the woods, rather than (as the Council did in its previous "concept") merely state how much the wood-product industry is currently worth.

Unfortunately, the Council has resisted doing a serious analysis of forest trends and forest policy. In this document, it leaves such an analysis up to the states. Instead, the Council has sought to pursue issues, such as tax reduction for landowners, for which, it believes, there is "common ground." Apparently, those of us who have questioned the need to reduce taxes for the big landowners have been dismissed as "extremists," otherwise this issue would not have "common ground."

Much of the public wanted the Council to do as serious an analysis of forest policy as it did to tax policy. People assumed that a discussion of the Northern Forest Lands should obviously include a discussion of the status of the Northern Forest. How can we possibly talk about expanding forest products industries, promoting recreation and tourism, or preserving biodiversity without finding out if the forest can sustainably support such activities in the long run, given current forest practices?

Because industry interests did not welcome such an inquiry, however, there was no "common ground" and thus no serious analysis. Based on past performance of Maine (where the paper industry has a major veto power), it is doubtful that we will get such a good-faith analysis in the near future. By staying in the middle of the road, the Council is keeping company with dead woodchucks.

<sup>1</sup>Although the Northern Forest Lands Study listed zoning as an option, and although the Council's Findings and Options listed a land-gains tax, the Council has chosen exclude these tools from its recommendations because industrial landowners don't like them. There is no "common ground."

# Council's Draft Recommendations Will Not Sustain Biological Diversity

by David Publicover, Ph.D.

The Northern Forest Lands Council has recognized the importance of protecting the biological resources of the Northern Forest. It clearly states as a fundamental principle that "Natural systems *must* be sustained over the long term" (emphasis added). Maintaining the biological health and diversity of our forest ecosystems is the foundation of everything that people value in the region. As stated by the Biological Resources Subcommittee, "The social and economic conditions which make up the region's quality of life are inextricably linked to the biological resources of the region." Given the importance of this issue, how well has it been addressed by the Council's "Draft Recommendations"?

## Helpful Recommendations

The recommendations provide a valuable starting point for addressing issues related to biological conservation. Among the positive statements and recommendations are:

1) **A recognition of the need for action.** Recommendation 13 says that "States should develop a process to conserve biodiversity across the landscape." The Council has acknowledged that a do-nothing approach (that is, simply preserving the status quo) is not acceptable.

2) **A recognition of the "importance and appropriateness" of public land acquisition** in preserving important values (including ecologically valuable areas) of the region. The Council has also made constructive specific recommendations about how to pay for these actions, such as increases in funding to the Land and Water Conservation Fund and the Forest Legacy program.

3) **A recognition of the importance of sound management of private land** in conserving biodiversity. Given the existing land ownership patterns, actions taken on private land will be critical in maintaining healthy forest ecosystems across the region. The Council states that "Proposals to conserve values of the forest must include a wide range of measures to encourage the careful long-term stewardship of private land." The need to respect landowners' rights is a thread that runs throughout the document; the ethical connotations of "stewardship" indicate that these rights carry with them a responsibility on the part of landowners toward both the land itself and toward future generations. Many of the recommendations of the Council are aimed toward removing financial impediments to sound management of private land. In some (but not all) recommendations, the Council has recognized the need to tie incentives and tax breaks to specific management requirements.

4) **A recognition of the fact that biological conservation issues must be addressed at the landscape scale.** While some natural communities can be conserved as isolated individual units, many conservation issues, such as the regional distribution of forest age classes and habitat for wide-ranging mammals, will extend across state boundaries and involve both public and private lands. A willingness to view management actions on private land through this landscape perspective is an important component of "stewardship."

5) **The recognition that there is legitimate concern over forest practices** across the region and their effect on forest health and biodiversity.

## Disappointing Recommendations

Despite these positive steps, the Council's recommendations regarding the conservation of biological resources are disappointing on many fronts. In both the tone and the specifics of their recommendations, the Council has fallen far short of what is necessary to ensure the long-term maintenance of the region's biodiversity. Among the concerns are:

1) **The lack of a clear and unambiguous statement regarding the necessity for reserve areas.** To quote just a few scientists on this issue: "More scientists believe that unmanaged land is critical to the protection of biological diversity than almost any other concept"<sup>1</sup> (Dr. Stephen Trombulak, biology professor,

Middlebury College). The single most useful recommendation the NFLC could make to enhance biological resource diversity is to "protect a representative array of ecosystems broadly distributed to represent the region's geographic diversity."<sup>2</sup> Current reserves "do not adequately represent the region's ecological diversity"<sup>3</sup> (Dr. Malcolm Hunter, professor of wildlife biology, University of Maine). "The concept of an ecological reserves system. . . has broad scientific and professional support"<sup>4</sup> (Dr. Robert Seymour, professor of forestry, University of Maine). "[P]reserving habitats that contain biological communities is the most effective way to preserve biological diversity. One could even argue that it is the only way. . ."<sup>5</sup> (Dr. Richard Primack, professor of conservation biology, Boston University). "Systems of interlinked wilderness areas and other large nature reserves. . . offer the best hope for protecting sensitive species and intact ecosystems"<sup>6</sup> (Dr. Reed Noss, Editor, *Conservation Biology*, Society for Conservation Biology). "Large, continuous blocks of public land with minimal penetra-



Wolf pup grooming adult. Photo courtesy of Joni Soffron—Wolf Hollow

tion of development or roads. . . are critically important for the survival of large predators"<sup>7</sup> (Dr. Rainer Brocke, professor of wildlife ecology, SUNY, Syracuse). Drs. Trombulak, Hunter and Brocke were members of the expert panel at the Council's Biological Resources Diversity Forum in Manchester, NH, December 9, 1992.

These quotes are representative of the information that has been presented to the Council. As stated by Dr. Trombulak, "Of all the information that has been presented to the [Biological Resources] Subcommittee, the critical importance of unmanaged land is the one statement of fact that no dissenting opinion was offered from the scientific community."<sup>8</sup> The Council's statement that "some members of the scientific community advocate creation of ecological reserves" is not representative of the testimony that was presented. The Council's recommendation 13(d) that ecological reserves be established "where necessary" is clearly inadequate—the Council has received unambiguous testimony from those most knowledgeable about the subject that additional reserves are necessary.

2) **The statement that reserves should be a "limited" component of public land acquisition programs** (Recommendation 13(d)). The Council gives no indication of why or how reserves should be limited. If

this refers to the need to balance ecological concerns with other public values (recreation, scenic, etc.) during public land purchase, or to financial or social constraints involved in the creation of a reserve system, the modifier is inappropriate—the Council has delegated to the states the responsibility for reserve design and planning, and they should be the ones to decide if and how reserves should be "limited." If it refers to reserve size, the modifier is wrong: "The desirability of large reserves, all else being equal, is one of the few almost universally accepted principles of conservation biology"<sup>9</sup> (Dr. Reed Noss). *In either case, the inclusion of "limited" is unacceptable—it must be removed in the final recommendations.*

3) **Inconsistent levels of certainty and proof** required of actions designed to preserve biological resources versus those designed to enhance economic viability of landownership. The language in the Biological Resources section (as well as that in the Forest Practices section, which also has strong implications for biological resources) are couched in uncertainty: "The Council recognizes that there is concern. . ." or "The Council has heard considerable concern. . ." or "some members of the scientific community advocate. . ." or "the scientific community has not reached consensus."

Conversely, sections referring to financial concerns of landowners are stated with certainty: "Rising property taxes have severe impacts on the ability of landowners to own and manage forest land." (This statement is made in the face of evidence that landowners in Maine—with about two-thirds of the private land in the state—"do not see property taxes as being a significant issue," and that the level of concern in Vermont and New Hampshire is only slightly higher.<sup>10</sup>) Or: "Certain tax policies work against long-term ownership and management of forest land. . ." Nowhere are there qualifying statements such as "some economists believe. . ." or "economists have not reached consensus", though economists are certainly as prone to uncertainty and disagreement as are biologists.

This inconsistency is reflected in the recommendations. Actions to promote the economic viability of owning forest land are specific and intended to be implemented immediately, whereas actions to protect biological resources and improve forest practices are recommended for further assessment and review leading to uncertain actions in the future. Furthermore, the recommendation for ecological reserves includes requirements for "rigorous scientific justification" and "external peer review" that are not included in any of the other recommendations.

I do not deny the need for economic reforms—certainly full implementation of current use programs and reform of estate taxes are necessary steps. However, a more balanced tone needs to be taken regarding economic and biological issues. Both of these disciplines contain uncertainty. It is inappropriate to hold one type of recommendation to a higher standard than another. We know enough to act now in both these areas.

4) **The lack of emphasis on ecological restoration.** The Council's stated intent to maintain "present diversity" is too limiting. "Present diversity" includes a number of species (such as cougar, lynx and Atlantic salmon) in serious danger of regional or total extinction; the recommendations should recognize the need to increase, not maintain, existing populations of these species. It also reflects a condition in which much of the forest has become overly dominated by young stands, small trees and early successional species. Certainly forest landscapes are dynamic and change over time. However, the focus on the present as the reference point against which future changes will be measured obscures the need to allow some large areas to return to an unmanaged state dominated by older forests and natural disturbance patterns.

5) **The lack of a recommendation concerning the need for increased research regarding the maintenance of biodiversity on managed lands.** The Council has stated that private managed lands are an important component of the region's biological future. *Continued on Next Page*

# Debunking the Myths Promoted by Opponents to Ecological Reserves

by Dr. Stephen Trombulak, Ph.D.

I'm depressed. I just read many of the comments submitted to the Northern Forest Lands Council with respect to the issue of biological integrity in our region. Far too many of the comments are based on an apparent lack of understanding of the issue—either through absence of effort or willful ignorance—and it bothers me that these people would pretend that they have anything constructive to offer to the Council on this subject. Several themes emerge in an attempt to destroy rational discussion of the issue of the preservation of biotic integrity in the Northern Forest.

## Objection #1: "We should oppose the concept of reserves."

Why? The authors never offer any reason for this commonly expressed opinion other than (a) they don't like it, (b) it might cost somebody some money, and (c) they don't like the government. These opinions conveniently ignore the fact that the purpose of an ecological reserve system is to protect biotic integrity. Are there any objections to that as a goal? Are there any scientific arguments that a reserve system is not an important, if not central, component of a conservation strategy? Not according to the expert testimony given at the Biological Diversity Forum sponsored by the Council. Not according to any of the Findings produced by the Council. In short, the statement that reserves should be opposed comes from people who offer no refutation of the scientific information presented to the Council, and offer no scientific information of their own.

## Objection #2: "We don't have a definition of biodiversity, and therefore we can't be expected to do anything about it."

Do we really have to go through this again? The first finding in the Findings and Options is a definition of biological diversity. It's there. Read it. If you find fault with it, think of it as a working definition that is better than nothing. If you think that nothing should be done unless there is a perfect definition that everyone agrees with and can be accurately and unambiguously measured, then you better be prepared

to have *everything* in this country grind to a halt because we can't define economic health, job security, or traditional values either.

## Objection #3: "Conservation biology isn't a scientific concept."

What does this mean? Does it mean that it doesn't generate predictions that can be tested? Wrong. It predicts that more species are found in larger areas, which has been shown to be true. It predicts that habitat fragmentation leads to the decline in populations, which has been shown to be true. It predicts that ecosystems that have had their natural patterns of species interactions altered—for example through selective removal of species or habitat modification—require human energy to keep functioning, which has been shown to be true. The principles of conservation biology lead to testable predictions, and can be modified in the face of new and

better data. That makes it a science. Period. What these people offer is unsubstantiated opinion. Everyone is entitled to an opinion, but it isn't much good to society unless the opinion can be defended with facts.

## Objection #4: "Ecological reserves will lock up all the land and nobody will be able to make a living."

This is nothing but a straw dog argument. Nobody has suggested making the entire Northern Forest a reserve. The dominant model for large-scale conservation calls for a system of connected reserves. Humans live in the rest of the space.

## Objection #5: "The working forest is a threatened ecosystem."

If the working forest is threatened, it isn't because of environmental restrictions or reserves. There aren't much of those now. The working forest could

only be threatened by current forest practices, which proves the point that unmanaged reserves are vital to the maintenance of biotic integrity. Besides, the working forest isn't a natural ecosystem and arguing for its preservation on ecological grounds makes about as much sense as arguing for the preservation of landfills because they provide important habitat for gulls, rats, and cockroaches.

## Council Swayed by Ill-Informed Objections

When you get right down to it, nobody argues with supporting data that the statements made in the Findings and Options are wrong. Nobody argues that the testimony given at the Biological Diversity Forum is in error. What they do is simply ignore the information and then argue that the recommendations should just go away. Why is this? Did they not read the proceedings of the Forum? Did they not understand them? Do they have personal biases that make them wish the information were simply not true? Whatever it is, it is clear that they are exercising their right to offer an opinion without meeting their responsibility of learning about the subject.

Sadly, the Council seems to have been swayed by these ill-informed opinions. I don't mean that the Council has altered their statements of finding with regard to the importance of biotic integrity or the critical components necessary to maintain it. Rather, the Council appears to have responded to the objections raised by these people by ducking the issue. The only recommendation made by the Council concerning biological diversity is that each state should treat the issue as important and promote assessment, education, and incentives. Who can argue with those? They also call for ecological reserves as a limited component of public land acquisition and management programs. Their own findings tell them that this is insufficient to achieve the goal of biotic integrity. This can only mean that the unsupported, politically-motivated objections to a meaningful conservation strategy held sway over scientific evidence. I'm depressed, but not surprised.

Dr. Stephen Trombulak is professor of biology at Middlebury College.

## Sustaining Biodiversity

Continued from Preceding Page

It has also clearly stated that there is a lack of knowledge regarding appropriate management techniques for maintaining or enhancing biodiversity. Given that the Council has placed an emphasis on promoting sound stewardship of private lands, it should also include a research component to ensure that private landowners are provided with the most accurate possible information. This recommendation could be accomplished by adjusting existing programs (such as the USDA's Competitive Grants Program) that provide funds to researchers at Forest Service research stations and land grant universities to promote an increase in silviculture research aimed at biodiversity issues.

The Council has taken the first steps toward assuring that the biological integrity of the Northern Forest is conserved in the face of the pressures and changes affecting the region. Addressing the concerns outlined above will be an important next step in creating a final recommendation package that is worthy of support

from those concerned about these issues. The Council needs to increase the attention it has given to this issue. To quote Dr. Seymour again:

*[The] fear of reserve proponents, including myself, is very real. The momentum of old forestry will soon (within a decade) extend roads and harvesting to the remaining long-undisturbed tracts, rendering them much less valuable for future scientific inquiry. I find it tragic that the most magnificent forests that ever stood in Maine and elsewhere now live largely in photographs. The few remaining examples are both inspirational and incredibly valuable for foresters and ecologists who are working to enhance the ecological sustainability of managed forests. We will all leave a shameful record if we collectively fail to reverse the momentum behind old forestry, pre-empting perhaps forever the feasibility of a reserve system that could benefit Maine citizens in ways we can now only imagine.<sup>11</sup>*

<sup>1</sup> Stephen C. Trombulak, "We Must Establish a System of Ecological Reserves", *The Northern Forest Forum*, Vol. 2, No. 1, page 6.

<sup>2</sup> NFLC Biological Resources Diversity Forum, Manchester, NH, December

9, 1992.

<sup>3</sup> Robert S. Seymour and Malcolm L. Hunter, *New Forestry in Eastern Spruce-Fir Forests: Principles and Applications to Maine*, Maine Agricultural Experiment Station Miscellaneous Publication 716, University of Maine, Orono, 1992, page 8.

<sup>4</sup> Robert Seymour, "Triage for Triad," *Maine Times*, March 4, 1994, page 15.

<sup>5</sup> Richard B. Primack, *Essentials of Conservation Biology*, Sinauer Associates, Sunderland MA, page 301.

<sup>6</sup> Reed F. Noss, "The Wildlands Project: Land Conservation Strategy," *Wild Earth* (special issue), 1992, page 10.

<sup>7</sup> Rainer Brocke et al., "Restoration of Large Predators: Potentials and Problems," in *Challenges in the Conservation of Biological Resources, a Practitioner's Guide* (D. J. Decker et al., eds.) Westview Press, San Francisco, 1991, page 314.

<sup>8</sup> Trombulak, op. cit., page 6.

<sup>9</sup> Noss, op. cit., page 18.

<sup>10</sup> James W. Sewell Company, James W. Sewell Company, *Northern Forest Lands Council Land Conversion Study*, 1993, page 47.

<sup>11</sup> Seymour, op. cit., page 15.

David Publicover is a forest ecologist who works for the Appalachian Mountain Club. He is author of "Unmanaged Land is Necessary to Maintain Biodiversity" (*Forum*, Autumn Equinox 1993, pages 8-9).

# Public Supports Establishment of Large Ecological Reserves

[Ed. Note: The comments on pages 8-10 come from letters written by the public to the Council in October 1993 in response to the Findings & Options.]

## Clarence Petty, Canton, NY

Long term economic sustainability is based upon a high quality natural environment of which the forests of the Northeast are a component.

An approximate equal percentage of private and government owned forest land is desirable to ensure the retention of old growth forests on public lands which provides habitat for wildlife not found on "tree farms" or commercial timber production forests.

The highest priority should be given to retaining what remains of the Northern Forest because such land without human habitat provides the above mentioned values without the demand for taxes that 'growth and development' areas require.

After over 63 years as a forester in private, state and federal employ, I am convinced that in establishing policy, decisions should be made to avoid those that results in irrevocable consequences. Unlike annual farm crops where a mistake in decisions may be corrected in relatively short time, trees require centuries.

I hope that your recommendations reflect the kind of vision and wisdom that the voters of New York State exhibited in 1885 when the Forest Preserves of this state were established.

## Conservation Botany Group, Field Naturalist Program, University of Vermont

We are heartened that the principles of conservation biology have found their way into discussions of the Northern Forest. We believe that healthy, functional ecosystems, with full representation of native biological diversity and natural processes, are a prerequisite for sustainable human communities. Protection of biodiversity is not merely an amenity for human society: it is equally important to recognize the value of biodiversity for its own sake, not just for the benefits and services provided for people.

The present condition of the Northern Forest is not the desired condition. Human actions have had a wide range of impacts in the region, including species extirpation, reduction of species abundance, reduction of genetic diversity, forest simplification, habitat fragmentation and loss, and disruption of natural processes. It is clear that our present conservation system protects too little land in parcels that are

too small.

We encourage a 'landscape-scale' approach to conservation of biodiversity in the Northern Forest. Conservation efforts should include the establishment of large, interconnected ecological reserves exempt from commodity extraction. Because human impact has been severe in many areas, large areas with minimal human impact are critical for the protection of biodiversity.

Yet excluding people from the landscape is not the desired long term solution. We believe that people can and should be an integral part of healthy ecosystems. We support additional initiatives in the Findings and Options aimed at promoting local economies and sustainable human communities. While we have chosen to focus our response to the protection of biodiversity, concerns about taxation, local control, and property rights must be carefully addressed. We suggest, however, that the health of the community and the health of the environment are appropriate measures of wealth.

### I.) Option #5—Landscape Scale Approach

We are in favor of this option as an over arching philosophy, rather than a single option. We believe that a landscape scale approach which considers the context and impact of actions provides the best hope for sustainable communities and ecosystems. We suggest the type of landscape model presented by Dr. Reed Noss.

### II.) Option #4—Ecological Reserve System

We are in favor of many of the individual segments of this option, particularly 4c—'The establishment of a reserve system that protects habitat for the full range of native biota. Unit size would be relatively large.' This is the way to apply conservation biology principles: buffers, connections, large reserves. The desirability of large reserves is a universally accepted principle of conservation biology. We see the subsections a,b,c, as a nested set. Priority should be on large interconnected landscape units which capture islands of richness.

We also feel it is important to allow for recovery, not just the maintenance of the status quo. Areas where recovery of large mammals such as wolf, lynx, wolverine could occur should be identified and protected.

### V.) Option #6—Education

We support education of landowners, land managers, and the general public on the principles of conservation biology, the importance of biodiversity, and the development of local economies and the sustainable communities.

### VII.) Options #1 and #2—Research and Classification

Certainly more research is needed in a great many areas. However, sufficient information exists on which to base recommendations and actions. We should not wait to act until our knowledge is complete, because our knowledge will never be complete. Research should continue, but should not replace immediate action.

IV.) Option #7a—Regulation: enacting or revising regulations to assure that public land management agencies, both federal and state, plan for biodiversity at the landscape scale.

We feel that conservation of biodiversity should be a priority on public land. Presently the majority of public land is utilized for resource extraction, with very little maintained in a natural condition. We support the designation of a higher percentage of public lands as ecological reserves where management is restricted to the minimum required for restoration and recovery.

### VI.) Option #3—Incentives for Voluntary Landowner Cooperation.

We support the creation of incentives for the protection of biodiversity. We feel that incentives are more desirable than mandatory regulations and coercion. In particular, a Biodiversity Plan or a 'Leave Alone Plan' should qualify landowners for current use tax status.

## Rudy Engholm, Brunswick, ME

If we do not understand the long term impacts of human activities on natural processes in the forest ecosystem (finding #13), it follows that NFLC should eagerly recommend establishment of significant ecological reserve systems to preserve existing biodiversity. Otherwise, we are essentially doing a massive 'experiment' upon the Northern Forest with modern forestry practices... with no way to retrace our steps should we later discover that we critically miscalculated the biological effects of our activities.

## Nancy B. Chandler, Sebasco Estates, ME

I would like to see a large contiguous block of public forest land running from Baxter State Park Southwest along the Appalachian Trail corridor, including Debsconeag Lakes, Jo-Mary Lakes, and connecting the Bigelow Range to Rangely, Mooselookmeguntic, Richardson and Umbagog lakes, South through Grafton Notch to the White Mountain National Forest. This corridor would have to be at least 15 miles wide and in many places from 20 to 30 miles. Ideally if the area were thirty miles, such as South of Baxter State Park and including the park, there could be concentric circles of increasing human activity. The central core should be managed as wilderness with no forest harvesting, roads or buildings. The middle circle could have selective forest harvesting and roads, low density seasonal residences, recreational facilities, and selected services. Near the perimeter of the public forests denser and more intense human activities including motels, condominiums, stores, but excluding activities such as mining, smelting, incinerators, or golf courses. Management objectives should maximize sustainable forest resource, increase local jobs, and increase public access to forest recreation while maintaining water and air quality, aesthetic values and avoiding traffic congestion or excessive noise.

## Grey Angell, Twin Mountain, NH

Ecological restoration should be pursued for degraded areas. Investigate the reintroduction of wolf, wolverine, cougar, and lynx. What are the impacts of river



damming and dioxins from paper mills? Regional (not local or federal) management of public lands is best.

**Jerry Gillespie, Hatboro, PA**

An overlooked option here is the cataloging and restoration, if absent, of indigenous flora and fauna to the Northern Forest. This should include everything from microscopic soil organisms to wolves and wildflowers. An undertaking of this sort would encourage the study of the ecosystems of the Northeast. Whether federal money is available for this kind of activity is not known to me, but with notable ecologists such as E.O. Wilson tenured at nearby Harvard, I feel that some interest in an inventory and evaluation of those specific ecosystems endemic to the Northeast, and more look toward understanding our relationship to these systems, could be of tremendous value to both academic and economic interests in the region.

I also think that an ecological reserve system is a viable solution as it is my belief that the entire planet should be treated as an "ecological reserve system."

**Dennis Skillman, Ipswich, MA**

A second goal should be the creation of a buffer zone around Baxter State Park. This park is one of a kind. Even in Yellowstone National Park, the feeling of true wilderness is not as strong as it is in Baxter. Like Yellowstone, there is a 'Greater Baxter Ecosystem' that needs to be protected, connecting the Nature Conservancy reserves (Big Reed Pond to the North, and the Rainbow Lake area to the South, and Maine Public Land Reserve with Baxter and the Alagash Wilderness Waterway would create a reservoir of wild lands and recreational riches unrivaled in the continental U.S.. The outdoor recreational industry is already strong in this region, further protection and national recognition would strengthen this vital part of the local economy.

I found the report to be thoughtful and thorough and well grounded in facts. What was missing for me was a clear and simple rallying point that was specific enough to generate interest and action. What I propose above is my attempt to provide that.

**David H. Gibson, Association for the Protection of the Adirondacks, Schenectady, NY**

As several speakers have told the NFLC, society needs places set aside as reserves because we do not, and maybe can not, know enough about ecosystem function to manage them as we have managed the Northern Forest for the past two centuries. For example, we do not yet know what the minimum acreages are needed to maintain plant and animal associations in the wake of major disturbances such as hurricanes. We have managed Eastern forests as if we could expect to accomplish all our predictions or desires on every acre, over each and every decade—a false expectation.

Some of these reserve areas may be best based on watershed boundaries, to include vital riparian habitats. Some private land reserves may be very deserving of tax benefit packages. And these areas are very appropriate for kinds of wild land recreation which can play a role in securing a regional identity and economic growth for tourism and visitation.

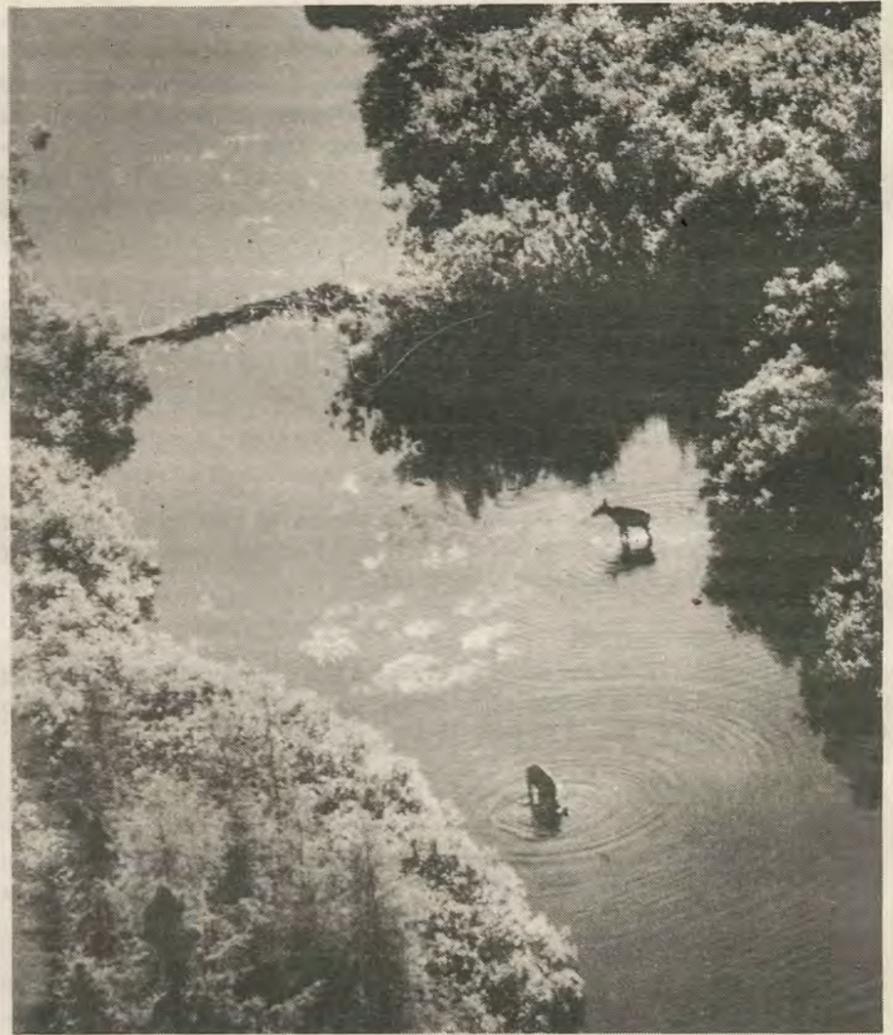
**Erik G. Sohlberg, E. Corinth, VT**

Option #4c should be pursued in priority over 4b or 4a. Not only do the Nature Conservancy and existing state programs have ongoing projects to protect sensitive, fragile, and representative natural communities, programs that deserve greater support and inclusion in the Council's recommendations, nevertheless, it is the work of restoring the wilderness heritage of the Maine Woods that represents the major opportunity. The wilderness heritage coexists with the working forest as defining characteristics of the Northern Forest Region. Dismissing or ignoring this heritage when our ability to restore it is far greater, simpler, and less complicated politically than for most U.S. ecosystems amounts to a huge sacrifice and foregone benefit to society.

While there are some lost tax revenue and timber output opportunities involved in establishing a reserve system dedicated to protecting the full range of native biota, this system can be created with few or no conflicts with local communities, governments, and property owners because of the fact that most of the area where such reserves would be established (primarily in Maine) local communities and governments do not exist, population is extremely sparse, and nearly all of the land is owned in large tracts by persons or companies with strictly commercial intent and is thus available at the right price. The real value of the sacrificed timber output is questionable considering the wasteful use of packaging and print advertising our society practices, and the jobs and tax revenues could be made up for in part through tax measures that improve the economics of recycling and through the implementation of agreements that assure the degree of labor equity in the international commerce of wood.

Creation of a substantially public ecological reserve system would avoid some problems and conflicts involved with creating such a system mostly on private land, as it would avoid the problem of trying to get forest landowners to manage (voluntarily) a large part of their lands in ways that are fundamentally incompatible with fiber production (which would be necessary if a reserve system is faithfully implemented). It would be better to do the job right by creating public spaces for species needing wilderness and leaving private timber owners to practice sustainable forestry on other lands of the ecological reserve system where wilderness is not necessary.

At the Council-sponsored Biological Resources Diversity Forum biologist Charles Cogbill pointed out that this region lacks any old growth obligate species. While this may be technically true, it does not follow that the manner of forestry practiced today particularly on industry land, is compatible with maintaining healthy, viable species of all animals. It is likely that lynx and woodland caribou, among others need something approximating a spruce fir old growth\decaying very overmature\ mature matrix over a fairly large area in order to thrive. Such a matrix cannot be



*Moose and beaver dam on stream near Chamberlain Lake in northern Maine. Both moose and beaver were once extirpated from much of their native range in the Northern Forests. Their return symbolizes the remarkable resiliency of this region, and inspires hope that other extirpated species can again flourish if we establish a network of large ecological reserves in the region. Photo by Alex MacLean—Landslides*

recreated without removing areas from active forestry. The more immediate threat to species diversity in the region, seeing that old growth today is extremely rare, is type conversion from spruce-fir to hardwoods due to clearcutting (or conversion to sterile plantation forests) and degradation of spruce-fir stands from selection forestry.

Softwood volume has declined substantially in recent decades in Northern Vermont, according to the VNRC, and Maine faces a spruce-fir log shortfall soon, indicating that there is a low supply of stands with that type with sufficient tree size or density to warrant cutting. This decline in the conifer component directly threatens such species as pine marten, bog lemming, spruce grouse, and lynx and places a number of others at risk. Winter habitat effectiveness for deer is reduced by selection logging practices in pure spruce-fir stands, according to biologist Jeffrey C. Elliott, as the opened spaces tend to regenerate to hardwoods, thus reducing cover, and forage diversity is reduced due to mechanical disturbances of soils.

In spruce-fir-cedar swamps stable semi-aquatic communities of salamanders, zooplankton, and snails do not regenerate if the forest is logged off, Elliott also claims, as clearcutting causes such sites to degenerate to successional wetlands, then dry land red maple forests, before succeeding again to spruce-fir and cedar. Due to the unsuitability of the intervening successional communities to these semi-aquatic species and due to the fact that spruce-fir swamps are at best patchily distributed over the landscape (today heavily disturbed by logging) mere successional to the original cover type does not restore the swamp community. Thus, biological resource protection will require placing substantial areas off-limits to logging and putting in place a plan to halt the decline of the conifer component in the Northern Forest. Both of these steps will necessitate substantial public acquisition.

The value of Option 7a lies in the fact that by planning for biological diversity at the landscape scale, plants and animals are more likely to maintain viable populations and thus stay off the threatened or endangered list.

**Ronald Mallette, Babcock Ultrapower, Old Town ME**

... one indisputable fact in dealing with the Northern Forest is that the forest is dynamic and ever changing. Specifically, in the possible setting up of a particular reserve, it should be recognized that the forest is a dynamic, ever changing community of flora and fauna. It is entirely possible and probable that once a reserve is set up for a particular reason, within a matter of a few years that area will change into a new community with a completely new and different set of values. Nothing is static and that should be recognized. I see nothing taking this into account.

**Timothy Rowe, Lovell, ME**

The lands in question are the last vestiges of our wilderness heritage in the East; they are historically valuable. Moreover, from a natural-historical perspective, much of their timber is as close to first-and-old-growth as we have remaining East of the Rockies. We must preserve it, respect it and replace it as needed.

**Gregory Frux, Brooklyn, NY**

There are aspects of the philosophical underpinnings of the report, which I wish to question. We are biological beings wholly dependent for existence on the biosphere in which we live. The Northern Forests of New England make up a significant

tile in the mosaic of life. With the worldwide erosion of the health of the biosphere and especially of the forests, our priority task must be to preserve the Northern Forests. Elements of the draft report equate the value of a healthy environment with property rights and corporate profits. This is an inappropriate hierarchy. Arguments that environmental problems can be solved with free market economics are not supported by facts. Look at the massive damage to old growth forests in the Pacific Northwest by out of control timber companies. Or for that matter look to the genesis of the White Mountain National Forest—land taken over early this century only after clearcutting and forest fires.

I would argue that number one must be to preserve the Northern Forest ecosystem intact. You have failed to consider the options for new National Parks, National Monuments or National Forest designations. Frankly, the complex, patch-work approach in the draft proposal may not succeed and the region is too valuable to experiment with and lose.

**Laurence Mason, Greenville, ME**

The importance of older forest stands in preserving biodiversity should be emphasized. For example, Steve Selva of UM Fort Kent has found twice as many lichen species in Big Reed preserve as are in cut over forests.

**Jennie Brown, Gorham, NH**

Need emphasis on habitat needs for creatures that control pests, as well as the more aesthetic ones that people enjoy seeing, such as butterflies. Also need to emphasize the need for habitat for pollinators.

**Karen and Kevin Coffey, Irasburg, VT**

Another unanswered research question is the roles that extirpated animals, from large mobile mammals to small sedentary amphibians had in the Northern Forest Lands, and whether it would be feasible and ecologically beneficial to the forest as a whole to restore species.

Research add the following:

Support the preparation of an EIS (environmental impact statement) by the Division of Endangered Species of the U.S. Fish and Wildlife Service on the feasibility of the restoration of the Eastern Timber Wolf. This should be the logical next step since the 1978 (updated 1992) *Recovery plan for the Eastern Timber Wolf*.

Support the investigation by the Division of Endangered Species of the U.S. Fish and Wildlife Service of the reintroduction of other extirpated animals into the Northern Forest Lands including the wolverine, the Mountain Lion, the Osprey, the Bald and Golden Eagles, and other animals.

Since research is expensive and the amount of research in areas like the Northeast Kingdom has been quite limited in the past, recommend strategies that make use of volunteers, and high school cooperative programs in collecting data and monitoring conditions in the forest. A good model is the New Hampshire program that hires high school science teachers in the summer to do research such as fisheries surveys with the idea that the knowledge gained by the teachers will be used in the classrooms. Likewise, teachers carrying out other studies in the Northern Forest Lands could continue these studies with their classes, providing the needed manpower and an educational experience at the same time.

Encourage internships at colleges and universities in research on the Northern Forest Lands by recommending federal dollars to support such a program.

**P.C. Nowell, Champion International Corporation, Deferiet, NY**

Since the private landowners are a major key to the success of any effort to maintain or enhance biodiversity, acceptance of the responsibility can be encouraged by making sure that desired actions are rewarded by some means. The favorable tax treatment approach is one in which owners would have a clear line of sight to benefits. Also, programs to provide management assistance to landowners who want to manage wisely but do not have the financial means to pay consultants would be of benefit. Since the biological resources of the Northern Forests have national significance, the expertise could be provided by county extension staff but supported by federal dollars.

**Russel Beauchemin, ME Forest Service, Greenville, ME**

The biological resources section does not consider the impact of some landowners' move to favor the growth of softwood over hardwood on their land. The end result of the treatments to favor softwoods will be large, even aged, high value (because of pre-commercial treatment investments) stands that are vulnerable to large and very damaging fires. I will emphasize that this concern is the potential for large fires.

**Peter Richardson & George Moulton, Connecticut River Joint Commissions, Charlestown, NH**

The report mentions water in a few places but it does not address lakes, rivers, and their tributaries to the extent warranted. The Northern Forest holds the headwaters of the Connecticut River as well as the Androscoggin, the Kennebec, the Penobscot, the St. John, the St. Lawrence, and the Hudson, all of the greatest river

systems in the Northeast. These waters are of vital importance to fish and wildlife, to adjacent landowners, recreationists, farmers, hydroelectric power producers and users, communities downstream, and the economic vitality of the region. They are complex ecological communities, interrelated with adjacent lands, and can be safeguarded or imperiled by activities on those lands. The Clean Water Act's goal of protecting and restoring the physical, chemical, and biological health of the nation's waters is incumbent upon all regions and citizens.

**Geoff Dates, Hartland, VT**

The report makes numerous references to the recreational value of the rivers and streams in the Northern Forest. Yet nowhere does it acknowledge the crucial role that streamside forests play in preserving the recreational and ecological integrity of these waters. And nowhere does it list options for protecting them.

Healthy streamside forests are an integral part of the river ecosystem in several ways.

\* The forest canopy shades the stream and helps moderate stream temperatures during the Summer months. This is the most stressful time for aquatic creatures and the forest can make the difference between survival and disappearance of sensitive insects and fish.

\* Riparian forests also provide a source of food for aquatic life. Leaves, needles, and twigs falling into the water become food for aquatic insects and these nutrients are distributed throughout the food web.

\* A healthy mix of streamside vegetation acts as a sediment trap. Sediment can destroy rubble and bottom gravel habitat areas for valuable fish species and the insects they feed on. If these areas are filled in with sediment they are much less useful as habitat, spawning, nursery, and feeding areas.

\* The streamside forest removes, transforms, and stores excess nutrients which can cause serious problems in streams. These problems include nuisance aquatic plants, algae blooms, disruption of the food web, and fluctuations in dissolved oxygen levels which can render the stream unfit for certain types of aquatic life.

**Michael Kellett, RESTORE: The North Woods, Concord, MA**

The Northern Forest land is really made up of numerous watersheds. The land is inextricably linked with its waters. Forest management can have a tremendous beneficial or negative effects on the forests' aquatic ecosystem. If we protect streamside forests then we protect streams. Healthy streams are superior fisheries, better for swimming, more scenic, and have more intrinsic scientific value. Indeed, some of our least ecologically impaired streams are in the Northern Forest. As such, they are more valuable benchmarks against which we can evaluate our cleanup efforts in more developed areas.

Another major oversight is the lack of any meaningful discussion of aquatic ecosystems. The rivers, lakes, and wetlands of the region are integral parts of the Northern Forest and cannot be separated from terrestrial ecosystems. These aquatic ecosystems have been devastated by dams, pesticide runoff, soil erosion after logging, pollution by paper mills and municipalities, and the introduction of alien species. Yet the NFLC appears to ignore this issue, and offers no options for addressing these problems.

Finally, the NFLC is virtually silent on endangered and extirpated species. Due to past and present destructive land and water management practices, dozens of native species are gone from the region or in serious decline. We

cannot preserve the natural biological diversity of the Northern Forest without restoring extirpated species where possible, and ensuring the survival of endangered species that still survive. For example, RESTORE: The North Woods has called for a federal study of the feasibility of restoring the extirpated eastern timber wolf to the Northern Forest. We have also petitioned the U.S. Fish and Wildlife Service to list the Atlantic salmon, which has been reduced to a dangerously low population level, as an endangered species to provide for the restoration and protection of critical habitat. The NFLC should give serious attention to species such as these, which are indicators of the health of entire ecosystems.

**Randolph (NH) Conservation Commission**

[Finding #15] is an important finding, but it is incomplete. This finding should include recognition that the Northern Forest is in a severely diminished condition. Species extirpation, decline in species abundance, habitat fragmentation and destruction, loss of genetic diversity, and disruption of natural processes are a few of the existing human impacts. This finding should include recognition that our current land protection system (aka reserve system) protects too little land in parcels that are too small to be of ecological value.

This finding has been widely interpreted to mean 'we don't know enough, more study is needed' and '... decisions with respect to biological diversity are founded in political persuasion and not in scientific discovery.' We have more than enough evidence to demonstrate the major impact which people have had on the Northern Forest. We do not fully understand many things (perhaps most), but that does not prevent us from using common sense to correct obvious mistakes.

It is important to recognize that the discipline of conservation biology is not new. It has been established for thirty years and draws on disciplines such as biology, ecology, and conservation that are far older.



*If our generation acts now, future generations may again hear the sound of wolves howling in the Northern Forest. Photo courtesy of Jomi Soffron—Wolf Hollow*

# Council Treatment of Forest Practices ~ Too Little Too Late

by Mitch Lansky

I was pleasantly surprised that the Council finally raised the issue of forest practices. Unfortunately, because the Council waited so long, and because it did no research on the subject, it put the responsibility for action on the states. Maine has had a number of experiences with state forest practices legislation. In every case, the forest industry demonstrated that:

- it can influence studies to be “balanced” enough to not threaten their status quo;
- it can influence legislation to legitimize what industry is already doing;
- it can influence agencies to have industry membership; and
- it can leverage benefits—such as tax breaks—as part of the bargain. Indeed the influence of the industry over the Northern Forest Lands Study and Council is similar.

While the Council’s forestry recommendations may sound good, in reality they are as useful as the young mouse’s suggestion to put a bell on the cat. It is easier said than done.

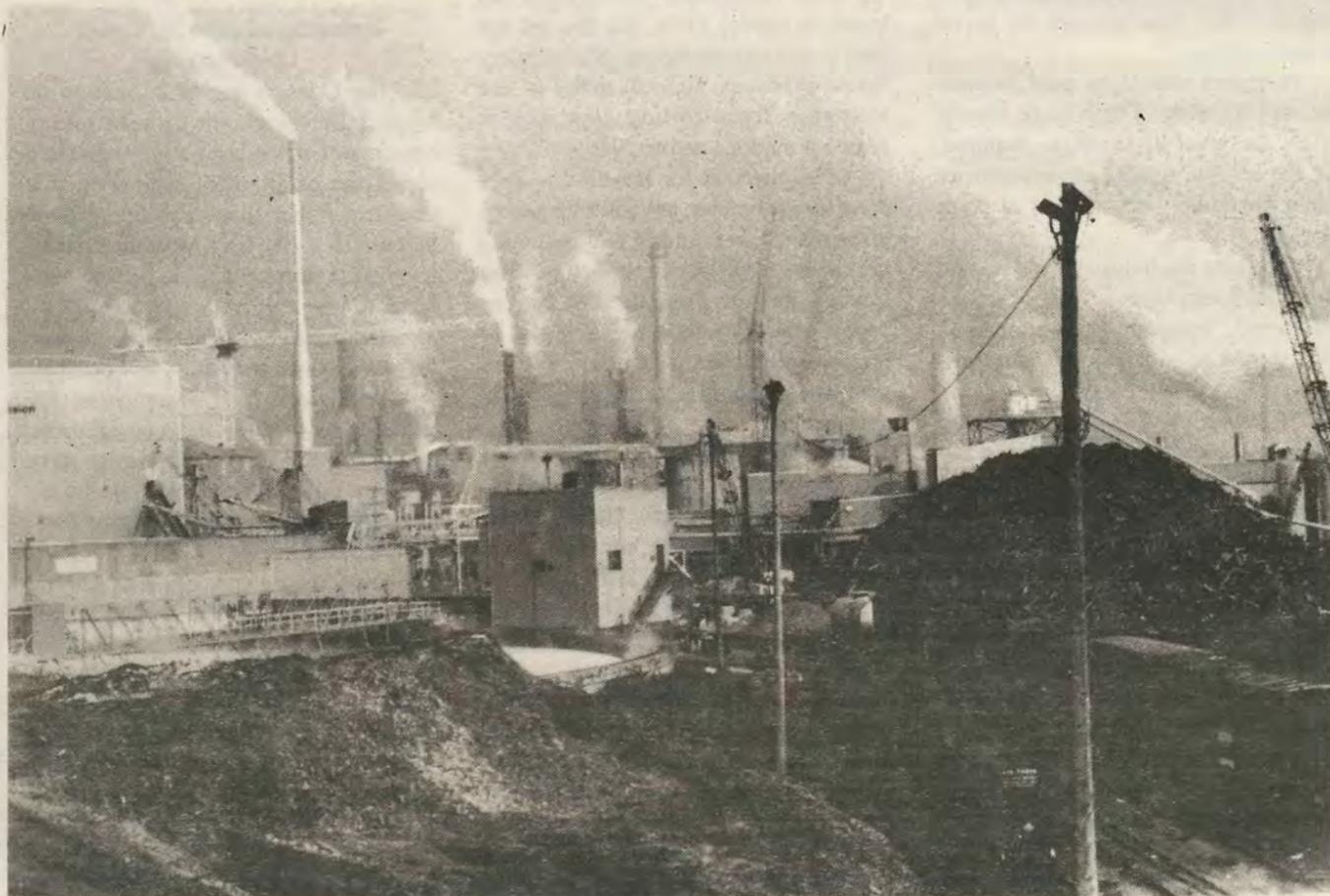
The Council starts this section off (pg. 53) with what appear to be contradictory claims. Many people told that Council that large-scale clearcuts and herbicides “degrade water quality, aesthetics, recreational opportunities, forest health, and biological resources.” Because of the number of such comments, the Council “came to believe that it must deal with forest practices...”

“Others,” the Council states (to balance out the previous claims), “have said that current practices have lead (sic) to greater biodiversity and improved forest health.” Now who do you suppose would assert that removing most of the volume of a forest in a township would improve forest health and biodiversity? The Council does not tell us. We are left to believe that we are hearing this latter claim from a random sampling of concerned citizens rather than from forest industry spokespeople with an “axe to grind.”

The Council chastises the public because so few people “have suggested specific strategies for the Council to recommend.” This is a particularly insulting bit of rhetoric—not only because some people did make recommendations that got ignored, but because the Council did not request such strategies. Indeed, in its next sentence, the Council insists that from the beginning it did not see “that it was specifically charged with addressing” forest practices as an issue. Why would anyone give specific suggestions on forest practices when the Council was denying that it was charged to respond to them? Most public comments on forestry, therefore, were suggestions that the Council consider this crucial issue. Had the Council responded earlier, it would have been overwhelmed with suggestions.

## Recommendation 17

The Council suggests that the states make objective assessments of a full range of forest-practices impacts. The topics are so common-sense and obvious, one wonders why this hasn’t been done before. Actually, Maine has had



*The Council's irresponsible evasion of the issue of ecologically degrading forest practices has suited the absentee owners of the region's paper mills just fine. Woods workers, Northern Forest communities, the general public, future generations and—most importantly—the forest ecosystems themselves, are the big losers. Photo courtesy of the Appalachian Mountain Club.*

experiences with similar attempts to study or change forest practices.<sup>1</sup> Such experiences convince me that unless there is a major change in the political and economic structure of the state, these recommendations will result in as meaningful an “improvement” as previous attempts.

## Recommendation 19

Informing landowners, foresters, landowners, and the public about sound forest practices is wonderful. But what are “sound forest practices”? Who decides?

a) In Maine, the certified logging professional program is run by the forest products industry. What the industry thinks is “sound forest practices” is “sound forest practices.” The idea of certifying loggers is an excellent one. But the courses should not just be a quick formality to bring down insurance rates. They should really train loggers to do ecologically sound, economically viable forest practices. And the loggers have to demonstrate competence to be certified.

Certifying loggers to do sound forest practices is of little benefit if the landowner wants to make a quick buck and the forester serves the master’s wants. If the logger is paid on a piece-rate wage, he will have an incentive to cut as much high-quality wood as possible as fast as possible. He will have an incentive to mine.

Doing more sensitive forestry can mean periodically cutting out small quantities of poor-quality wood and retaining high-quality wood. If loggers are paid on a piece-rate wage, they will find such practices to be poor paying.

b) The Society of American Foresters in Maine is dominated by industrial foresters, former industrial foresters, or foresters who have been paid by industry to do research. The industry in Maine can, therefore, play a major role in deciding what practices

are appropriate to maintain biological diversity. Since the Code of Ethics of foresters demands allegiance to the employer, we can expect, at best, only a moderate reform from this group.

c) The Council does not specify who should do landowner training. Perhaps this will come from the state? Maine’s Forest Service has served its industrial clients faithfully for years. It has set up clearcut rules that allow landowners to cut almost everything they desire whenever they desire it. If these rules—which encourage forest fragmentation and the reduction of forests to poorly-stocked stands of low value trees—are a reflection of this agency’s standards of “sound forest management,” then we cannot expect much reform here, either.

d) The Council also does not specify who should do “public education,” although Project Learning Tree, an industry funded education package, is already in our public schools. PLT advertises itself as “balanced.” The public, in general, is quite ignorant of forestry issues, and also has limited interest. The media has educated the public on forestry issues with “sound bites.” Industry has its advertisements, and environmental groups have their campaigns.

If the state joins in on this “educational” process, it will take pains to be “balanced”—i.e., to not offend the industry, just as the Council does not want to offend industry. I doubt that things will improve much.

## Recommendations

[Ed. Note: The following are recommendations the Council should make.]

\*The region and the states need to adopt a forest policy that is ecologically sound, socially responsible, economically viable, and sustainable.<sup>2</sup> I suggest the region, because a timber-dominated state like Maine is unlikely to set such

policy or initiate suggested studies on its own. And if it did, the results would not be credible.

\*If forestry is to be ecologically sound (i.e., maintain or improve biodiversity and ecological stability), then the logical first choice for forest practices should be the least disturbing practice appropriate to a given site. This means that there should be a state and regional policy requiring a presumption against clearcutting.

\*Rather than waste time and money studying whether or not forest practices laws (such as Maine’s) that allow landowners to remove 90% of the volume of the forest in one pass are “working” or not, the states could jointly study successful examples of less-disturbing forest practices, such as selection. The emphasis should be on management that leads to stand improvement, higher productivity, and better protection of ecological and aesthetic qualities of the forest. In other words, spend money studying what benefits the forest and what pleases the public. These studies could start with examples on experimental forests and public lands.

\*The region can initiate studies on how to overcome some of the barriers to better management such as costs of roads and labor, and artificially low prices for wood.

\*The result of these studies should be made available to the regional forester training licensing agencies and incorporated into requirements for new foresters and continuing education for experienced foresters.

\*The management plans foresters write (and which are required for current use taxes) need to mean something. Foresters should be held accountable if stocking and quality are degraded, and if essential wildlife habitat is destroyed.

\*Loggers can be trained to do ecologically sound management on public lands or experimental forests. The certi-

fication should be for both knowledge and competence. Certification committees should reflect a balance and level of expertise that goes beyond the forest products industry.

\*Loggers should be paid to manage, not to mine. Their wage should reflect the level of expertise required, and the level of quality of performance rather than simply the number of cords removed.

\*Loggers on industry land should be industry employees, rather than be considered "independent contractors." They should be subject to industry benefits.

\*The Northern Forest region should establish basic forestry guidelines and minimum rules to prevent the worst excesses of speculator/liquidators and to serve as a basis of policy for regional community forestry boards.

\*The states should encourage the creation of regional (based on watersheds and political or cultural criteria) community forestry boards that:

- refine the Northern Forest guidelines and rules to meet local needs but to ensure that policy goals will be met;
- identify areas of special concern (i.e., zoning, as does LURC, however, unlike LURC, these boards would have authority to regulate the "management zones") where there can be no logging or restricted logging due to ecological, cultural or other reasons including landscape-scale needs for wildlife corridors, reserves, deer yards, and riparian areas; and
- periodically meet with other boards in the whole region to share successes and failures, and to set policy for the region.

The Council suggests that Recommendations #10 and 20 should also be considered as addressing forest practices.

#### Recommendation 10: Capital Gains

The Council believes that reducing

the tax on capital gains by adjusting for inflation will improve forest practices. Up until 1986, there was a major tax break on capital gains, but this did not lead to any demonstration of exemplary forest practices. Indeed, many of the township-sized rolling clearcuts in Maine were done before 1986.

If adjustment for inflation is only done for timber, but not other long-term investments, then timber will become a tax shelter for long-term investors. The Council gives no guarantee that this tax break will not be used simply to increase profits (as it has been used in the past) rather than to improve forest management.

The Recommendation would give this tax break to all timber holders in the entire United States. The Council gives no estimate as to how much this would cost the Treasury. If the goal is to prevent conversion of large forest blocks in the Northern Forest in high-value areas around rivers, lakes, mountains, etc., then this seems to be a rather expensive way to go about it. Indeed, there is no guarantee that landowners who receive such a tax break will forgo development in such areas if they so desire. The capital gains tax break before 1986 did not stop landowners from selling high-value lands when the market was good.

All businesses can argue that they are essential and that they deserve tax breaks. Unless those industries can show a crucial need, and unless they can show a clear public benefit, Congress will be unlikely to grant tax relief. To the extent that one industry gets a tax break, other businesses and individuals must pay more to make up for lost revenues.

**Recommendation: The Council has repeatedly been challenged to demonstrate clear public benefits and to estimate expected costs from this recommendation. It has failed to adequately respond to these requests.**

**This item, therefore should be dropped.**

#### Recommendation 20: Green Certification

The Council begins its section on Market Development by mentioning concerns that the public has expressed about the problem of exporting raw products rather than developing local value added. Its first recommendation for market development is "green certification."

Theoretically, consumer preference for "environmentally friendly" products will translate into incentives for landowners to do better management, giving them an improved market share or better prices. "They also," warns the Council, "have potential, if not done well, to harm markets."

The Council (pg. 58) lists several criteria that "successful and effective" certification programs should follow. Scientific Certification Systems, which just certified nearly one million acres of land managed by Seven Islands, would claim to meet all these criteria. Yet the result has been controversial, and may, as the Council warned, harm markets.

I have had some experience with certification of organic farms. Although the criteria seem obvious and clear—i.e., farmers cannot use chemical fertilizers or pesticides, they must build up organic matter with manures, green manures, compost or other organic sources etc.—there are many gray areas and debates on limits are constant.

Certifying "sustainable" forestry is far more difficult. Whereas farm crops are annual and one can guarantee that they have not been sprayed, forest "crops" can take over one hundred years to grow. Over that time there may be many changes in forest practices, many of which would not qualify as very "green." During the last few decades, for example, Seven Islands has used chemical pesticides against the spruce budworm over much of its lands.

Is it now "sustainable" because it is not spraying for the budworm (whose population crashed nearly a decade ago)?

SCS, in its Executive Summary observations points out some serious silvicultural problems such as:

- \*exceeding allowable cut levels in the past and present;
- \*conversion of high-quality softwoods to junk hardwoods and balsam fir due to heavy cutting;
- \*overcutting of spruce;
- \*reliance on diameter-limit cutting;
- \*lack of formal wildlife plan;
- \*cutting too close to stream sides.

Yet, the company got certified for "resource sustainability" and "ecosystem maintenance."

SCS did not mention that Seven Islands is a major exporter of sawlogs to Quebec or that it is a major importer of Canadian labor. It did, however, give Seven Islands a very high score for "socio-economic benefits."

Even if management over the last few years has been exemplary (and SCS did not make such a suggestion), visitors to the land, expecting to see an impressive forest would be disappointed in some townships that have been slammed repeatedly over 150 years of ownership.

While the Council recommends that "private sector firms" should carry out standardization and compliance, it does not recognize the conflicts that a for-profit certification system can bring. There currently is no nationally-recognized standardization of objective criteria.

**Recommendation: Green certification for forestland, because it has so many fuzzy areas that are extremely difficult to objectify, is premature for this region. The recent certification of Seven Islands gives no reason for me to change this assessment.**

#### Recommendation 21: Market Development

Although this was not listed as a recommendation that would benefit forest practices, it should have been. It recommended state and federal assistance for primary and secondary wood product firms by fostering the establishment of marketing cooperatives or networks. For some reason, the Council did not consider, even though this was suggested, the benefits of fostering the development of marketing coops for woodlot owners.

The benefits of woodlot coops have been demonstrated in many countries, and include:

- \*cooperative purchase of equipment and forestry services;
- \*cooperative marketing of logs and pulp to ensure full truckloads and better prices;
- \*cooperative bargaining with mills for better prices;
- \*cooperative sharing of information for improving forest practices.

That the Council would push cooperative marketing for mill owners, but not for woodlots seems rather odd.

<sup>1</sup>For examples, see pages 330 and 359 of *Beyond the Beauty Strip* by Mitch Lansky (Tilbury House, Gardiner, ME, 1992). A more recent example is LD 1764, which started out as a bill to reduce clearcutting and ended up as another "study."

<sup>2</sup>See *The Northern Forest Forum*, Mud Season, 1993 for article—"Beyond Beauty Strips: Criteria for Ecologically Sound, Socially Responsible, Economically Viable, and Sustainable Forestry."



Clearcut in northern Maine. The Council claimed that the liquidation of forests was not an issue for it to study because it was a state issue. Likewise, property tax reform, upon which it lavished enormous sums of money and time, is, according to the Council, an issue for the states. Such double standards expose the pro-industry bias of the Council. Photo by Stephen Gorman.

# Workers' Comp Insurance ~ Council Ignores Root Causes of Problem

by Mitch Lansky

Workers' compensation, like forest practices, is a subject for which there is no subcommittee, no contracted research, no formal treatment in the Findings and Options, and little formal public discussion. It is odd, therefore to see two recommendations concerning this issue.

The Council informs us that workers' comp rates are high in the region. These high regional rates favor business outside the region. Jobs are replaced by mechanization. Sub-contracted labor, not covered for workers' comp, is often used. Local money goes to distant insurance companies. Therefore, reducing workers' comp claims and costs will improve the business climate and "help maintain job opportunities for local people." (pg. 65)

While this logical progression, at first glance, seems sound, a few crucial questions are neglected. What are the rates for comparable workers in other regions? If rates are higher here, what is the explanation? Why have past attempts to reduce rates failed? What new information is the Council offering the states that will prevent future failures? The Council has failed to provide basic facts upon which we can base our decisions.

## Recommendation 25

The Council recommends that states help to fund the adoption or expansion of worker training programs and cites Maine's Certified Logging Professional (CLP) program (which industry funded) as a "model." This approach puts the focus on the worker. It does not address safety problems posed by the landowners or employers.

My own research (*Beyond the Beauty Strip*, pgs. 70-89) suggests that:

\*Logging in the region is a difficult, insecure, low status profession.<sup>1</sup>

\*Logging in Maine has had unacceptably high accident rates.

\*Landowners have washed their hands of responsibility for worker safety (and for worker benefits) by insisting that workers are not employees but are instead "independent contractors."

\*Cheating on Workers' comp is widespread.

\*Chainsaw workers are paid with a piece-rate wage (the more you cut, the more you make).

\*The piece-rate wage neither encourages good forestry nor safety. It encourages cutting corners, as well as



*Nineteenth Century America romanticized the harsh realities of the life of the logger and river driver as a way of evading the manner society exploited these men. The Council's silly rhetoric about an exploited people "proud of its heritage" follows in this unworthy tradition. Its shallow critique of the workers' comp problems will do little to change this legacy of exploitation of local workers by absentee capital. Photo courtesy of the Adirondack Museum*

arms, legs, and other body parts.

\*Workers are intimidated from getting better working conditions and wages by threats from Canadian labor, mechanization, and lack of other job opportunities.

**\*Where workers are direct employees of industrial landowners and where workers are paid a weekly or other non-piece-rate wage, accident rates decline significantly.**

Lack of training of workers has been a problem that this recommendation, to some extent addresses. But it does not address some of the fundamental conditions, connected with the status quo, that have led to higher accident rates. The Council has repeatedly stated that it wants to reinforce the status quo, rather than replace it.

## Essential Recommendations

[Ed. Note: The following six recommendations should have been made by the Council.]

\*Workers on forest-industry lands should be industrial employees subject to industrial benefits.

\*Loggers should be paid to manage a forest, rather than just to remove trees. They should be paid a wage that reflects their skills and the hazards of their

work.

\*Smaller landowners should establish long-term "Stewardship Contracts" with contractors. These long-term contracts ensure that contractors benefit from initial investments in roads and "low-grading" (cutting the worst and leaving the best) thinning operations.

\*Logger certification should be based on safe, ecologically sound forest practices (perhaps on public lands). New loggers should be required to take full courses, not just a few days training. The object should be to make logging, which requires complex skills, into a higher paid, higher status profession.

\*A regional commission should study the financing of equipment purchase and maintenance, road building, and other costs put on workers to see to what extent these affect timber management and worker safety. It should come up with alternative suggestions.

\*This commission should also study regions in the world where worker safety and wages are better, and try to use these examples to change conditions here.

The latter two recommendations are for studies that the Council should have contracted years ago.

## Recommendation 26

The Council wants the state legislatures to reform workers' comp to reduce costs. Unfortunately, the state of Maine has already tried, repeatedly, to reform workers' comp. Governor McKernan even shut down the state for a few weeks (in part) to pressure the legislature to act on this issue.

The focus has been on reducing workers' benefits. But studies have shown that other regions have better workers' benefits, but lower costs. Apparently the problem is not simply worker fraud. Employers, lawyers, doctors, and insurance companies have been part of the problem as well.

Why have attempts to reform workers' comp been so unsatisfactory in the past? The Council did not do any research on this, so the state legislatures have no new information to help them understand past failures, or work toward future success. Until basic research is done, there is little basis to expect that new initiatives will succeed where others have failed.

<sup>1</sup> In the March 12-13 edition of the *Bangor Daily News*, a professional logger is quoted (Style pg. 1) saying, "People always believed that wood choppers aren't very intelligent. Well I've been intelligent enough to make sure that none of my seven children make a living chopping wood."

# Public Demands That Council Address Forest Practices

*Since you mention that land conversion (or residential development) accounted for only .2% of the region during the boom years of the 1980's, I am a little amazed that you didn't focus on what was happening in the other 99.8% of the region.*

—Tom Burke, Lancaster, NH

**Christopher C. Hamilton, NVDA, St. Johnsbury, VT**

I am writing to convey concerns I have heard from municipal officials in the Northeast Kingdom about forest practices and clear-cuts. Without a doubt this is the key issue on people's minds. Every town I have worked with, with the exception of Peacham, has asked me to help them deal with and regulate what they see as total disregard for the natural environment through large clear-cuts and poor logging practices.

The thing that is most impressive to me is that these officials include a wide variety of people from a broad range of socio-economic backgrounds. They include loggers, farmers, teachers, conservatives and liberals alike. The concern comes from

their heart of knowing it "just isn't right." They see the clear-cuts, the muddy brooks, the slicked off mountains in Essex County. They do not want to put people out of work, but they know what is going on is wrong.

You know that I actively work to support the forest industry. Surely the timber industry adds greatly to the region's economy and traditional way of life. But there is a ground-swelling concern over forest practices—and this should not go unaddressed by the Northern Forest Lands Council. I fear people will view the Council as not being serious about the real social problems caused by the timber industry—and this will undermine your other good work. I urge you to reconsider addressing this most important issue.

**Abby Morrison, Ace Woodwork, Rockland, ME**

I'm an owner of a large woodlot in Western Me. (Oxford County) which formerly boasted the highest density of diverse forest product manufacturers of any place in the country, according to a respected local forester. I appreciate your efforts to grap-

ple with the politically charged issues that integration of resources use and protection of forests bring up. However, I have serious reservations about the depth and effectiveness of such studies that omit any discussion of specific forest practices. The heart of problems facing Northern communities lies in the wholesale clearcutting of vast tracts of land. This has done far more to fragment the landscape and foster disintegration of local woods products economies than shoreline and scenic development, in Maine at least. Which isn't to say that shoreline development doesn't need regulation but rather that the future betterment of Northern communities lies in the long term health of the forests. To remain true to your stated mission of encouraging the production of sustainable yield of forest products you must look further than what is currently practiced. You must consider the importance of small land owners and woods operators for rural economic health. In his book *Beyond the Beauty Strip* Mitch Lansky meticulously elaborates on this point and the many related issues such as tax base and recreational use. I wonder why his views have so resoundingly been ignored by the NFLC.

The council could do so much to address the problems of small scale sustainable forestry which would help revitalize rural economies. For example, incentives to help create and actual assistance in developing markets for lesser used and rarer wood species could be one part of a larger plan to develop local self reliance. These and other ideas have often been discussed and rarely implemented. Let's hope the NFLC will have the vision and fortitude to keep moving towards real sustainability.

**Robert Pawling, Professor of Biology, Green Mountain College, Poultney, VT**

As I read your report several times, what struck me most strongly was the first statement of the mission, 'to reinforce traditional patterns of land ownership and uses'. This, in my estimation, is what has changed. The public has now realized its interest in the intrinsic value of the forest. Traditional ownership and uses must change and it is the timber industry that must be examined first. Their practices lead the way to fragmentation, conversion, and the loss of biodiversity. I believe that we must now take radical steps to preserve core areas of Northern Forest Land if we are to retain the character of the region.

**Cleve Kapala, Director, Hydro Relicensing, New England Power Co.**

...by not dealing with forest practices, business regulation, forest health, and other more political, less data driven, concepts, I fear the Council continues to postpone the hard policy work that may eventually provide illumination of the Northern Forest land issue. Although I can fully appreciate why the data decision was made, the 'heat' generated by the issue is unlikely to subside until a more political track is followed. I think many people, on both sides of a controversy, hunger for standards and realistic rules against which an action or operation can be measured.

I would think that by taking on the forest practices and business regulation issues as logical next steps, the opportunity to constructively alter or move a debate unlikely to recede without a policy initiative would be enhanced.

**Nancy B. Chandler, Sebasco Estates, ME**

The statement of Biological Resources Committee that 'the forest products industry... can continue to be compatible with maintaining the diversity of the region's biological resources...' makes a wrong assumption. Most forest management in Maine produces large scale monocultures of spruce fir with up to 250 acre clearcuts. The new trees are frequently sprayed with herbicides to favor softwood regeneration, killing most hardwoods and microorganisms for several years. This common even age management as well as the short 30 to 40 year cycle are the worst possible practices to increase avian, tree, and mammal diversity.

**Sportsman's Alliance of Maine**

SAM's concerns center on the issues of access and conservation of wildlife habitat. Many of our members are concerned about the impact of forest harvesting practices and development on wildlife habitat, especially deer yards, and on fishery resources, especially in small brooks and streams.



Skidding logs in winter. Photo courtesy of Appalachian Mountain Club.

**Michael Kellett, Restore: The North Woods, Concord, MA**

The council made a major error by not classifying liquidation of standing forests as land conversion. The land West of Baxter State Park has been converted from a diverse forest ecosystem into an industrial wasteland. Considering the millions of acres that have been stripped of trees over the last three decades, 'cut and run' logging is the biggest conversion factor of all.

**John Cruger, Liberty, ME**

Must we continue to mine our planet as if it were a dead rock, there for the taking and selling? The protection of a healthy forest has not been shown to be provided for by the care of private owners, who only want profits now.

**Tom Burke, Lancaster, NH**

The only real surprise I had while reading your Findings and Options is that you made the conscious step of not tackling forest practices. Since you mention that land conversion (or residential development) accounted for only .2% of the region during the boom years of the 1980's, I am a little amazed that you didn't focus on what was happening in the other 99.8% of the region. Forest practices play a big part in our region and shouldn't be considered on a state by state basis but considered regionally.

In Northern New Hampshire (especially Clarksville, Success, Pittsburg, Errol), one forest practice that will actually encourage land conversion is the excessive construction of haul roads. Not only do these roads fragment vegetative types of wildlife habitat, they encourage future residential parcelization when the land owner inevitably sells out. Hence roadless areas can become easily suburbanized in the future! Since "traditional land use" forest practices encourage excessive haul road construction, I think the NFLC should address this issue.

**June Rosenberg, Montgomery Center, VT**

Living in the Northern-most part of VT where corporate held forest land has transferred to individuals and others who have subdivided for a variety of reasons, poor logging practices have been observed.

Such poor logging practices have included over cutting of timber and even clearcutting. Additionally, there have been instances of disregard for fair logging practices around brooks, especially pristine mountain brooks that are host to trout. Such insults include the cutting of the canopy above brooks, including the Southern side that shields the sunlight from the water, cutting trees on the banks of brooks, cutting trees from within the brooks, and leaving logs and other debris in the brooks. It has also been my observation that the more dense and remote the logging sight, the more likely such abuses are to be found.

**Karl Barry, Paxton, ME**

I would like to take this opportunity to share my recent experience of flying over the Northern forests of Maine. On Oct. 1st, 1993, I was a passenger on a flight which flew over much of the state of Maine. We started in Wiscasset, Maine and flew towards Umbagog lake. From there we flew over several lakes including Rangely, Flagstaff, Moosehead, and Chamberlain Lakes. We flew North to Millinocket and along the Penobscot river returning to Wiscasset.

At the beginning of this flight I was surprised at how benign the cutting appeared in the Southern part of the state. As we flew farther North my surprise turned to shock at the amount and the severity of the clearcutting. Some of it was recent cutting but much of it was older cutting which shows no signs of regeneration. Even the most recent cutting is being done in a manner that will slowly but surely destroy the forest.

**William Schomburg, North Stratford, NH**

This September a 70 mile stretch of the Connecticut river, from Pittsburg Indian stream to Lancaster was severely muddied by logging practices in the Indian stream area. People looked into this but was anything done about it? Laissez faire?

**Jay Seavey, Manchester, NH**

The real threat is the same one that decimated the Northern Forest between 1860 and 1910: greed for money that can be had by liquidating timber. It affects the small woodlot owner whose stand has matured just as it affects the multinational paper company whose directors examine the bottom line in sumptuously furnished boardrooms in New York and Atlanta... Five years of talk about the Northern Forest can best be understood as a continuation of this grand tradition.

**Timothy McKay, Barnet, VT**

The findings indicate that while considerable turnover is occurring in forest ownership, very little conversion has taken place. Industrial forestry is not a stable industry. It matters not which company owns what, but it does matter how they manage the forest. The most pertinent question is whether the actual management taking place on industrial ownerships is sustainable. This will have a far greater impact on whether those jobs are still around in ten years than who happens to hold the land at that time. My observations tell me that much of the current management is not sustainable.

I suspect that a pattern of smaller landowners (500 acre range) would result in better management for higher value products. The current situation of exploitation by short term landowners is intolerable. There needs to be a short term profit tax of some kind to prevent disreputable loggers from picking up parcels, stripping them, and then dumping them on the market.

**Paul Council, Plainfield, VT**

I would like the council to recommend more intelligent and wiser use of forest products. There are too many clearcuts due to our over consumption of packaging and junkmail. The council should tell congress to work on reduced packaging and

intensive recycling efforts. Such programs would reduce the burden on our landfills and provide a significant source of fiber for the mills, thereby reducing the demand on our Northern Forest.

The Findings and Options make too little mention of forest practices on the Northern Forest. As a B. Sc. graduate from the U. of Montana School of Forestry, I find some of the forestry practices on the Northern Forest appalling...

The big clearcuts are especially disturbing when it is considered that they are done solely to satisfy the interests of absentee corporations which are oblivious to the needs of the local human and ecological communities.

**Paul Van Steeneberghe, Old Town, ME**

My wife and I just bought from the Diamond Occidental Forest, Inc. 178 acres of the Northern Forest lands near Mt. Blue in Maine. When looking for this property I traveled many miles in Maine's part of the Northern Forest. It's a disgrace how much of it is treated. When you get into some of the real out of the way places where one would expect beautiful, rich forests, like West of Baxter State Park, or in Washington County it seems the only habitat left is along streams and ponds, the rest is almost like a moonscape. The amount of clearcutting going on in this state is incredible and cannot possibly be sustainable and retain a healthy environment.

**Arthur Chamberlin, Wolfeboro, NH**

... white pine. We are fast running out of the high quality pine we used to have. They just aren't allowed to grow to maturity. 20 to 30 years isn't enough.

**George Wuerthner, Livingston, MT**

There is the underlying assumption that the forest industry or even biologists understand how to manage for biological diversity. As you note in your document, the knowledge base for this is only now beginning to be realized. Furthermore, no one knows how a forest ecosystem works—what's important or not important. How can you manage something you don't understand? E.O. Wilson, the Harvard biologist notes that the soil in a square meter of forest in Finland had four thousand species of bacteria. We can't even begin to assign them names, much less understand how they all fit together.

The document suggests that there is insufficient information to put together conservation strategies. I think the only information that we have suggests that what is needed is large scale, landscape wide preserves where ecological functions are permitted to operate. Logging does not emulate natural ecological processes.

The assumption that because logging has continued for several hundred years in the region must mean that logging is sustainable is an unproven and dangerous assumption. In Europe it has taken 3 to 4 rotations for problems with forestry practices to become evident. The fact that trees grow back does not mean you have a forest. What species of bacteria or fungi have been lost? How important are these to ecosystem function? We don't know and that is the point.

The only secure way to ensure long term biological diversity and ecosystem preservation is to maintain large core reserves. There is almost no discussion of large cores or what is considered large. I would venture that anything less than 2 million acres would be insufficient. And you need more than one to make it work.

It's fine to promote biologically sustainable practices on private lands, but one must realize we are shooting in the dark when it comes to understanding what exactly is biologically sustainable. Not very long ago we thought clearcutting was biologically sustainable. What will we learn about present assumptions concerning management in 20 or 30 years?

Secondly, there is the assumption that the timber industry will remain viable for the long run. I think this assumption is incorrect.

**Peter Richardson & George Moulton, Connecticut River Joint Commissions, Inc., Charlestown, NH**

Forest harvesting practices have significant effects upon water quality, and in turn impact fisheries, wildlife, recreation, tourism, and economic development. It would bring significant goodwill to the Council and healing to some of the polarization that has occurred over Northern Forest issues if the Council were to recommend and to gain commitment from the large forest land owners for adherence to good forest conservation practices on Northern Forest land. We are particularly concerned with conservation practices that safeguard water quality.

We in the Northeast do not want a repetition of the devastation to fisheries and scenery and the dissension that has taken place in the Northwest as a result of widespread clear cutting, but it also behooves us to recognize that clear cuts in the Northwest also started one-at-a time. In the Northern Forest of the Northeast, this issue must be addressed before it gets out of hand, and who better can give it the focus than the NFLC? The Council's statement calls for a sustainable yield of forest products. Is clear cutting as it is currently practiced sustainable? We would like to ask the council to include in its report a comparison of the amount of acreage converted to non-forestry uses and the amount that has been clear cut over the last decade.

We are concerned not only with erosion, sedimentation, and scenic impacts of individual clear cuts, but also with the cumulative effect, over decades, of more and more clear cuts. Among the councils options, should be added the need to assess the cumulative impacts of clear cuts and forest fragmentation, and the need to establish a ratio of acceptable clear cutting on a watershed and subwatershed basis.

**Peter Richardson, Norwich, VT**

The Northern Forest includes the headwaters and in some cases a major portion of the watersheds of the great rivers of New York and New England: the Hudson, the Connecticut, the St. Lawrence, the Androscoggin, the Kennebec, the Penobscot, and the St. John. These rivers supply the water to cities downstream, power, and recreation. The supply of water and its quality are not only important to the Northern Forest residents but to the whole Northeastern U.S. and Canada. In addi-



*Industrial clearcut in Maine. Photo © Paul Mozell, 1992, courtesy of Appalachian Mountain Club*

tion, the whole North Country is sprinkled with lakes that are part of the water system. The management of land and water resources has to be done as one piece. You've completely ignored the water part of it.

I am a little puzzled that your Findings and Options did not address the topic of forest practices. How we manage the vegetation and the land it sits on has major impacts on the water system, the wildlife, and the health of the land itself.

**Kevin and Karen Coffey, Trout Unlimited, Irasburg, VT**

While forest management is mentioned as having an impact on biological diversity, the NFLC has not addressed forestry practices. We are concerned with the 1000 acre plus clearcuts in the Northeast Kingdom of Vermont. Areas this size present obstacles to animals that need forested corridors through which to travel. I have seen much larger clearcuts in Maine, on the order of thousands of acres. Water flowing over these huge clearcuts heats up and raises the temperature of rivers and streams. This degrades the habitat for cold water fishes such as trout and salmon. We would like to see the Council recommend a maximum clearcut size, or at least recommend that the issue be studied with regulations based on scientific findings as the result. We would like to see the Council further address forestry practices, such as the use of pesticides and their effects on stream biota including macroinvertebrates, the establishment of industrial monoculture plantations and their effects on biological diversity, and the effects of repeated herbicide use on soil fertility and soil organisms, especially soil fungi.

**Michael Kellett, Restore: The North Woods, Concord, MA**

Conversely, the document does not acknowledge the negative impacts on recreation from unsustainable logging that destroys visual quality and decimates wildlife populations, dams that turn rivers into ecologically sterile, slackwater reservoirs, industrial pesticide use and mill pollution that make it unpleasant and unhealthy to use lands and water. These and other industrial practices have driven more and more people onto meager public lands in the region, degrading the recreational experience and causing ecological damage.

**Syd Howe, Holderness, NH**

Having stood not long ago near Rangely, Maine, in clearcut devastation reaching as far as the eye could see, I feel that a report on policy changes for these 26 million acres must deal more closely and more sternly with forest management and harvest practices. While science-based management for diversity is still evolving, some practices grossly destructive of public interests in fish and wildlife, functioning watersheds and scenic vistas must be curbed now.

Yet the 'biological resources' options of the report pose only 'voluntary landowner cooperation... in such practices as longer rotations, enhancing structural diversity in the forest, limiting fragmentation by roads, and other practices.' An option such as 'State laws regulating forest management to protect plant and animal diversity, waters and scenery' is sorely missed. Sadly, the commercial interests that have minimized analysis of forest practices in this forest study, by exerting pressure at the state level, illustrate why federal agency involvements may be needed to conserve the Northern Forest.

The protection of waters and watersheds, having been basic to creation of the White Mountain National Forest and remaining central to forest management controversies today, seems particularly under-represented in this document.

**Philip Cafaro, Brookline, MA**

Write strong state forestry practice laws, which would reform current abusive practices such as intensive herbiciding, lack of buffers around rivers and streams, and the ongoing conversion of natural forests to heavily managed tree plantations. These should apply to all forest lands, public and private.

Avoid industry give-aways in the form of tax breaks and loosely structured conservation easements. Instead, existing use zoning, and strong forestry practice laws should be used to avoid the deterioration and conversion of private forest lands, and full fee acquisition should be the preferred tool for the creation of ecological reserves.

Reiterate that the preservation and restoration of biodiversity should be the number one goal of an integrated management approach. Economic goals should be set within the constraints of the ecosystem, not vice versa.

It is time for a fresh start, and a better way of living on the land.

# NFLC Retreat on Public Land Acquisition Undercuts Creation of Reserves

by Michael J. Kellett

The self-professed purpose of the NFLC is to maintain the "traditional patterns of land ownership and use" of the Northern Forest. In pre-settlement times and for the first 200 years of European settlement the Northern Forest belonged to the public. This tradition was broken in the mid-1800s when the land was given away or sold to private interests for bargain prices. The resulting degradation of the natural ecosystems of the region for short-term private gain was what necessitated the NFLC in the first place.

If the NFLC truly wants to maintain "traditional patterns," it should be supporting the return of as much of the Northern Forest as possible to public ownership through purchase or donation. Instead, the NFLC arbitrarily chose the ownership and use pattern of the last few decades—which is dominated by the forest products industry and other private interests—as the "tradition" to maintain. As a result, the NFLC shows a marked lack of enthusiasm for any public land acquisition and a clear bias against federal acquisition.

The following discussion points out the positive aspects of the recommendations, the weaknesses, and a number of changes that would correct the many deficiencies.

## Strengths

The NFLC deserves credit for recognizing that "that public land acquisition and management are important in protecting components of the full range of values in the Northern Forest, where private lands cannot be expected to provide or protect such values." It makes a few good recommendations that focus on continuing and strengthening existing programs, and these should be considered for implementation.

The NFLC recommendations for increases in both federal and state funding are important. Inadequate funding has been a serious impediment to public land acquisition in the Northern Forest region. Correcting this problem is essential if we hope to implement any significant new acquisition programs.

## Weaknesses

Despite some positive aspects, the NFLC recommendations are fundamentally flawed. Among these flaws are the opposition to federal land acquisition strategies, an unrealistic reliance on pass-throughs of federal taxpayer dollars for state programs, and recommendations that are focused on process rather than substance. The inclusion of some recommendations that have little if anything to do with public lands further weakens the effectiveness of this section. These shortcomings raise serious questions about the quality of the research and analysis that formed the basis for these recommendations, and undermine the credibility of the entire section.

The most egregious problem with the NFLC recommendations is their overwhelming bias against federal public land acquisition. The Northern Forest region has one of the lowest proportions of federal land of any region of



*Wolves were extirpated from the Northern Forests in the nineteenth century. They require large wild areas. Federal funding will be necessary to acquire enough land to fully protect the biotic integrity of the region. It is naive of the Council to assume that the Federal government will lavish such sums on the states with no strings attached. A federal role, in collaboration with the states, is necessary. Photo by Joni Soffron—Wolf Hollow*

the country. Yet the NFLC recommendations completely avoid any mention of new or expanded federal land acquisition. Although the section on "Funding Public Land Acquisition and Management" urges greater funding from the federal Land and Water Conservation Fund (LWCF), this apparently refers strictly to federal grants to states for land acquisition, not outright federal acquisition. No rationale is given for what is clearly a conscious decision to support state land acquisition programs while rejecting federal programs.

In its states-rights zeal, the NFLC refuses to acknowledge the ample proof of strong and widespread public support for federal public lands. The National Park System is host to over 250 million visitors each year. Tiny Acadia National Park in Maine receives well over two million visitors. National forests are also extremely popular—the White Mountain National Forest receives between six and ten million visitors each year—more than most national parks.

The public has endorsed numerous federal land acquisitions in around the Northern Forest. These include (1) numerous inholdings in existing units, such as the Appalachian Trail and the White Mountain and Green Mountain national forests, (2) additions to the purchase boundaries of the Green Mountain National Forest and Moosehorn National Wildlife Refuge, and (3) creation of new federal units, such as Lake Umbagog and Sunhaze Meadows national wildlife refuges. Despite this clear show of support, the NFLC chose to totally ignore the benefits of these important land protection strategies.

While the NFLC rejects federal public land acquisition—a proven land protection strategy—it strongly supports the still-unproven Forest Legacy Program. Perhaps this is because Forest Legacy focuses on using federal funds to purchase conservation easements on private lands, not on acquiring new public lands. The program is still too new to

judge whether its goal of maintaining the private "working landscape" (i.e., where logging is considered the highest and best use) is in the public interest. In the meantime, some people question whether Forest Legacy will prove to be a subsidy to the forest industry, whether lands will be "saved" from condominiums only to be clearcut logged, and whether it would be more cost effective for the public to simply purchase the land outright. Regardless of these questions, the Forest Legacy Program cannot be considered a public acquisition program, but a way to maintain undeveloped private timberlands. Both this and the recommendation on alternatives to public acquisition should not be included in this section.

Even the solutions the NFLC does put forward are tainted by provincialism and political naiveté. For example, the NFLC draft recommendations, like those of the May 1990 report of the Governors' Task Force on Northern Forest Lands (GTF) recognize that the Northern Forest states do not have adequate funds to purchase all of the lands that should be in public ownership. Like the earlier report, however, the NFLC would rely heavily on major new grants from the federal Land and Water Conservation Fund to fund state land acquisition programs. It also supports giving the ownership of the conservation easements under the federally funded Forest Legacy Program to the states. These strategies are based on the highly unrealistic assumption that the American people will support massive transfers of their federal tax dollars to buy land or easements over which they will have no ownership or control. Since the NFLC depends on sources of state land acquisition funding that will probably not materialize while rejecting proven federal acquisition programs, the implementation of these recommendations would do little to expand public land acquisition programs and could actually undermine existing programs.

The extreme myopia of the NFLC is no doubt due to the absence of a strong federal voice. the 1990 *Northern*

*Forest Lands Study* was prepared with the active involvement of the U.S. Forest Service and other federal agencies. The resulting report made a real attempt to weigh the various state, regional, and federal land acquisition options. Although officially a member of the NFLC, the Forest has abdicated its leadership, allowing narrow state interests to prevail. As a result, the NFLC is retreating from the emerging regional vision of the *Northern Forest Lands Study* rather than building on it.

In contrast to the serious omissions in this section, the NFLC pays inordinate attention to bureaucratic process. The focus is on "Management of Existing Public Lands," "Acquisition Planning to Conserve Exceptional Values," and "Funding Public Land Acquisition and Management." There is no consideration of critical substantive questions, such as how much land should be purchased or what types of lands and waters are in greatest need of protection (e.g. old-growth forests, large tracts of wildland, habitat for endangered species, areas linking existing public lands, river corridors, remote lakes, etc.).

Even the flawed GTF report provided more guidance on land acquisition funding than the NFLC. The GTF called for \$100 million over four years to be appropriated for acquisition from the federal Land and Water Conservation Fund. Moreover, it recommended the creation of an emergency reserve fund for "quick response" land acquisition. The NFLC, on the other hand, provides no appropriation figure at all, and makes the claim that "quick response" public acquisitions do not necessarily lead to the most effective conservation of lands with exceptional public values." There is no documentation provided to support this claim, nor is there a definition of "exceptional public values."

## Changes Needed

In summary, the NFLC offers some positive recommendations that should be supported. However, its draft recommendations are little more than a rehash of the May 1990 GTF report. The GTF report was roundly criticized at the time by conservationists for its anti-federal acquisition approach. Perhaps the NFLC recommendations are so similar because both studies have been dominated by people with strong ties to the forest products industry.

There are a number of serious flaws and omissions that must be corrected if the NFLC recommendations are to serve as an adequate blueprint for Northern Forest public land policy. Among the necessary changes are:

- \*a new recommendation that calls for the public acquisition from willing sellers of as much of the Northern Forest region as is possible;

- \*a new recommendation, based on a the set of criteria outlined in the *Northern Forest Lands Study* and public input provided over the last four years, that lists specific high-value areas in the Northern Forest that should be preliminary candidates for federal and state public acquisition;

*Continued on Page 17*

# Funds for Public Acquisition Should Be Greatly Increased

[Ed. Note: This is a very small sampling of letters to the Council supporting increased public acquisition of Northern Forest lands, using both state and federal funding and land management.]

## Erik Solhberg, E. Corinth, VT

Fee acquisition should be used to purchase areas with critical public values, but in order to use limited tax dollars most effectively and to minimize revenue impacts on local municipalities the criteria for public acquisition ought to include remoteness (high priority) and minimal conflicts with municipal interests and resident surface owners (medium priority). Just because an area has outstanding natural features, undeveloped lake frontage and heavy public use should not necessarily put an area in top priority for public purchase—local impacts and local resentment may be high, and protection of key values may be possible with less than full fee purchase. In fact, by putting such areas in higher priority than remote wildlife habitat, the public may be losing out on the opportunity to obtain ten acres for the price of one and pay the political price of intense local opposition. Fee acquisition should be a tool to build blocks of land to re-create the other (besides working forest) element of the Northeast forest heritage—remote wilderness in the form of ecological reserves. The national forests in the eastern United States were created from a preservationist impulse—to protect watersheds and forests from rapacious logging. It is time to protect some substantial areas in Maine for similar reasons. Fee acquisition should get top priority.

\*In their recommendations the Council should identify particular geographic areas for acquisition/protection.

\*Federal funds should be increased to buy land in the region. The states (Maine, in particular) should set up a deal with the federal government on amounts and locations of land to become federal and to be state-owned. State-owned areas should be placed in the public reserve system. Federal lands should be in remote areas without significant municipalities.

## George Wuerthner, Livingston, MT

The proposal to give tax breaks and other subsidies to the timber industry may backfire. Without long term guarantees to keep timberlands undeveloped this solution is no solution at all. For one thing subsidies have been shown over and over to limit innovation. They promote addictive economies that fight to maintain industries that are doomed, and prevent creative solutions. Agricultural subsidies throughout the nation are wonderful examples of this. Agricultural subsidies have not been successful in keeping farmland from becoming subdivisions in Vermont or California. When market demand for land goes up, low value land uses can not compete. They are subdivided. The only thing subsidies can do is perhaps slow this conversion, but ultimately if public acquisition is finally decided upon as the way to keep land open, they make land more expensive.

I would suggest the only real long term way to preserve the region's forests is outright fee purchase or conservation easements. While I have nothing against conservation easements, the cost benefit must be looked at very closely. In the long run it may be less expensive to buy the land outright than to provide subsidies or even conservation easements. Furthermore, the money forgone by granting tax breaks might be enough to buy the land in the long run. Land in the region will likely continue to escalate in cost. Any missed opportunities to purchase lands now means a higher cost later.

Public acquisition not only ensures long term ownership, but also can provide for the timber industry if it is well managed. However, I would suggest any public ownership should be geared towards first providing large scale reserves where timber harvest does not occur at all. We already have plenty of places with timber harvest. What we need are places without it.

Finally, there is almost no discussion of federal lands acquisition and on a quick scan, I could find no discussion of why this was ruled out. It seems that 'tradition' is what is guiding your discussion. Tradition is not necessarily the best way to approach a problem.

## David Gibson, Association for the Protection of the Adirondacks, Schenectady, NY

Among the most important options we would endorse are those described as option 1-3, on page 24. These describe goals and mechanisms for the federal Land and Water Conservation Fund to play a far more important role in the Northern Forest States than it does today. Certainly, the LWCF's administrative agencies need to identify the Northern Forest area as a discrete region, eligible for project funding. The four states will then have to pull together to encourage and attract fresh attention

## Retreat on Acquisition

Continued from Page 16

\*a new recommendation for a new federal-state study to refine this list and identify new areas that should be considered for acquisition;

\*changes in Recommendation 5 that support increased federal land acquisition funds and increased state-federal matching grants for state land acquisition, and provide a specific target of at least \$100 million over four years;

\*a change in Recommendation 5 to delete support for outright grants to states; and

\*transfer of recommendations 6 and 7 to the section on Private Forest Land Stewardship.

Michael Kellett is Executive Director of RESTORE: The North Woods where he is working to restore wolves to their native haunts of the Northern Forests.

and significantly larger funding from the Fund. New recreational fees and matching state sources will be needed as well to create a sufficient pool of funds for the many and diverse conservation priorities in the Region. Without question, there should be a significant increase in federal fee and less-than-fee acquisition dollars for the region if the four states have significant control over how and where those dollars are applied.

## Peter Stein, Lyme Timber, Lyme, NH

We firmly believe that there should be an increase in Federal fee and less-than-fee public acquisition dollars for the region and we also agree that Federal, State and local government should be more involved with public fee and less-than-fee acquisitions.

## Pamela Person, E. Orland, ME

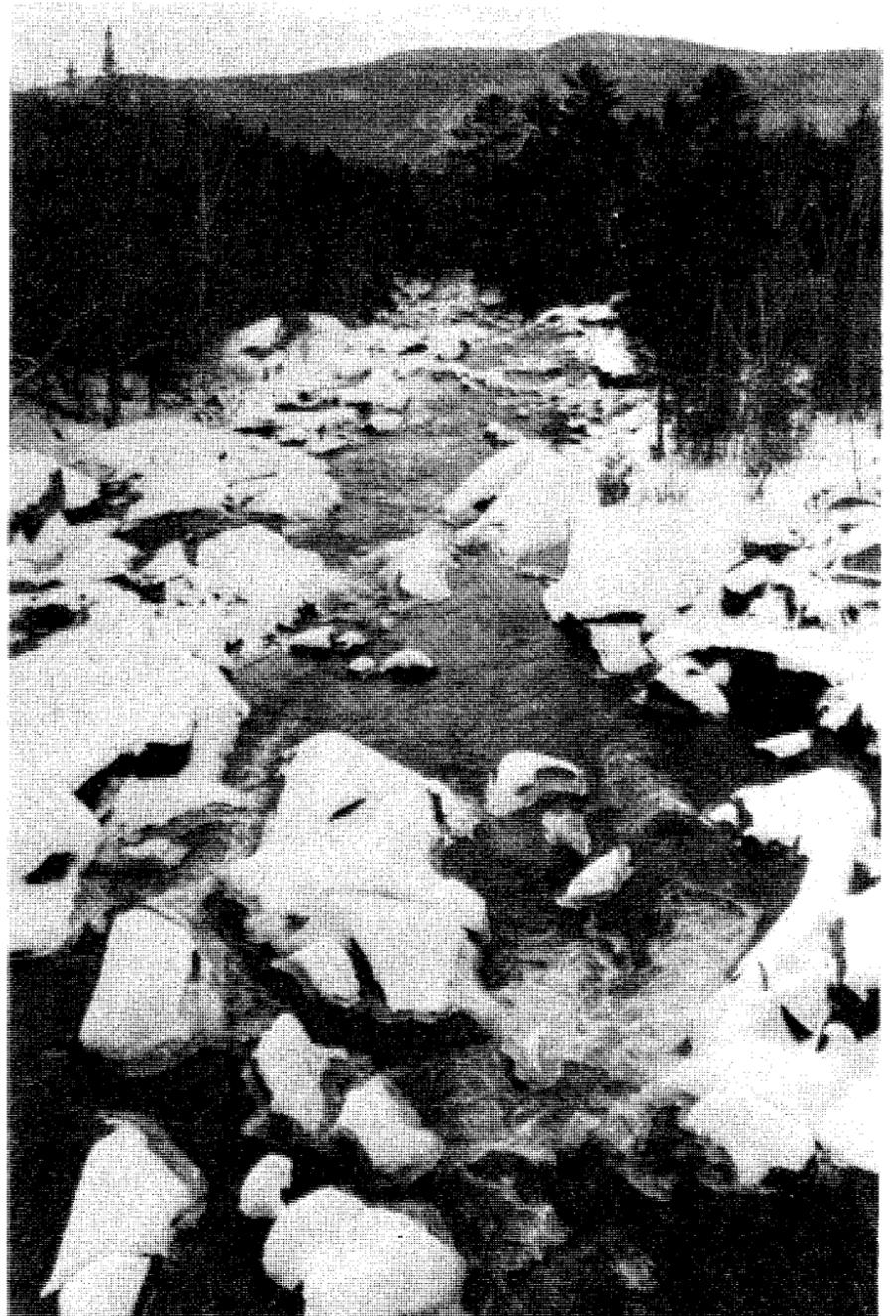
Option #3 & Finding #7—THERE IS FEDERAL LAND AND WATER CONSERVATION FUND MONEY AVAILABLE THAT IS NOT BEING USED. This money is earned by all U.S. citizens from oil and gas leases on federal lands. A letter this month from Senator William Cohen stated that he would support additional LWCF monies for acquisitions for Maine. Work with all the congressional delegations to encourage LWCF monies be spent in *this* region.

## Rudy Engholm, Brunswick, ME

... I would be suspicious of any conservation program that requires a "societal cost-benefit analysis prior to implementing any strategy." We would not have Yellowstone Park today if Teddy Roosevelt had asked his accountant for a cost-benefit analysis. We certainly do not require an economic cost-benefit analysis before undertaking many other major societal activities (such as the Gulf War).

## Jon Luoma, Alna, ME

Maine, where I live, has too little public land. It may also be that too little of that public land represents true "wild areas." So it seems to me that achieving a balance involves actively promoting public and preserved lands *where appropriate*. It isn't contradictory to support a strengthened public lands program. Furthermore, in many ways the forest products industries can promote and represent themselves, while public lands must be promoted and represented, often, through specifically-established public programs and funding methods.



The Magalloway River in Maine is one of the wildest spots in the Northern Forests. Photo by Jeffrey Trubisz, courtesy of Appalachian Mountain Club

# Protecting the Northern Forest: A Response to the Critics

by Chris McGrory Klyza

As the Northern Forest Land Council (NFLC) begins the process of public listening sessions before making its final recommendations, it is important to know the main themes and points of those opposed to the NFLC process and to the purchase of lands in the region by the public. In the following I discuss six of these main themes based on the letters received in October 1993 by the NFLC in response to its Findings and Options. One of those most common tactics used by those who advocate private property rights and oppose ecological reserves is to make statements of opinion or interpretation as if they were fact. I have pointed out a few examples of this below, and indicated what the facts are or when the issue is one of values rather than facts. I hope that these points are of some help at the hearings and in conversations with supporters, opponents, and fence-sitters.

## I. A Property Rights Primer

Much of the debate on the Northern Forests has centered on property rights, so it is a good idea to have some basic understanding of these rights and what the U.S. Constitution says about them.

Property is a human concept, a human institution, a political relation among persons. Most people think of property as a thing; but more accurately it is a right based on social institutions. An individual must count on society to enforce his or her property right somehow (by custom or convention or law). This means that the idea of property and the institution of property are defined by humans, which implies that the meaning of property can be and is different in different societies and at different times.

When discussing property concerning environmental and natural resources issues, we need to discuss government regulation of private property. Is it justified? How far can the government go?

Government regulation of land use (among other things) is justified as a state *police power*. The police power is the government's power to regulate land use in order to protect public health, safety, morals, or the general welfare.

How far can this police power go regarding its effect on the value of an individual's land? Clearly, almost any use of the police power will lead to a reduction in the economic value of the land. How much can the value of the land be reduced? For example, could the government declare that no wetlands can be filled because it harms drainage and leads to more flooding? If I owned a wetland, couldn't I claim that the government had essentially removed all value from my property?

Here the issue turns on the *takings clause* of the 5th Amendment of the Constitution. The clause is: "... nor shall private property be taken for public use without just compensation ...". This clause is part of our basic guarantees against government infringement of our civil liberties (life, liberty, pursuit of happiness/property). And, like all other basic civil liberties, there are certain limits placed on these rights. For example, we have free speech, but cannot threaten to kill the President or libel someone. We have freedom of religion, but we cannot engage in bigamy or

human sacrifice.

This potential government taking may be either direct or indirect. Clearly, if the government takes your land in a direct manner, say to build a road, you must be paid a fair price for the land (this is *eminent domain*). Indirect taking is a trickier issue: if the government so reduces the economic value of the land via regulatory restrictions, depending on the nature of the harm being prevented, then it may have to compensate the owner.

The fundamental issue, then, becomes when has an indirect takings occurred? They analyze the particular aspects of each case, including the economic loss of property value. Recent studies indicate that the courts have ruled government regulation can reduce the economic value of the property by two-thirds or more before finding that an indirect takings has occurred.

This raises the additional issue of how the original value of the property is to be determined. Almost universally, the value is taken to be the assessed value—how much the land is worth on current real estate markets for its highest and best use. This means that even though land is being used for farming, it may be taxed as if it were to be used for a housing development (a higher economic value). This is its highest and best use, in an economic sense (according to tax law). (Some states and local communities are using current use taxation to set property taxes, recognizing that the "highest and best use" approach often artificially inflates property values and property taxes, leading landowners to develop their property in order to pay high property taxes.)

So, to summarize, property rights are defined by society and the government, and the federal and state courts have recognized that government can limit what a person can do with his or her private property. In the 1987 Supreme Court *Keystone* decision, the court ruled that private property rights can be limited by government to further the public interest.

*"Under our system of government, one of the state's primary ways of preserving the public weal is restricting the uses individuals can make of their property. While each of us is burdened somewhat by such restrictions, we, in turn, benefit greatly from the restrictions placed on others. These restrictions are properly treated as part of the burden of common citizenship."*

Let us now shift to examining some of the most common issues raised by property rights advocates.

1. Opponents make a great deal of reference to the Constitution and claim that proposals in the Northern Forest Lands Council recommendations violate the Constitution's protection of property rights. **This claim is completely unfounded.** Local zoning, the Adirondack Park Private Land Use Plan, Vermont's Act 250—all of these have been tested in the courts and found to be constitutional. *Nothing proposed violates the Constitution; if it does, it will be struck down in the courts.*

Indeed, even the Endangered Species Act has held up fine on property rights grounds. According to Interior Secretary Bruce Babbitt: "in the 20 years that the Endangered Species Act

has been in place, and despite the fact that more than 800 species throughout the U.S. are now protected by it, not one instance has yet occurred in which a landowner anywhere was so affected by the requirements of the Endangered Species Act that he has taken advantage of the claims court to seek compensation for a governmental taking of his property."

2. Some opponents argue that eminent domain should never be used by government. If this is their argument, are they willing to disallow the use of this power completely—for building roads, new schools, new prisons, new dams, etc.? If they are only opposed to eminent domain for conservation practices, this is a difference of opinion that should be decided democratically. Efforts to dictate how the rest of society should operate are *undemocratic*.

3. Private property rights advocates who oppose the willing sale of private land to the government are advocating the limitation of someone else's property rights. They are not in favor of property rights generally, but of property rights that they favor. Again, this is undemocratic and violates their claims of protecting property rights.

Furthermore, some property rights advocates seek no regulation of private land and no public land; that is, no protected land. That is, they argue that we should not regulate private property without compensating the landowner. Yet, when we offer to fully compensate the landowner by purchasing the land, they are opposed to this as well. It seems that public lands purchased from willing sellers is the best option: no

restriction of property rights at all and the private land owner is compensated. Why are they so opposed to this?

4. Some opponents argue that local selectboards and state officials are putting burdensome, unconstitutional regulations on them. We have already shown that if these regulations are unconstitutional they should be challenged in the courts. If they don't like their selectboard and state officials, *vote them out*. To say that they are wrong and should be stopped, even if voted in by the majority, is again, anti-democratic.

## II. Ambiguity of the Market

Many opponents of the NFLC process and any federal government involvement in protecting conservation in the region support their criticisms with strong reliance on the free market. They argue that the federal government, and in some cases state government, has no role to play, that we should let the free market solve our problems. Often, however, these same people advocate the government getting involved to help promote forest products, to develop new uses of wood, or to help in export promotion. So, they are not opposed to government intervention, they oppose government intervention on issues they oppose, but welcome it on issues they favor.

1. If opponents say no federal government intervention, ask them if they are also opposed to federal government involvement in promoting forest industries, in Forest Service programs to develop new uses for wood, in government programs to fight fires, insects,

## Who Owns the Maine Woods?

*We have heard so much about "property rights" and "local control" and oppressive taxes on landowners. The tax breaks and other subsidies proposed by the NFLC will benefit these landowners. Who are they?*

The nine largest landowners in Maine are absentee corporations, not locals like you and me.

Company	Acres Owned
Bowater, Inc.	2,088,432
Seven Islands Land Co.*	1,011,000
International Paper	980,891
Prentiss & Carlisle Mgt. Co.*	970,000
S.D. Warren (Scott Paper)	930,000
Champion International Corp.	730,000
Boise Cascade Corp.	670,000
Irving Pulp & Paper	561,000
Georgia Pacific Corp.	488,035

*\*Management Companies for Family Ownerships*

According to the Northern Forest Lands Study, there were 14,200,000 acres of private land in Maine's portion of the study region. The largest 18 landowners in Maine own over 75% of the Maine Woods. **Less than 0.1% of the landowners own more than 75% of the Maine Woods.**

*Note: These figures are based on a report from the Bangor Daily News, July 11-12, 1992.*

and disease in forests, in building roads of any kind, etc.

2. Some opponents argue that we must do everything we can to costs so that the Northern Forest can be competitive in world markets. Why? Capitalism tells us that not all areas will be competitive on all products. If other places are better suited to grow fiber and food, why shouldn't we let the market work its will? For example, under a completely free market, a significant dairy industry is unlikely in Vermont. Is this what they want? If not, if they favor government intervention in some cases, it can't be wrong, by definition, for the government to get involved in conservation.

3. One critic writes: "this subcommittee does little to address the most serious problem for the industry which is a questionable supply of raw materials." Why are these materials in short supply if market/industrial forestry is working so well? Why should the government get involved if the free market is the key?

*If these critics respond that the government must get involved due to market irregularities, this is exactly what we want to hear. This is why we are advocating government involvement—the market isn't working to conserve lands and biodiversity.*

### III. Ecological Reserves

There are two main responses to critics of ecological reserves.

1. Many argue that ecological reserves or "forever wild lands" are of no use to humans. *This is completely*

*false.* According to the Forest Service, the five key components of multiple use are: fish and wildlife, grazing, recreation, timber, and watershed protection. Three of the five—fish and wildlife, recreation, watershed—take place on wilderness lands. There are many additional benefits for humans in preserving wild lands. They are places: of spiritual values; to better understand ourselves and our civilization; that serve as sources of creativity; that keep the human spirit alive; that protect important historical aspects of American culture; to develop humility and self-restraint; and that serve as reserves for genetic diversity and ecosystem health. **Perhaps most importantly, protecting biodiversity and ecosystems is protecting our home.**

Of course, those of us with an ecocentric perspective believe that it is simply the right thing to do.

2. There is much questioning of the scientific basis of biodiversity and ecological reserves, yet no counter science is offered. Where is the science that shows current practices are good for anything (including the economy, where jobs in the timber industry have been declining)? For example, the New York Blue Line Council writes that "landowners' ... doubts and concerns are inflamed by land use regulations which ... have little or no scientific basis ..." They continue: "We strongly oppose this [Ecological Reserve System] as largely unfounded, poorly defined, and perhaps the most intrusive option with potentially severe impacts on economics and landowner rights." Yet, this

reserve system is based on science.

### IV. Environmentalists Exist in the Region

Many critics argue that supporters of ecological reserves and government purchase of lands are only from outside of the area. This is not the case.

1. Many supporters of these programs live in the Northern Forest and the Northern Forest states.

2. A 1991 Forest Service survey of residents of northern New Hampshire and Vermont found strong support for public land acquisition for a variety of uses: 85 percent supported public land acquisition to protect wilderness, 81 percent to maintain wildlife habitat, 80 percent to maintain recreational opportunities, and 72 percent to assure timber supply.

3. Many oppose the involvement of national environmental groups, yet have no problem with national corporations based outside of the region. Why the difference? What of Northern Forest residents who belong to national environmental groups—don't they have a right to be heard?

4. One opponent to the entire process wrote, after his plea for property rights as defended in the Constitution: "Welcome to Vermont, now go home." This is in clear violation of the spirit of the Constitution, Article 4, Section 2, that protects the rights of residents in one state when they move to or are in a different state.

### V. Public Land Management

There is much criticism of public

land management.

1. There are complaints over National Forest management not being timber-oriented enough; complaints over others trying to focus on other uses of the National Forests. These people arguing for more biodiversity, recreation, etc. are reflecting the desires of some of society, just like the timber industry. Should these voices be stifled? Would that be democratic?

2. There is opposition to government purchase due to federal and state debt. This is not a good argument. We can all pick programs we don't support. This is purely an opinion and we should let the public speak how it wants to spend its money.

3. Some argue that the mission of the NFLC has shifted from preserving traditional land use patterns to protect private/public values. Yet each state, especially New York, has some public land ownership, so that is part of tradition.

4. Numerous statements are made without evidence to support them. For instance, "History tells us that governments are the worst stewards of the land, private owners the best." Yet no proof for the claim is offered. Indeed, history suggests significant problems with private ownership in the past, hence the establishment of the National Forest system and National Grasslands. Another critic writes "Some knowledgeable people have stated that the Northern Forest is actually a great example of a diverse natural system." Who?

The argument that private property is better because it leads to better management through owners' response to incentives is true in some cases. Sometimes, though, incentives do not favor land protection, or even timber production. Depending on the goals, *private ownership works best in some cases, public ownership in others.*

### VI. Taxation

Some critics of the NFLC process argue that we should be focusing on one thing only: reducing the burden of taxation on forest landowners and forest products companies. These critics, however, fail to address a number of important points.

1. If they want to see taxes significantly cut, it seems that the forest products industry must be willing to sacrifice as well. Is the industry willing to give up: below cost timber sales on National Forests, road projects that support their trucks, government research and market development that favor their interests (including trade shows, trade delegations, the Forest Service wood products lab, public university programs that support the forest industry, etc.)?

2. Critics argue that property taxation should be based on current farm or forest use, not development potential. Yet, are they willing to guarantee that they will not develop the land in exchange for these lower taxes?

3. Critics argue that the federal government pays no taxes on its lands. Although this is technically true, the federal government does make payments in lieu of taxes, and current payments—which should be higher—can equal or exceed the taxes paid by timber corporations in some parts of the Northern Forest. New York State pays full taxes for state land in the Adirondack Park.

## Local Control Means Control of Locals

*The Forum supports genuine "Local Control" over our destiny. Currently, both the land and state and local politicians are owned by absentee corporations who shamelessly lobby for more of the same under the banner of "local control."*

#### Michael Cline & Karin Tilberg, Maine Audubon Society, Falmouth, ME

While this subcommittee is named the "Local Forest Based Economy" the findings actually illustrate that the majority of decisions about the forest economy are not in the hands of the "locals" but are elsewhere—nor is access to capital or other means of generating more local and diverse economic activity. This report does not adequately deal with this problem.

#### Roger Milliken, President, Baskahegan Company, Cumberland, ME

Overall, I believe it's time for each state to grapple on its own with the issues the Council has been discussing. I would encourage the individual states to network with one another, but the political and bio-geophysical differences among the states unduly complicate such regional efforts without providing any clear offsetting benefits. Thus, I discourage the creation of any regional bodies after the completion of the Council's work.

*[Ed. Note: Defenders of Southern injustice resorted to the cry for "states rights" in the 1950s and 1960s to evade the U.S. Supreme Court decision to desegregate schools. Defenders of the forest products industry—such as the Northern Forest Lands Council—have resorted to the same argument to evade accountability for forest practices, dioxin dumping, tax breaks and other industry subsidies. The states of Maine, New Hampshire and Vermont have demonstrated their unfitness to resolve critical ecological and economic issues. We need a regional and federal presence if we are to salvage the natural and human communities of the region.]*

#### Philip Bryce, James River Corporation, Milan, NH

Everyone is so concerned about Federal control of the region, yet we are quick to suggest Federal funding. Is this realistic?

#### Bob Cope, Champion International, Bangor, ME

Opposed to more federal and state government involvement in local development. Federal and State Grants always have control strings attached which in the long run cause loss of local control.

*[Ed. Note: Champion International, headquartered in Stamford, CT, does not permit "local control" over its more than one million acres of timberland in the Northern Forest region. One of its operations last year muddied a 70 mile stretch of the upper Connecticut River. When Champion gives locals control over the lands it currently owns, then Mr. Cope's pious championing of "local control" will sound a trifle less hypocritical.]*

#### Deane Sargent, Coos County Conservation District, Lancaster, NH

The district feels strongly that LOCAL control is essential for the best use of the area resources, with state government being the highest level of authority. Towns are already involved in land use planning, there is no reason for additional Federal regulations.

We feel that biological diversity studies and ecological reserve systems are counter productive to the best use of the resources and the people.

*[Ed. Note: Protecting the biotic integrity of the Northern Forest region is "counterproductive" but singing the virtues of "local control" in a county that in which more than 50 percent of the land is owned by absentee corporations that clearcut and spray herbicides with utter disregard for the welfare and wishes of the locals is a quaint form of logic.]*

# Local Communities Submerged By Landowner and Industry Emphasis

by Eric Palola

The NFLC's process for understanding and recognizing the issues and interests of local communities in the Northern Forest began ambitiously enough with a mission statement by a former NFLC subcommittee that the purpose was... "to stimulate the local forest-based economy within the region and improve its competitiveness in the global economy." Taken literally this statement promised many months of research since the NFLC was alluding not simply to the *economy of forest lands*—a topic already explored by other NFLC working groups—but the *economy of communities dependent on forest lands*. The apparent intent of the NFLC's work in this area was laudably aimed at the latter set of issues since it seemed a safe bet that forest communities were more than the sum of jobs from forest commodities. In addition, the NFLC seemed suitably equipped as a temporary regional study group to recognize and respond to a broad array of issues affecting rural economic health. It was a responsible, but difficult, scope of inquiry.

However, in the Draft Recommendations, rural forest community issues were subsumed by a more narrow landowner and forest industry focus. It is important to point out the implicit assumption now at work in the Draft Recommendations: by helping one economic sector—in this case forest products—the Council implies the whole fabric of rural economies will be better off.

Within the Northern Forest region this sort of deductive reasoning may turn out to be true in some instances depending on how significant an impact the programs being recommended actually have. But there is more to rural economies and future job creation in the Northern Forest than the programs suggested here. Several of these gaps are acknowledged in the "ideas for further consideration" section in the back of the Draft Recommendations. Untouched or unresolved, for example, are issues related to: the type, distribution and creation of small businesses; the potential effects of accelerating raw log exports, emerging market trends in the types of recreational experiences sought that the Northern Forest region (not New England-wide data) can provide; emerging and receding job and training opportunities for young men and women; the distribution of recreational activity in the northern forest region; the quality of medical and other human service programs; the types and quality of existing private capital sources; alternative capital sources such as new opportunities from community-based financial lenders; key employment trends in forest products; opportunities for herbs and pharmaceuticals and non-timber specialized forest products; and especially, issues about the scale of economic activity capable of sustaining important ecological characteristics of the region.

A second general (and related concern) with the local economy sections are that even within the more limited forest landowner and industry orientation, the recommendations amount to a

very "safe" selection. Overall, most of them represent changes well underway (e.g. workmen's compensation reform), or they are programs that are getting underway due to strong private interest (e.g. green certification). We cannot discount the value of having concepts receive a political blessing from the Council. However, one wonders whether this was the central purpose of this long and expensive exercise. In addition, several of the recommendations such as those regarding marketing cooperatives and state economic assistance are shrouded in ambiguity—particularly in terms of their implementation and costs.

Before this brief tome is construed as simply nay-saying, let me emphasize that the *conceptual intent* of most of these recommendations is admirable. And to the Council's credit, certain portions of the tax policy sections were focused enough to provide a reasonably informative set of policy recommendations. The recommendations relating to local communities and the recreational economy, however, continue to suffer from findings based on over-aggregated data, questionable assumptions, and

conservation are flagged as strategies to strengthen the forest-based economy. Acknowledging the interrelationships of conservation to healthy economies—even though symbolic in this format—is an important step for the Council in their explanation of these recommendations.

Out of the 30 recommendations suggested as having an effect on forest-based economies, 19 are directed at state-level governments and legislatures; 7 are aimed at the federal Congress by way of funding requests or changes in tax policy; 3 involve potential tax policy changes in states and Congress; and 1 recommendation is directed to university research. Highlights from of this broad set include six key recommendations discussed below. These were chosen because they are less conceptual than other recommendations and, with clarifications, may signal opportunities. A very unscientific grading system is offered here from "Strong Support" to "Support" to "Big Questions Remaining"! And for brevity, a short list of prospects and concerns are noted under each. This is by no means an



Millinocket, Maine, home of Great Northern (now Bowater). Since 1985, 1,933 out of 4,000 jobs have disappeared at the Great Northern mills. What is the future of mill communities with little or no economic diversity or locally-owned value-added processing? Don't look to the Council's "Draft Recommendations" for any help. Photo © Paul Mozell, 1992, courtesy of Appalachian Mountain Club.

foggy purposes. Regardless of what position people and groups take on these issues, conservationists will likely wonder whether the many conceptual recommendations are the best we can get from the NFLC process and they will ask to what extent these issues will need further examination before they can actually become—to use the words of the Council—"public policy changes."

Reviewing the format of the Draft Recommendations, the Council indicated that 30 out of 33 recommendations are interrelated to "strengthening the forest-based economy." The three recommendations that did not make the list were related to capital gains relief on "qualified forest lands," adequate funding of land management agencies, and the development of state level procedures to enhance biodiversity. However, it is not immediately clear why these three failed since other recommendations regarding income and capital gains taxation, government funding, and land

exhaustive list of the issues, but suggestive of the major policy buttons that will continue to be pushed.

## 1. Recommendations 4-8, 16-18 Support the Role of Land Acquisition, Stewardship & Sound Forest Practices in Promoting Rural Economic Health.

Of particular importance as suggested above, (and taking the Council's cue) the first point on this list emphasizes a package of recommendations regarding the importance of land conservation to rural economic health. **Strong Support**

### Prospects

\* Programs which protect forest land resources and their potential to provide ecological services should be viewed as an investment policy in the future productivity of rural economies;

\* A balanced approach of public land acquisition, private land management incentives, and technical assistance to landowners can enhance the

commodity values of forest lands while ensuring that other non-commodity economic and ecological values are met.

### Concerns:

\* These recommendations relate to support for state land acquisition programs and the federal LWCF, Forest Legacy, and Stewardship Incentives Program (SIP)—all of which depend heavily on the vagaries of Congressional support. For example, funding for Forest Legacy declined in the recently submitted FY 1995 Clinton budget by 3.5% to \$6.7 million, while the SIP program is pegged for a hefty 7.8% increase to \$22.3 million, in part because of its role in the Administration's greenhouse gas reduction strategy. While the Clinton budget is only the starting point in the appropriations process, it is clear that the conservation community will need to work hard to ensure that land acquisition and stewardship programs are adequately funded.

## 2. Recommendations 1-2: Property Tax Reform

From the emphasis on this issue by the NFLC at the release of the Draft Recommendations, one might think this was the Property Tax Council. Their recommendations point out the many shortcomings of existing Current-Use programs, and endorse the movement away from ad-valorem land taxation. **Support/Big Questions**

### Prospects:

\* For areas that experience development pressure, property tax burdens can be excessive if land is held just for farm and forestry uses;

\* The requirement of forest management plans and silvicultural standards in exchange for tax relief in Current Use (C-U) programs could be a reasonable linkage to public benefits.

\* Local foresters, loggers, and small mills have benefited from C-U programs.

### Concerns

\* Legislatures have been reluctant to bolster penalty provisions for program abuses; C-U programs do not prevent conversion only slow it;

\* Forest management requirements in C-U programs vary in their effectiveness and level of compliance;

\* Significant portions of the Northern Forest region do not need additional property tax relief due to already low appraisal values.

\* We should investigate the extent to which property tax abatements in industrial holdings subsidizes poor management and creates excessive public costs.

## 3. Recommendation 15: National Excise Tax

This is an interesting idea that, despite the literature references by the Council, received little or no analysis in the reports they cite. In fact, different user-fee programs appear to have received a stronger endorsement from NFLC researchers. As a new national tax this will invite a lot of scrutiny and questions over who wins and loses. Several questions could have been answered preliminarily by the Council. **Big Questions Remaining**

### Prospects

\*Depending on which goods it covers, and the rate at which it is set, it may be able to raise serious money;

\*Properly designed, excise taxes typically serve two goals: to raise money and reduce consumption of goods that cause negative health or distributional effects (e.g. cigarettes, or luxury yachts). A narrow taxbase allows a more precise linkage to the activity to be compensated or discouraged, but it raises less money.

#### Concerns:

\*A distribution formula will need to be determined and in terms of needs on a national scale it is possible that existing National Parks and other areas should get additional money before new Northern Forest requests;

\*Limiting the tax to a few "high-end" recreational equipment categories may not raise much money on a national scale and it invites debate over somewhat arbitrary "rich versus poor" equipment categories. Luxury taxes have had an embattled history in recent national tax policy debates.

\*Point of sale excise taxes arguably have less of a linkage to the Council's funding goals than point of consumption taxes such as state rooms and meals taxes. The state versus state "competitiveness" issue may be overcome with creation of a specific regional taxing authority.

#### 4. Recommendation 20: Green Certification

Conceptually this is appealing, however, existing programs being tried in this and in other parts of the country will determine its ultimate acceptance in the marketplace of ideas and commodities. Support

##### Prospects:

\* Can help define and recognize appropriate sustainable forestry practices in this region;

\* Can provide a voluntary marketing tool for landowners, loggers, and forest products industries, and a basis for procurement policies by governments;

\* Can assist secondary processors and end-users in making more informed choices about wood product purchases.

##### Concerns:

\*Creation of forest management certification criteria that are insensitive to bioregional differences, and creation of certification programs which are only cost-effective for large operations to participate;

\*Unresolved questions about the efficacy of non-profit versus for-profit certification programs in terms of public accountability and auditing procedures;

\*The NFLC's emphasis on "price premiums" is a market distortion that should not be introduced into certification programs if they are to be truly market-driven. Consumers will determine whether premiums are created.

#### 5. Recommendation 21: Marketing Cooperatives

This is another example of work already underway in northern New England and an activity that has shown some success in other areas of the country (e.g. WoodNet in Washington, of Forest Trust in New Mexico). This will be primarily driven by private sector interest and initiative, however, government can and should play a catalyzing role in organizing financial support



*Farm near the East Branch Penobscot, near Lincoln, Maine. Local agriculture is an essential component of a healthy, diverse regional economy. The Council's "Local Forest-Based Economy" Subcommittee was too busy looking for subsidies for the timber industry to study agriculture. Photo © Paul Mozell, courtesy Appalachian Mountain Club.*

#### Support

##### Prospects:

\*Can work to enhance the viability of sustainable forest products manufacturing, in particular those small firms that do not desire to reach an intensive "commoditized" scale of productivity;

\*Can help define comparative regional advantages in skilled labor, high value products, and marketing potential for small forest products firms.

##### Concerns:

\*Although a variety of needs have been suggested by the Council (e.g. financial, marketing, technology transfer, labor, research and development) there has been little discussion about the specific role for government in facilitating such cooperatives;

\*The Council has not determined why several industry associations in the region such as Northeast Lumberman's Association, the Northeast Furniture Manufacturers' Association, or the Northern New England Product Development and Marketing Council, and others are unequipped to fill these needs;

\*Government can supply start-up funds for such efforts but should not, as the Council implies, permanently underwrite such efforts.

#### 6. Recommendation 23: Rural Development Through Forestry

This is actually only one of three programs that were created under the last Farm Bill to assist "forest-dependent" communities. While this program has promise, the other two (Economic Recovery and Economic Diversification) are important tools as well. Support

##### Prospects

\*Based on significant policy change to re-direct USFS approach to rural development.

\*Several successful applications of the program suggest continued opportunities (e.g. Hardwick, VT leadership program).

\*Can be combined with other state and local conservation assistance programs in the Farm Bill such as Forest

Legacy to form an integrated package.

##### Concerns

\*Low funding base, relatively small amount of money, (\$10.2 million proposed nationally for all three programs in FY 1995);

\*May not apply to many towns in the Northern Forest region due to eligibility criteria;

\*Inertia in Forest Service may stifle creative use of these funds.

##### Conclusion

This is only a snapshot of the many issues underlying a portion of the recommendations that the NFLC made regarding rural economies—which in the Northern Forest region are *all forest-based*. As the Council ponders components of a potential Action Plan and as we contemplate more complete responses during the comment period now underway a few themes deserve emphasis:

\*The NFLC has indicated, through the symbolism of "boxes" in the margin

of their report which are meant to "demonstrate the interrelationships" (to use their phrase), the important connection between land protection and rural economic health. This deserves further support and reinforcement.

\*The conceptual starting point of most of the recommendations related to rural economies will be insufficient in terms of formulating actual public policy changes or specific strategies. Presumably this was a judgment call by the Council as to how much information to provide.

\*There are important gaps in the analysis of issues related to the functioning of rural economies in the Northern Forest. Some of these issues are raised in their appendix; others were lost in the shuffle. Overall, the recommendations reflect the experience of the Council, e.g. they are oriented towards landowner and forest products industry views which are not necessarily shared by all stakeholders in rural communities.

### Council Appeased 'Regulations'-Bashers

*"The Council's options for 'Land Conversion' and 'Forest Based Economy' both contain discussion of the need for a less cumbersome regulatory climate. We agree with the need to streamline regulations, although we do not agree that cost benefit analyses (or environmental impact analyses) are appropriate for new regulations. These two discussions need to be balanced by the addition of options that acknowledge the need to cooperate and comply with regulations once they have been developed according to law and in an open public process, and the need on the part of state agencies to provide adequate enforcement.*

*"The Joint River Commissions want to bring to your attention a recent example that touches upon all three of the above topics, water resource, forest practices, and regulation.*

*"We are sponsoring a bi-state water quality assessment study on the part of the VT Agency of Natural Resources and NH Department of Environmental Services. Last month, two members of the assessment team were engaged in field studies when they came upon a 'chocolate plume' of sediment in the Connecticut River. They followed it 50 miles up to a major headwaters tributary. A subsequent investigation by the Department of Environmental Services found widespread violations of forest cutting practice regulations and deficiencies in best management practices. The forest owner has been notified and a timetable set for compliance. We raise this example because it demonstrates the need for a much more serious commitment on the part of forest land owners to good conservation and safeguarding the public's water resources. If such commitments are not forthcoming, the Council's recommendations about tourism, recreation, and expanded economic opportunity will be thwarted."*

*—Letter to Council October 1993 from: George Moulton & Pete Richardson  
Connecticut Joint River Commission, Charlestown, NH*

# Council Acknowledges Industrial Forestry Can Be Destructive

by Spencer Phillips

That the Council has included green certification in its recommendations is encouraging for two reasons. First, it illustrates the Council's recognition that industrial forestry is not always environmentally sound. Green certification and other positive economic incentives for better forest management are likely to be essential components of any overall strategy to address forest practices in the Northern Forest.

Second, the inclusion of the Recommendation shows the Council's appreciation of the potential impact of decentralized, private behavior (in this case consumer purchases) on the long-term health of the Northern Forest. The Recommendation itself, however, could benefit from a better understanding of the role of independent certification programs and the potential role of state agencies in encouraging those programs.

The Council seems to believe that

certification programs can "reward landowners" directly. It states that effective programs will meet a "requirement" that they be "market driven (20(a))." But the council would also require that such programs "provide price premiums or other distinguishing factors" to the certified products, which is totally inconsistent with the programs' being market driven.

Certification programs themselves do not provide a price premium. Rather, they provide reliable information which enables consumers to act on their preference for sustainably produced forest products. That gives the certified product's producer an increased market share, a price premium, or both. If ever there were a case for the government to stay out of the forest products business, this is it!

The internally inconsistent requirements the Council lists are also unnecessary. The Forest Stewardship Council, a private organization located in Richmond, Vermont, has already

formed to accredit certification programs and bolster the reliability of the information certification provides to consumers. Certifiers who help landowners and forest products manufacturers make bogus claims about the environmental friendliness of their products would not be accredited, and their certification would soon lose its market value. If "market discipline" fails to weed out false or misleading claims, existing legal and administrative mechanisms, such as the Federal Trade Commission's consumer protection operation, are available for ensuring the integrity of green certification.

Another of the Council's "requirements" is that "certification will be financially feasible and practical for all sizes of land ownerships and firms." This seems a sure way to force the standard for certification to the lowest common denominator and destroy the value of certification.

In the same way that a warranty signals the quality of a product, a certi-

fier's seal or label signals the environmental quality of the process used to make the product. Consumers can use the length of a warranty to distinguish among similar products. But if all warranty lengths are the same, and required to be only as long as the length achievable by the firm producing the shoddiest products, then the informational value of the warranty drops to zero. Individual firms then have nothing to gain by exceeding the minimum durability requirement implied in the warranty.

In the same way, if landowners and manufacturers know they can get certified by doing only as well as their least certifiable competitor, why would they try to do better? Landowners who cannot or will not make the investments necessary to improve the environmental performance of their operations should not share in the rewards of certification.

What then, should be the role of the states? The first sentence of Recommendation 20 is fine in suggesting that state officials encourage certification programs. The states could do that by helping to educate landowners and forest products manufacturers about the potential benefits of certification and the availability of third-party certification programs.

The states could also help landowners and business who want to participate in certification programs, but who need technical or financial assistance in upgrading their existing operations to meet third party certifiers' standards. This public action should be considered strictly temporary, because as the certified wood and paper market grows, the market share and price premium benefits should become sufficient for attracting interested participants.

The states and the federal government could also help the market for certified forest products through their procurement policies and practices. Requiring government agencies to purchase certified products when they are available and when the additional cost (if any) is within a specified range would jump-start demand for those products. By switching to sustainably produced wood and paper products, the governments also would better meet their obligations to protect the interests of future generations.



Raw log exports, not ecological reserves or environmental regulations, are one of the chief weaknesses of our regional economy. Exporting raw logs means exporting the jobs of local people who would be employed in value-added processing. It is time to diversify the regional economy away from over-reliance on merely cutting and trucking trees. The Council's "Local Forest-Based Subcommittee" opted not to examine raw log exports; its chairman told the subcommittee, "If we ban raw log exports my company will go out of business." Photo © Paul Mozell, 1992, courtesy Appalachian Mountain Club.

## Conference Examines Strengths & Weaknesses of Green Certification

by Andrew Whittaker

The complexities, uncertainties and implications of green certification for the timber industry were the subject of a March 15th conference at the University of Vermont. The concerns that emerged from dialogue and exchange amongst industry, government, and environmental representatives are particularly pertinent in that the NFLC has recommended that States and economic development agencies pursue certification as a market development tool (Recommendation 20).

The conference at times amounted to a bath of skepticism for certification but also pointed to the ways in which it could be a constructive tool—not just for market development but perhaps primarily as an environmental safeguard.

In order for that to happen, however, several changes in the current structure of certification must occur. From the point of view of industry, several conference speakers expressed their hesitation about the ability of the typical Northeastern non-industrial private forestland owner to pay the costs of certification. From an environmental angle, others suggested that certification is occurring backwards, as those closest to achieving sustainable forestry—small, debt-free land-

holders—are ill-equipped to pay, and those able to pay are most likely to be engaged in bottom-line logging.

The weakness of the Council's recommendation, given this area of general concern, is that certification must be market-driven, that private firms are best suited to ensure compliance with standards that, the implication is, they will set.

The strength of the recommendation is that certification will be "financially feasible and practical for all sizes of land ownerships and firms." What the latter suggests, however, is more of a public process: standards should be developed by all forest stakeholders; those practicing good forestry should have easy and inexpensive access to certification—perhaps through County forestry or the Tree Farm program, as several conference participants suggested.

Finally, the point was repeated several times at UVM that increased profits from certification tend to come from a shortened chain of custody, as retailers purchase closer to producers when looking for green products. Given market structures, the small premiums paid by consumers for such goods do not flow in large proportion to the producer. This points to the area of greatest potential profit for small producers: market co-ops. NFLC's recommendation 21 should embrace

small woodlot owners as well as manufacturing firms, enabling them to sell wood using collective bargaining and marketing power.

The challenge to certifiers is to maintain credibility, both with small producers and environmentalists, who in this case will be barking to the public if they smell a rat. But certification is probably a force that is here to stay, evolve as it will. A short list of concerns that emerged from discussion at the UVM conference indicates that, should all parties participate in the development of standards, the process will be comprehensive. Among the ideas brought up and sure to re-emerge in any open forum:

- \*The need for biological reserves as a significant landscape component in any serious sustainability strategy;
- \*The need for regional assessment of the land base if the public advocates land withdrawals for reserves;
- \*The critical role played by debt service in driving forest practices;
- \*The need to reduce demand on forest products no matter what we do otherwise, particularly as we place forest issues in the context of world population explosion and resource depletion;
- \*Taxing bad behavior through green fees as well as rewarding good through certification.

# Local Control or the Global Race to the Bottom?

"This region must adjust to truly competing in the global market over which we have no control."

—Steve Schley, Seven Islands Corp.

## Suzanna Dwyer, Warner, NH

My personal belief is that the health of the local economies and communities rely heavily on the health of the region's forests and natural systems. Quality as well as quantity is crucial. Clean water, clean air, species biodiversity, large tracts of undisturbed forest land, as well as educated/sensitive use by humans, is critical to its future.

## Michael Kellett, RESTORE: The North Woods, Concord, MA

This section seems to focus on propping up the current unsustainable forest economy rather than building an economically and ecologically healthy economy. It stresses more marketing, more global competition, more capital, and less regulation.

There is no discussion of the negative impacts on the Northern Forest region due to the control of much of the economy by transnational corporations that have no long-term stake in the welfare of the region. There is also no consideration of the damage to the economy caused by the degradation of forest health by decades of unsustainable logging practices. Moreover, the NFLC does not recognize the importance of a shift away from the current forest economy based on low-value fiber and cheap energy and toward local, value-added businesses that utilize high-quality sawlogs.

## Leon Favreau, Multiple Use Association, Shelburne, NH

We are very disappointed in the Options of this subcommittee. The committee seems to take the path of least resistance coming up with "theories" that will help the industry. The fact is, most NFLC area forest-based companies have been struggling in recent years and any theory or idea that would help to make their companies more viable would have been very well received by most. In addition, this subcommittee does little to address the most serious problem for the industry which is a questionable supply of raw materials. There is no amount of regulatory reform or "good ideas" that can offset the lack of a dependable raw material supply.

## Marjory Swope, NH Association of Conservation Commissions, Concord, NH

What struck me as THE most important Findings in the entire report are items 12 and 13 on page 28-29, which state that the forest products industry is not keeping up with the times. If this is in fact true for the industry as a whole..., the Council MUST make it a priority to identify why this situation exists and what can be done about it.

## Preston Gilbert, North Country Council, Littleton, NH

Coos County and the North Country as a whole has an economy that is predominantly resource-based, traditionally lagging behind the rest of the state's economy. Incomes and wages have been lower and have been insulated from the upward movement experienced by residents in the balance of the state.

Economic incentives for industrial development must apply to both resource and non-resource based business. A strategy which favors one industry type over another will prevent us from achieving a strong diverse economy.

Your major findings support the fact that the forest-based industry is weak.

## John Schott, NH Timber/Tourism Coalition, Jaffrey Center, NH

Timber and tourism alone are not the final solution to the long-term economic problems of the North County; (a) tourism is referred to as a cyclical industry and currently-used measurements of its strength (e.g., rooms and meals tax revenues) are not in themselves an accurate index of the industry's economic and social stability or long-term viability, and (b) the sustainability of the timber industry in the North Country is not as assured as some would, for short-term reasons, profess: what happened to Pacific Lumber's lands in California or the reductions of the timber resource in the Northwest owing to whole log exports (not the spotted owl) are issues which are not fully addressed in the Findings and Options Report.

## Eric Palola, National Wildlife Federation, Montpelier, VT

There will always be other industrial forestry areas of the world that can out-produce Northern New England using conventional productivity measures or through less restrictive tax and regulatory policies. To suggest that a relatively small region with little influence in overall prices in either wood fiber or recreational markets (the exception perhaps being certain specialty papers from Maine) should be more globally competitive in the traditional sense means that our values for resource develop-



Camping along the shores of Upper Saranac Lake in the Adirondacks. Promoting appropriate recreation and tourism opportunities received short shrift from the Council. Although its Recreation & Tourism Subcommittee found that that existing public land is being overused, the Council prefers to appropriate some money to more intensively manage the meager public holdings in northern New England, rather than make the obvious recommendation that the public ought to purchase much more public land. Photo by George Bellerose, courtesy of Appalachian Mountain Club.

ment and local economic development are determined elsewhere. This view has been referred to as the "race to the bottom" by community development specialists as states, countries, and localities compete with each other to attract jobs through tax breaks, artificially depressing natural resource costs (with high long-term human and environmental externalities), energy subsidies, and permissive or unenforced environmental standards.

Despite the view by some that this sort of competition represents a well-functioning market, the long term damage to local economies—and in turn to communities and environments—has been well documented. The notable exceptions to this scenario are found in the areas of high-value or certain value-added products, specialized markets or services, or locations where comparative advantages in the production of certain goods or the provision of certain amenities (e.g. unique recreational experiences) provide insulation from the tendency to foster zero-sum competitions in economic development efforts. The point of this discussion is to emphasize that simply targeting infrastructure or the regulatory process misses the question of what types of goods and services can the Northern Forest supply that provides economic and environmental stability to communities in addition to a degree of protection from external influences that would deem such local economies uncompetitive.

## Pamela Person, E. Orland, ME

To date, there [may] not be any "documenting negative impact"—but exporting of raw logs has to affect the quality and availability of the timber itself and the loss of value-added jobs and therefore tax base. The only ones that benefit are the land owners—the ripple effect to the region's economy is almost nonexistent—perhaps a few port jobs. With large out of state landowners highgrading the timber for Taiwan, the U.S. citizen and forest products worker are losing our natural resource inventory and job base. I do not want the United States to be a third world country!

## Alton Smith, Wolcott, VT

Your marketing findings mention unwillingness or inability to diversify product lines, little long range planning, and unresponsiveness to market changes. Also mentioned was lack of application of research development in new products and technologies. Sounds like a receipt for disaster. If these findings are so we should not complain about unfair Canadian subsidies and Canadian government support. Canada has promoted its forest products technology—and marketing. Unfortunately a lot of money the United States might have used for such an end during the Reagan-bush years went into the military. So the Canadians have a high tech forest products business and we have a high tech military. No complaints about unfair competition please!

## Boise Cascade, Rumford, ME

It is ironic that there is discussion of the desirability of incentives for tourism, landowners and business, while at the same time Canadian "subsidies" are portrayed as wrong.

## Grey Angell, Twin Mountain, NH

Investigate value-added wood products and sustainable harvesting of other forest products, such as mushrooms. Encourage the management of the forests for saw logs, not wafer-board, pulp, or wood chips. Encourage horse-logging.

Ecological restoration, erosion control, etc. can provide jobs.

Can we learn anything from the Amish?

# Maine's Low Property Taxes Have Not Promoted Good Forestry

by Mitch Lansky

The Council has identified rising property taxes as "one of the most significant problems facing forest land across the region..." This observation made headlines when the recommendations were first released in early March. These headlines implied that high property-tax problems are widespread across the area. The majority of the Northern Forest Lands, however, are in Maine. In Maine, most of the land is owned by landowners who pay little more than a dollar per acre per year under the Tree Growth Tax Law. Because forest properties are taxed so low, other properties are taxed higher. Some people in this region think that is a problem.

Aside from land conversion, property tax studies got more money than any other subject studied by the Council—although state and federal tax studies came in close behind. This is interesting, because the first Finding of the Property Tax Subcommittee was that "Property Tax policy is a state policy issue." (A-34) The Council initiated no such extensive studies of forestry policy because forestry, it concluded, is a state policy issue.

While the Council is claiming that rising property taxes are a major cause of land conversion, its own survey (Market Decisions, 1992) of sellers placed increased property taxes seventh amongst reasons for sale of forestland. The most important reason for land sales was to "raise cash." The Diamond lands sales, which were the spur to the Northern Forest Lands Study, were not caused by rising property taxes.

Indeed, even as the Council has been writing up its recommendations, there are thousands of acres of Diamond lands that have been bought by large contractors and are being heavily cut to make a quick payback on short-term loans. These Diamond lands in Maine are located in areas with low taxes. One can even argue, that the heavy cutting has been made possible by a lack of meaningful forest practices regulations (a subject that the Council has avoided until now). Low taxes mean that if the contractors do not find buyers immediately, they are not severely penalized. Their timber liquidation profits stay intact. In the town of Linneus, a forestry

ordinance put in place nearly a decade ago has stopped this kind of speculation/liquidation.

The Council also claims that higher property taxes discourages good forestry. Maine, with its low property taxes, therefore ought to have the best forestry in the region. Yet, what other state in the Northeast can boast of townships where the majority of the timber has been clearcut in less than a decade?

The foundation for the Council's claim that property taxes that exceed \$2.00 per acre per year make forestry unprofitable is a computer projection by Dr. Hugh Canham. Although there have been criticisms of this conclusion, the Council continues to repeat this figure as if it were an established fact.

Another computer projection done by RSG (in RSG et al, pg. 4.39) contradicts Canham. RSG, using a USFS model, suggested that an acre of managed hardwood forests would have a 90 year Net Present Value (NPV) of \$345 at a 5% discount rate. The NPV of an acre of unmanaged hardwood forest would be \$290. The Present Value of annual taxes of \$3 for 90 years at a 5% discount rate is \$59, which seems to allow a considerable profit in either case—if "profit" means income above expenses (rather than a rate of return competitive with junk bonds). Returns on softwoods would be even higher.

These figures are not based on studies of the landowners that own the bulk of the forest, such as paper companies or large "non-industrial" landowners in Maine. They are hypothetical. Indeed, the NEFA report cited by the Council (pg. 3), admitted that we do not even know what stumpage values these large landowners use. I suggest that someone from the Council ought to ask International Paper or Seven Islands just what is their stumpage for spruce, pine, or hardwood logs. This should be easy, because there are Council members who are, or have been, intimately familiar with those companies.

The Council finds that a major cause of rising property taxes has been increased costs for education and decreased burden sharing by the state and federal governments. (pg. 27) Yet neither of its two property tax proposals address these problems.

## Recommendation 1

The Council asks the state legislatures to review existing current-use programs. Maine's Tree Growth Tax Law, which has resulted in an extremely low property-tax burden for the timber industry, demonstrates how effective this state by state approach can be where there is severe political imbalance. Here we are subject to the "Golden Rule"—i.e., those who have the gold make the rules.

a) Reimbursement taxes local people twice—once when they are taxed more to make up for the lower valuation of forest landowners, and secondly when their income tax and sales taxes are used for reimbursement. After paying such taxes we are supposed to recognize that, "all the people of a state should share the cost of maintaining the broad public benefits of well-managed forest land."

I live in a region dominated by forest taxed under current use, but for some reason I have been unable to locate much of this "well-managed forest land." Indeed, I see many more examples of "cut the best and leave the rest."

The Council and the forest industry have argued that forest land receives less services for the taxes paid than homes. This mean-spirited argument fits in with the crotchety couple who don't want to pay education taxes because they do not have children in school or they don't want to pay fire taxes because their house hasn't burned.

Property taxes are supposed to tax for value and the revenues are supposed to go to the needs of the town. Community spirit is being proud of your local school even if you have no children and pitching in to put out a fire, even if it is not on your property. If you are a forest landowner and you want trained forest workers and decent roads (logging trucks do significant damage to

roads), then you pay your taxes.

Ad Hoc and others have argued that property taxes are regressive. The poor pay more in proportion to their worth and income. Lowering property taxes for the very wealthy, who own the vast bulk of forest land in Maine, does not correct this imbalance—even when there is reimbursement.

**Recommendation: If there is to be a current-use ("bare land") tax, reimbursement to towns should come from a tax on stumpage cut. This is fair to landowners, because they pay when they have the money. It would be fair to communities if the revenues are pooled statewide and redistributed to towns by formula.**

b) The Tree Growth Tax Law, which, supposedly taxes for capitalized value of potential growth (as recommended by the Council) is by no means simple. It also assumes that the only taxable value of the land is for timber production. In residential areas, a woodlot often has more value to wealthy landowners as a privacy buffer than as a source of timber revenues.

Current-use programs would be more stable if the public felt such programs were more fair. If the public sees large landowners being rewarded for abusive management on a large scale, they might rightly want to change an unjust law. Demanding that laws be stable is not as effective as addressing the concerns of the public. Until tax systems are devised so that they are not regressive, and until forest management on large landownerships significantly improves, the public will continue to complain about and tinker with current-use programs.

c) We cannot base current-use assessments on the potential revenue from the land until we know what the real stumpage values and growth rates are, and until a realistic capitalization rate is used. Unfortunately the stumpage

## Rural & Wildlands

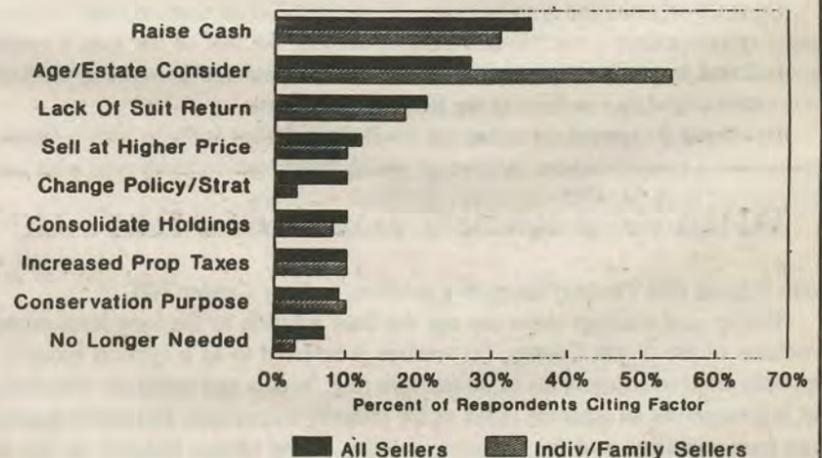
### Council Failed to Recognize There Are Two Distinct Northern Forest Regions

*"It is evident that the Northern Forest consists of an 11,000,000 acre rural/backwoods region and a 15,000,000 acre timberland/wildland region. The former is distinguished from areas to the south by a larger timber industry role in the local economy and the near absence of high technology and other high growth industries, but this region has been affected by that growth indirectly and many areas have seen substantial net in-migration. The forest core region has much less land in small ownerships and less economic diversity, the region has been stressed by technological changes in timber cutting that have reduced the number of jobs in the woods, and growth in population and new businesses has been spotty. By failing to emphasize the distinction between these two regions and to make separate prescriptions for each the Council and its predecessor have muddled public discussion and complicated the resolution of a number of issues, particularly the role of full fee acquisition in forest conservation, local versus non-local control, and the proper role of government regulation of activities of small versus large landowners to protect the public interest. I urge that the Council draft specific recommendations to apply to each region."*

—Erik Sohlberg, E. Corinth, VT

## Key Factors in Decision to Sell Forest Land

(NFLC Land Conversion Study, Page 62)



Source: Market Decisions, Inc. 11/92

*The Council did not study its own research very carefully. Since the release of the "Draft Recommendations, Council members have promoted the fiction that onerous property taxes are the greatest threat to the future of the Northern Forests. They ignore clearcuts, herbicides, dioxins in rivers, a declining economy, region-wide poverty, and lack of decent political representation. They also ignore that the Land Conversion Subcommittee study on reasons why landowners sold land in the period 1980-1992 revealed that increased property taxes was seventh on the list. Ho-hum.*

values reported to the state of Maine do not necessarily reflect the true values obtained by the largest landowners. The growth rates for Maine are an average made during a budworm outbreak. The capitalization rate, which can have major impacts on taxes, is subject to political manipulation. Indeed, it is rarely the case that anyone other than those industrially inclined attend the hearings where the cap rate is set.

Part of the reason for artificially low stumpage rates is vertical integration (mill owners own land and can flood the market with low-cost wood to keep prices low) and mill oligopsony (a small number of mills can dominate the buying market and keep purchase prices down). Large non-industrials claim to sell wood to mills on a contract basis and claim not to sell stumpage.

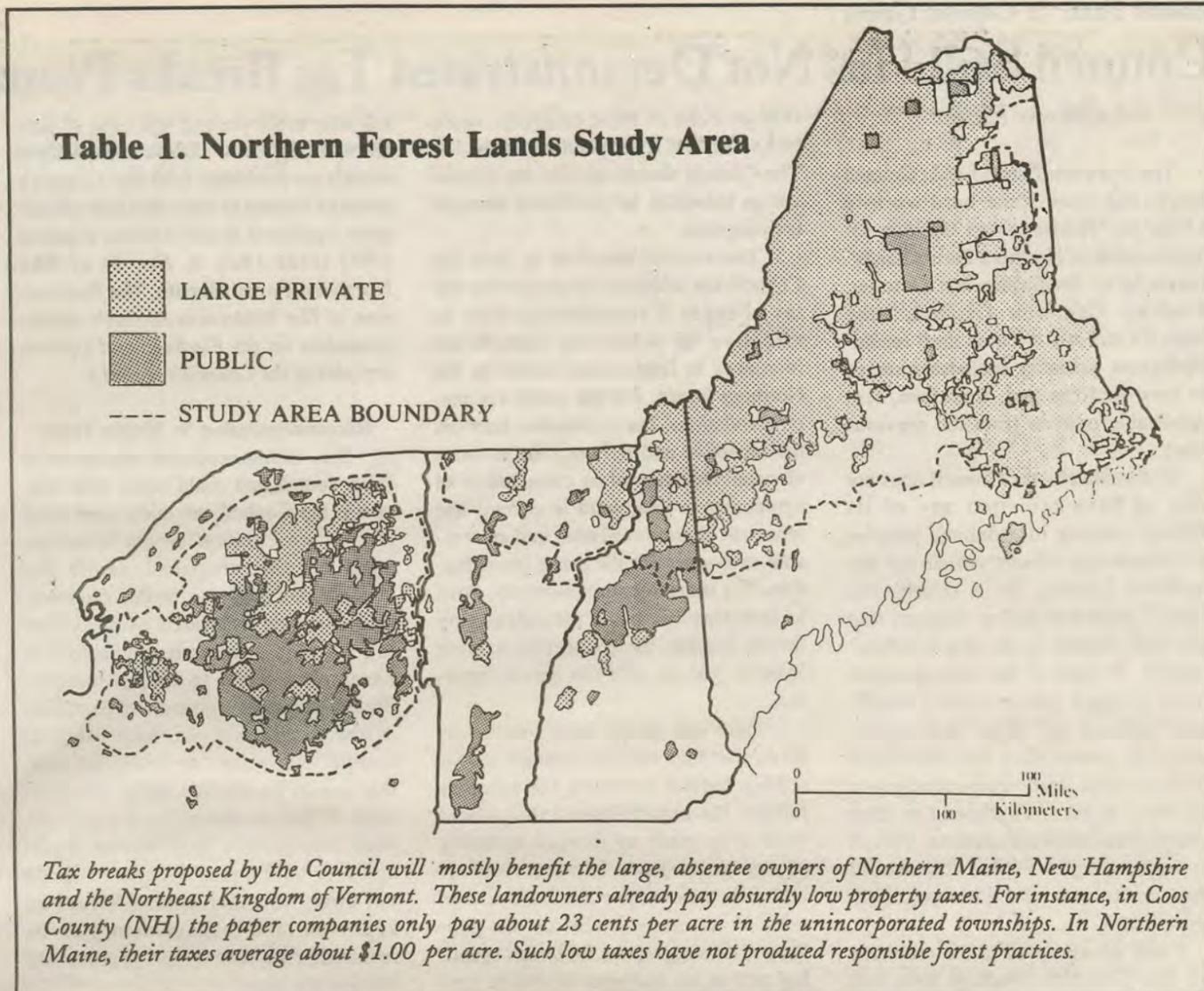
In 1989, Champion International gave a document to the Northern Forest Lands Study that showed that the company's stumpage returns for 1988 in Maine were twice the average stumpage for the region computed by the state for the Tree Growth Tax Law (see pg. 353 of *Beyond the Beauty Strip*). Contractors have told me of stumpage figures from industrial lands in recent months that are far higher than what is reported for Tree Growth purposes.

**Recommendation: Tax sale of stumpage (rather than theoretical productivity). Be more aggressive at determining a realistic figure for stumpage from large landowners.**

d) The Council wants to encourage "sound forest management" by requiring management plans, but it does not want the provisions to be "so excessive as to discourage landowners from participating." In Maine, landowners on Tree Growth are required to have management plans, but nobody in the State even looks at the plans. The requirements of the Forest Practices Act are so lenient, that landowners can legally cut over 90% of the volume of their entire holding in one entry.

A recent editorial by a forestry professor at the University of Maine described common practices of most large landowners as "lousy stewardship." Almost all cutting on large landownerships is under forester supervision.

**Recommendation: Truly we need forester accountability. The plans must mean something. One can assume that if the forest is "managed," the result should be an improvement in stocking and quality. If the result of cutting is, for example, a poorly-stocked stand dominated by**



shorter-lived species of poor quality, one can conclude that the forest was mismanaged, and the forester responsible for the mess should suffer some consequence.

e) The Council wants to give additional tax breaks for allowing public access. This favors large, non-resident landowners. Residents, who do not want trespassers threatening farm or household are at a disadvantage.

**Recommendation: Follow the example of Wisconsin, the most successful model studied by Ad Hoc, where those taxed at current use must assure public access—but there is an 80 acre exclusion allowed around residential areas.**

f) The Council wants penalties for conversion that are not so high as to discourage participation. This quandary is telling. Is the goal to just give landowners a tax break or is it to stop unwanted conversions? If it is to stop unwanted conversions, then we can assume that the Council's recommendations will not work. This has been well demonstrated in Maine where the penalty for leaving Tree Growth has not prevented conversions of high-value shorelands areas.

Indeed, under Tree Growth, you are only penalized for the land actually converted. If you buy 40 acres of woodlands and convert only 1/2 acre into a house lot, you are only penalized for that 1/2 acre. The rest of the land can stay under current use.

**Recommendation: Finding #36 of the Property Tax Subcommittee (pg. A-42 of Recommendations) is that the most effective deterrent to unwanted conversion is when tax benefits are linked to zoning (as in California). "However, the zoning requirements (rather than the tax program) are mostly responsible." The Council ought to pay more attention to its own research and findings.**

g) The Council suggests yet a third tax break for Recommendation #1 with "incentives" to develop and implement "stewardship plans." The Federal Government already subsidizes such plans for ownerships under 1,000 acres. Does the Council here recommend a tax break to be added to the subsidy, or is it recommending tax breaks for those larger landowners who do not qualify for federal aid? If the plan will affect only a fraction of the ownership, does

the "incentive" go to the entire ownership? This recommendation is too fuzzy to be a spur to any action on the part of legislative bodies.

#### Recommendation 2

The Council suggests that state legislatures replace *ad valorem* taxation with current use for all property. This may not necessarily lead to the "permanent solution" to inequitable property taxation promised by the Council. Indeed, it means that taxes for residences will go up—to the benefit of rich, absentee forest landowners, but to the detriment of poor, local homeowners.

It also does little to address the major causes of land conversion—if land conversion is truly the issue about which the Council is concerned. Does such a change stop speculators? Does such a change prevent liquidation for quick returns? Does such a change prevent HBU lands from being a target? What about reimbursement? What about penalties for conversion?

This recommendation gives us too little to work with, and will be put on the back shelf to be ignored—unless the Council comes up with more specifics.

## Property Taxes Not an Onerous Burden for Most Large Landowners

[Ed. Note: Despite Council claims that property taxes are unfair to large landowners, many members of the public were not fooled by the biased, incomplete work the Council did on the subject. The public supports fair and equitable taxation throughout the region. For most of the industrial forest region, this would mean a significant increase in the paltry taxes paid by the billion dollar paper corporations that own most of the land. Tax relief for smaller owners in the rural communities of the region should be found, but it should not also result in further breaks for the corporations that are already getting incredible property tax breaks in the unincorporated townships of Maine, New Hampshire and Vermont.]

#### Donald Round, Greenville, ME

Specifically, I would like to respond to paragraph f, on page 41 of your report, which mentions the purchase of development rights by land speculators for monetary compensation of owners whose land in conservation areas is protected. While I recognize the possible need for such a scheme to stem the continued eradication of areas worth preserving, I am concerned with encouragement of the attitude that despoiling the earth is a right of ownership. What can be implied in such a program is that some

inalienable right to make money and/or purchase pleasure is being taken away from owners. (Similar attitudes have been voiced in connection with gasoline consumption by high horsepower cars, unnecessary driving, etc.) I feel it is imperative that any such program be carefully delimited (by either phasing it out over time or by other means) and eliminated as education of the public changes attitudes and better overall planning is undertaken and implemented. Otherwise we may find ourselves in a difficult situation of our own making in years to come: each time we learn that some practice to make money or otherwise pursue pleasure is detrimental to the environment we will have to compensate people for depriving them of the "rights" to engage in such activities. I can imagine paying jet ski owners for not letting them endanger swimmers! *Everyone gains when our environment is protected: if it seems otherwise it is only because of our ignorance and shortsightedness as regards attitudes and policies.*

#### E. H. Roy, Spring, TX

I did not see any mention of an Option to include in Current Use programs a

*Continued on Page 28*

# Council Still Has Not Demonstrated Tax Breaks Promote Conservation

by Spencer Phillips

The Northern Forest Lands Council clearly has done some hard work in culling its "Findings and Options for Conservation of Northern Forest Lands" presented to the public last October. "Finding Common Ground," the Council's recently released draft recommendations, laudably excludes some of the less credible and, therefore, less supportable options from the previous report.

Unfortunately, the Council does not seem to have revisited any of its Findings relating to economic policies for enhancing conservation of the Northern Forest. As a result, the Council proposes policy changes that have little support in its own or others' research. If some of the recommended policy changes are to receive broad-based support, let alone be effective tools for conserving the Northern Forest, several draft recommendations will need to be strengthened as they become final recommendations. This is particularly true of those that would affect landowners and other taxpayers nationwide.

I will not recite all of the problems with the Council's Findings here, but three fundamental shortcomings do deserve another mention. First, the use of the term "conservation" remains loose. Recommendation 9, for example, "[allows] heirs to make *post-mortem* (after death) donations of conservation easements on undeveloped estate land." Does "undeveloped" here imply "conserved?" And for land not under easement, heirs could be taxed according to the current use value of the land, if they agree to continue that use for 25 years. Does keeping such lands in their current use mean conserving those lands? What if the current use involves forestry practices that fail to conserve site productivity, protection from soil erosion or wildlife habitat?

The problem here is not that estate tax changes or other fiscal incentive programs could not deliver conservation. It is that the public, which will

bear the costs of those programs, needs to know what its expenditures are for. The Council should specify the conservation values to be purchased through tax programs.

The second problem is that the Council has added no evidence that the tax changes it recommends will be effective in achieving significant increases in land conservation in the Northern Forest. For the estate tax recommendations, the connection between the incentive and the outcome is fairly obvious. Donation of an easement or an agreement to keep land in current use represent direct, concrete, and observable exchanges for the estate tax reduction. For other recommendations, such as indexing the basis for calculating timber income, the connection is more indirect, and no *quid pro quo* is apparent.

Third and finally, the Council does recognize that the tax changes would reduce federal revenues (or increase federal tax expenditures) that would need to be made up through spending cuts or tax increases. However, it offers little indication of how much the recommended tax changes will cost the public, and no suggestions for which spending cuts or tax increases would be necessary to offset that cost.

In light of this, it is particularly disappointing that the Council has not included any recommendation relating to second home mortgage interest deductions. That this tax expenditure is a possible inducement to the sort of development that threatens some of the Northern Forest's most sensitive and valuable lands makes it an obvious (and potentially very large) source of funds to offset the Council's recommended new spending. (Option 7 suggested only "further study" of the effect of the deduction on conservation, and even that weak suggestion has not made it into the draft recommendations.)

Through its failure to seriously address these issues, the Council's recommendations linking tax expenditures to "conservation" effectively offer the public a "pig in a poke," and we cannot

tell how much the pig will cost, or how we will pay for it. [Editor's note: Some details on problems with the Council's findings related to state and federal taxation appeared in the Autumn Equinox 1993 issue (Vol. 2, No. 1) of *The Northern Forest Forum*. The final version of *The Wilderness Society's* written comments on the Findings and Options are part of the Council's record.]

## Recommendation 9: Estate Taxes

This recommendation appears to be fairly sound, and could enjoy wide support if the Council can make clear what sort of "conservation" would be encouraged by the proposed estate tax changes. For example, would conservation easements covered by provision (a), allowing post mortem donations of easements, need to be permanent? Would easement agreements explicitly define the sorts of activities, short of outright conversion to developed uses, that would be allowed under the easement. If timber management is allowed, what management requirements would apply to land under easement that do not apply to other lands? Would an approved land management plan be required? And who would approve and monitor the plan?

Provision (b) requires heirs to make a generational (25 year) commitment to keep land in its current use if the land is to be valued at its current use for estate taxation purposes. Clearly there is no permanent protection in this provision, but what sort of temporary protection is provided? If the current use is not a sustainable use, should the state subsidize the current use? And what is to become of the land at or near the end of the "generation." If the land is clearcut, heavily roaded, or otherwise prepared for conversion to development at the end of the generation, will recapture provisions apply?

The Council's note that provision (b) must include a recapture provision is laudable, but it too needs to be clarified and strengthened. By the Council's wording, heirs would be "liable for taxes if they do not abide by the commitment [to keep land in its current use for 25 years]." Would they also be liable for interest on the additional tax liability? And should there be any additional penalty to discourage heirs from renegeing on the commitment?

If the Council resolves these issues, estate tax changes of the sort appearing in the draft recommendations could become an important component of an overall package of incentives for conservation in the Northern Forest.

## Recommendation 10, Capital Gains

It is noteworthy that the Council, while using the capital gains label to describe Recommendation 10, does not recommend that profits from the sale of timber be treated as a capital gain—that is, they would still be treated as regular income. The Recommendation only suggests that the basis, or original cost of timber sold be adjusted for the effect of inflation. Since that adjustment (sometimes called indexing) will raise timber sellers' original costs without changing their revenues, taxable net income from timber sales (revenues minus costs) would be reduced.

According to the Council, the reduction in tax liability would lengthen rotations, which, presumably, would constitute conservation. Much of this reasoning is questionable.

First, indexing gains, such as those on timber sales, tends to favor only shorter-term investments—those lasting less than 20 years. And, according to an analysis by Klemperer and O'Neil (1987) the indexing has almost no effect on the present value of investments lasting 50 years or more. This suggests that recommendation 10 would tend to encourage shorter rotations, rather than longer ones.

Second, the explanation preceding Recommendation 10 gives the mistaken impression that inflation affects the value of timber investments to a greater degree than other investments. Inflation does present timber investors with risk, but only to the extent that for any given future period, the rate of inflation cannot be known with certainty. It is not a risk peculiar to timber management in the same sense that a loss of timber value to catastrophic fire or an insect outbreak is. Rather, inflation is a fairly predictable fact of life that results from macroeconomic forces and government fiscal and monetary policies, and that affects all investments equally. This is especially true if inflation is measured by the Consumer Price Index, Treasury Bill rates or some other broad-based indicator, as suggested by the Council.

Moreover, the addition of forest assets to investors' portfolios is likely to *reduce*, not increase, the small risk posed by unexpected fluctuations in overall rates of inflation. Washburn and Binkley (1993) show that while western and southern timberland investments are better hedges against those fluctuations than investment in northeastern timberland, "the addition of northeastern forests to a portfolio of stocks and bonds would also reduce its sensitivity to unexpected inflation...."

In light of this, to adjust the basis for timber, but not for other investments is simply to subsidize—that is, lower the relative cost of—timber investments.

Third, public subsidies of private timber investments could be accepted, if the subsidy is likely to produce publicly beneficial results. But Recommendation 10 does not promise any public benefit. As already mentioned, it may have no effect on rotation lengths and may even have an effect opposite the one intended.

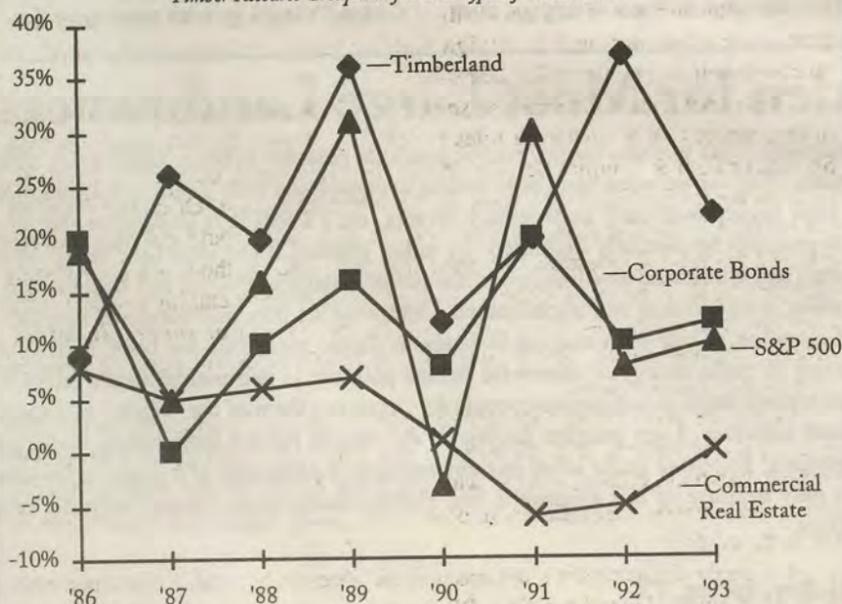
Even if the subsidy were to lengthen the average rotation, it is not at all clear that a longer rotation, in and of itself, will constitute the sort of conservation for which the public should pay. Conservation of Northern Forest timberland has at least as much to do with what goes on during the rotation and at the end of the rotation as it does on the rotation's length. If herbicide applications convert a diverse forest stand to a monoculture and if inappropriate harvesting techniques damage the stand's long-term private and public value, then one must question whether the subsidy has served the public interest.

The problem with Recommendation 10 is not that it is a

Continued on Page 28

## Timberland Investment Yields Strong Rates of Return

Annual rates of return for timberland managed by the Hancock Timber Resource Group and for other types of investments



Source: New York Times, February 20, 1994

# Public Supports Tax Breaks for Responsible Land Stewards, Not Abusers

**Helen Hersh Tjader, Barrington, RI**

This is a highly complex area. As a CPA, I would encourage states in the Northern Forest region to educate other states on these issues and lobby the Federal government for all tax incentives which sensibly discourage abuse of our natural resources and encourage individuals to donate or lend their holdings to the public.

Funding for purchases of land of national interests should be increased; the purchasing power of the country should be used to obtain large critical tracts of the Northern Forest.

**Phil Tabas, The Nature Conservancy, Boston, MA**

We strongly support Option #9 regarding the provision of tax incentives for appropriate private management for conservation purposes. We believe, however, that this should be given higher priority and more explanation in the text. It is possible, for example, that such incentives for conservation may prove very helpful in encouraging economic uses of the forest which are compatible with conservation.

**David Gibson, Association for the Protection of the Adirondacks, Schenectady, NY**

Federal tax code benefits to landowners, such as the restoration of capital gains treatment of timber income for tax purposes, should be connected to a set of conservation objectives, although these objectives can be difficult to define. However, this is not an impossible task, and the NFLC should spend sufficient thought delineating appropriate forest management guidelines or standards to be achieved.

Option 2a on page 51 suggests another key connection between tax benefits and conservation. In order to permit valuation of an estate for estate tax purposes on its use value, and not its highest and best use, of development value, conservation easements have traditionally been donated *in advance* of a generational inheritance. The NFLC option to allow heirs to donate an easement on the land *after* their parents are dead is a good way to remove one big incentive for heirs to subdivide land in order to pay estate tax."

**Alexandra Dawson, Antioch, Keene, NH**

The other tax proposals suffer from the problem that they are unrealistic (involve major and basic change in state or federal tax policy) or that they are unproven as a means for preventing change of use or encouraging land stewardship... there is no real proof that income, property or estate taxes are the dominant reasons why large parcels change in use (as opposed to family farms), in comparison with rising development values, changes in markets, etc. I did not see any discussion of the simplest method of preventing use conversion: existing-use zoning. Why not?

**Randolph (NH) Conservation Commission**

Since the subcommittee agrees that tax policy is a key variable in land holding decisions, we support adjustments to the Tax Code which: encourage, not punish, owners who protect land; encourage, not punish, donations of land; reduce pressure to subdivide and develop.

**Syd Howe, Holderness, NH**

As for other tax options in the document, some federal tax favors for conserved and productive forests may be in order, but pleading for numerous tax-code adjustments may prove counter-productive. Too many other legitimate interests want special tax treatment and will demand theirs if forest win concessions. Dedicated user-related revenue options for conservation outlays seem generally sounder...

**Laurence Sunderland, Hillsboro, NH**

This idea [Changes in Estate Taxes] is so tilted toward the wealthy that it probably is politically unpalatable.

**Coos County Alliance, W. Stewartstown, NH**

Nothing is more complex than state and federal tax codes. A simple reduction of taxes for forest land owners means that other taxpayers would have to make up the difference. If after further study it is found there is justification for a reduction in taxes for forest land owners the overall benefit to the public at large must be substantial, otherwise, it will not be possible to justify to the other taxpayers their increased tax burden...

Any change in the tax codes must create a level playing field for both wealthy and lower income class land holders. An increase in the reduction of estate value from 750,000 to \$1 million only benefits the wealthy. Not in favor.

**Sierra Club**

This is a very complex area, one in which the effects are often not realized when changes are instituted to achieve them. It is also an area fraught with hazards, since every change tends to become a 'Christmas tree' with unintended beneficiaries. This is particularly true at the Federal level.

A basic principle that should apply to any proposal to alter the tax laws is that there must be a quid pro quo exchange of value; tax reduction earned through more ecologically sound practices, tax deductions for land or easement donations commensurate with their value.

**Susan Allen, Adirondack Fairness Coalition, N. Hudson, NY**

Again, the NFLC must look at where the taxes will be shifted. Any tax breaks on capital gains and estate taxes must be wired back to the income and/or corporation tax so that wealthy owners and their heirs do not unfairly benefit from any change in tax policy.

**Michael Kellett, RESTORE: The North Woods, Concord, MA**

The NFLC spent far too much time working on tax issues. We do not believe that any change in the tax structure will have enough of an impact on the economic and ecological future of the Northern Forest to justify this effort. This does not mean that many changes are not in order, but we think the Council could concentrate its efforts more effectively on other issues.

Most of the options listed represent tax breaks for industry with no clear public benefit. The forest products industry was at least as irresponsible in its management of the region's forest before 1986 as it is now, and a change in capital gains structure may actually make the situation worse. But changes in other taxes, such as the estate tax, may not provide enough public benefits to justify a major loss in tax revenues.

**Pamela Person, E. Orland, ME**

I want to have *all taxpayers benefit* from 'special' tax allowances through, for example: additional public lands, enterprise zones to promote value added products, additional land management funds, additional biological inventory funds.

I want tax policies that *prohibit* those 'special' tax allowances that destroy the resource base, encourage leverage buy-outs, encourage loss of jobs by shipping raw logs, encourage short term ownership.

**Clifford Boue, Glen Cove, NY**

However, I am wary of tax breaks if they end up subsidizing the landowner thereby making it easier to hold out against unfavorable economic conditions only to sell when conditions get better.

The Council's view that taxes and cash needs prompted large landowners to sell is inaccurate, we believe. The wild, speculative mania was propelled primarily by loose credit, declining interest rates, and buyers' greed for fear of 'missing out'. The sellers, not entirely immune to greed, accommodated them. Also accommodating them were developers who bought low, subdivided, often with little concern for the environment, and sold high, sometimes amidst alleged misrepresentations.

## Anti-Federal Bias Doooms Council Recommendations

[Ed Note: Given the contemptuous treatment the Council has directed toward the Federal government, it seems a trifle naive that Congress is going to want to act to provide more tax subsidies for the patrons of the "Draft Recommendations." We believe there is an important role for the Feds to play in this region. For instance, a meaningful Federal presence in the Council process could have rescued the Council from its insulting, embarrassing and politically naive "states' rights" recommendations. The following letter was submitted to the Council in October in response to its "Findings & Options." Too bad the Council didn't pay any attention.]

*Acknowledge and Increase Federal roles in Northern Forest conservation.* On page 5 of the Introduction is the statement that "the Council has focused on only those issues which it deemed are the most significant from a regional, multi-state perspective." With apologies if I neglect some provision in your mandate, the national perspective seems fully relevant to this federally funded project, where option after option relies on U.S. Government payments or tax benefits. And just as New Englanders care about the landscapes and resources of diverse U.S. regions, and love to visit them, Americans at large care, or should care, about the Northern Forest.

Having worked on land conservation issues locally and nationally, including especially critical analyses of the National Park Service and of the Land & Water Conservation Fund, I find this report's dim view of federal agency potentials to be incongruous and self-defeating. The repeated neglect and denial of federal capabilities, beyond that of dishing out money, are typified in item 10 on page 22:

"The existing delivery systems of some federal land conservation programs . . . are often antiquated and not easily workable in the region because these programs are often national in design and are rarely tailored to the needs of landowners in a specific region and state."

With apologies if I've missed something, there seems no positive reference in this report to real operating roles for the U.S. Forest Service, National Park Service or Fish & Wildlife Service. Yet those bodies serve effectively across the USA to meet challenges like some in the Northern Forest. Of course Feds are not uniformly angelic (like our state folks?), and they should not own and run most of the land in question. But their mandates and methods are increasingly adaptable to local needs, and the national agencies tend to employ excellent professional managers and scientists, too few of whom our states can afford. "Yankee independence" and "home rule" paranoia must not deny us national competence and resources.

Given the purviews of federal land agencies and the outlooks of "their" congressional committees, it is idle to hope that Northern Forest states will receive Federal handouts commensurate with the same handouts *plus* federal agency direct conservation expenditures in other states. Such largesse, tailored for us, is not in the cards.

Yet many of the report's options call for special cooperative and state-only initiatives, under federal funding. Would it really hurt us to join the Union in natural resource management, after this federally funded study?

—Syd Howe, Holderness, NH

## Capital Gains

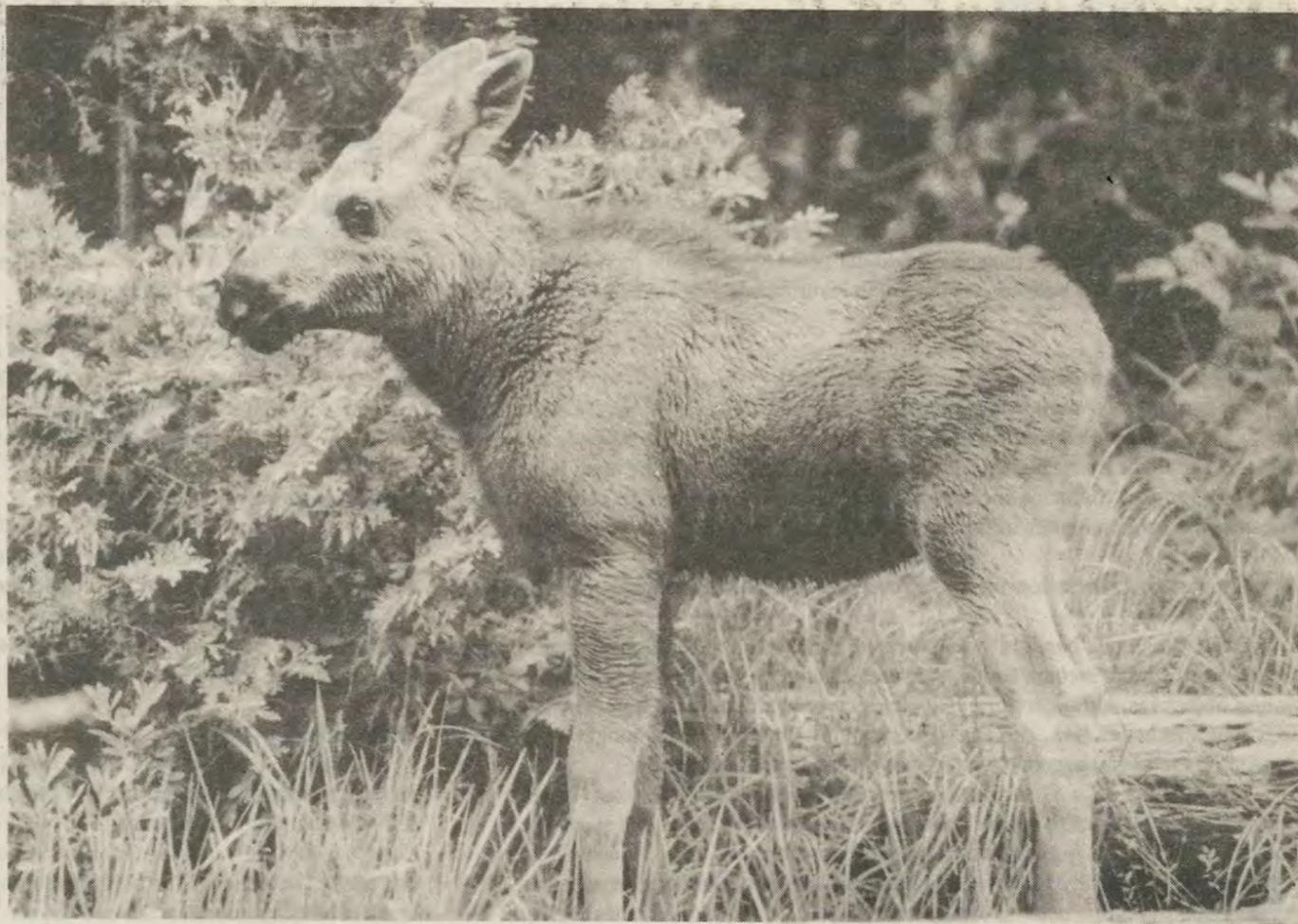
Continued from Page 26

subsidy but rather that it does not promise any public benefit. (We can assume that the public value of small reductions in timber investors' tax liability is insignificant.) **The Council can fix this Recommendation fairly easily by stipulating that the adjustment for inflation be available only for timber harvested from qualified properties.**

Qualified properties should be defined in a way that considers the range of public values that can accompany private timberland management. At a minimum, a qualified property would be one that will be kept in timber management or a less intensive use for some minimum number of years after harvest. As with the recommended estate tax changes, recapture provisions should apply to this subsidy.

Another essential refinement of Recommendation 10 would address the question of whether the subsidy would encourage current timber harvest or future timber investment. If the adjustment applies to timber investments made in the past, timber owners will be rewarded by cutting now, even though the tax policy did not figure into their past investment decisions and, therefore, could not have led to improved timber management.

To avoid creating an incentive for owners to cut standing timber at an inefficiently high rate, the adjustment should be allowed only for investments made after the policy takes effect. The policy can then figure into investors'



Tax shelter or habitat? Photo © Bill Silliker, Jr.

expectations about future returns and an appropriate level of current cutting and investment would be made more likely.

### References

\*Klemperer, W.D. and O'Neil, C.J. 1987. "Effects of an Inflation-Adjusted

Basis on Asset Values after Capital Gains Taxes." *Land Economics* 63:386-95.

\*Washburn, C.L. and Binkley, C.S. 1993. "Do Forest Assets Hedge Inflation?" *Land Economics* 69:215-24.

Spencer Phillips is an economist with *The Wilderness Society* and author of *"The Northern Forest Strategies for Sustainability (Vol. 1): Forest Products Manufacturing: Factors and Trends Affecting the Working Forest."*

## Property Tax Letters

Continued from Page 25

further reduction in property taxes below timber land levels for the landowner who is willing to not only forego development but also forego timber harvesting. A further reduction could be available to landowners in this category who would allow public access to the land. Having lived in several locations throughout the U.S., I am acutely aware of how few large contiguous forested areas there are left in this country. We need to preserve as much as we can, isolating a healthy percentage of forested lands from timber harvesting—admittedly a necessary activity but not one that is necessary everywhere. An Option like the one I am proposing could be instrumental in accomplishing this goal and it does not require up front funding like easement purchases do.

### Jerome McCall, Watervliet, NY

The average tax under 480-a in the Northern Forests region is \$1.37 in 1991, as RSG indicated in its study. That level of taxation is hardly an onerous burden in that area of the state for forest use...

I also must make a critical comment of the Property Tax findings. I don't agree with all the findings as expressed by Resource Systems Group, but they did contact SDEA [State Division of Equalization & Assessment] for data on exempt values and on taxation, and they based their findings on observations from the data provided. By contrast, I wish Professor Canham had utilized published sources I and others at SDEA utilize in our work. On page 9 of this "White Paper" Canham states that it is difficult to compare assessed values over time because of widely varying standards. The State comptroller has issued annual fiscal year tax rate and tax levy statistics with equalization rates since 1972. Had Dr. Canham at least contacted SDEA he would have been apprised of this publication. Because these reports were not used, Canham's work suffers from too much inference. Also, as a colleague of mine pointed out to me, it is not clear why the analysis in New York was confined to just two tree species, red oak and hard maple. If, for example, yellow birch values were examined in New Hampshire, then why weren't they examined in New York? The gravity of these shortcomings suggest that this work should not be considered as a "White Paper."

### Sierra Club

[Finding #3] supports the idea that, except for properties with high amenity values, property taxes are not a significant reason for land conversion in the Northern Forest region.

### Eric Palola, National Wildlife Federation, Montpelier, VT

Finally, we encourage the NFLC to recognize aspects of current use programs which are specific to the distribution of lands in the Northern Forest region. First, the significance of current use programs changes in direct response to the level of development pressure. Second, most of the land in current use in the Northern Forests is in relatively undeveloped and unorganized townships in Maine which are held by

industrial landowners. In most of these areas fair market values and use values are not far apart, therefore additional tax incentive may further accentuate the tax shift to other landowners and taxpayers without broad public acceptance. Third, in areas where there is development or recreational pressure, many landowners have realized additional value from their land through gate fees or rentals. And, fourth, since current use programs are authorized by state government, any recommendations to alter such programs must be considered in the context of other statewide needs and goals.

### Robert Glennon, Adirondack Park Agency, Ray Brook, NY

...to state the obvious, great care should be taken in researching the economic impact of any proposal to replace *ad valorem* taxation for selected classes of real estate, such as forest lands. Major equity problems could result from shifting property tax burden to residential land owners and non-wood based businesses.

### Helen Hersh Tjader, Barrington, RI

A reasonable tax base should be provided to rural communities which play a key role in maintaining ecosystem integrity, even if it must be supplemented by state funds.

### Kimball Simpson, Westboro, MA

Taxes go up, not down when development occurs. This is very important.

### Cathy Johnson, Natural Resources Council of Maine, Augusta, ME

[I]t is essential that land taxation programs be linked to local, state, and regional land use planning efforts (F.36) (not just at the local level as suggested in Option 1g).

### Maine Land Use Regulation Commission

While the findings indicate that current use taxation programs most effective in discouraging conversion are those linked to current use zoning, we noticed that was not included as an option. Why not? [Ed. Note: Timber industry veto power?]

### Stephen Kay, New York, NY

Do not be afraid of stiff penalties or long commitments. We are talking about forests which have been around for thousands of years, so let us think long term. Trees are often 80 years old.

If the owner withdraws from the [current use] program prior to the end of the commitment term: . . . he waits for seven years (a cooling off period) after the termination of benefits before any change in use can occur or any change in use is approved during which period he has no tax benefits. I believe a tail period is essential: one should not be able to obtain forest designation one day and subdivision designation the next. There should be a middle period which gives the local communities time to plan and to deal with impending change. The idea is to retain the forest for future generations, not to hold it as a speculation until the market for second homes improves. The benefits should accrue to those whose stewardship commitment is genuine.

# Development & Regulations ~ Council Misses the Boat Again

[Ed. Note: The section on "Government Regulations" (Recommendations 27-30) typifies the shallow, polarizing work of the Council. The Council has not recommended any new regulations to control irresponsible forestry or inappropriate development (even though the threat of development led to the creation of the Northern Forest Lands Study). Instead, it has joined the anti-environmentalists' efforts to undermine the regulatory process by offering advice on how to create a "stable regulatory environment." Sounds good, until you realize that it is a euphemism of the timber industry for gutting the meager list of regulations currently on the books.

It is particularly mystifying that the Council refused to recommend that the other states of the region use the successful Vermont Land Gains Tax to control development. But, powerful elements of the timber industry opposed it, so the Council dodged the issue. Likewise, the Council should have recommended the elimination of the income tax deduction for interest on second home mortgages, but it didn't. And, finally, to control development in a large region, existing use zoning is sensible, cost-effective and it allows landowners to continue to engage in their current practices (which is what they claim they want to do). So, how does the Council propose to deal with development? The most expensive, least effective way: "Conservation Easements." While easements may be appropriate in selected situations, they are neither a good tool to control development, nor to protect biodiversity. They are expensive (usually costing 50-90% of the cost of full fee purchase of the land). They must be negotiated one at a time, whereas zoning applies to an entire region. Most easements do not restrict forestry practices; clearcutting, herbiciding and plantation forestry are usually permitted. And, easements compete with scarce funds for full fee acquisition.

Below are selections from a few letters touching on the foregoing subjects.]

## Regulations

### Maine Land Use Regulation Commission

The report states a concern for an unstable regulatory environment as a barrier to new investment in forest land for long-term timber management. It should be made clear that at least for the unorganized areas of Maine, there has been no significant change in the Maine Land Use Regulation Commission's forest management regulations since its permanent standards were adopted in 1977. The only major change in the Commission's overall regulations since that time has been adoption of the Commission's lakes program in 1990 which resulted in NO change in the Commission's forest management regulations...

Regulation: The statement is made that regulatory mechanisms relative to rare species and biodiversity should not penalize landowners. Regulations, by their vary nature, almost always have the effect of burdening certain landowners. The real issue is whether there is a public interest here that is best served through some form of land use regulation. If so, such regulation should be designed to have a minimal impact on forest practices while still accomplishing that public purpose.

### Alton Smith, Wolcott, VT

Regulations: I cannot believe that regulations are applied unfairly to businesses in the northern forest areas. I work for the State of Vermont and am very aware of the need to apply laws equally. If businesses in those areas are not successful I would look for other causes. Business in other parts of the state seem to function under those regulations. Regulations generally create an even playing field for business because without regulations there are always a few businesses willing to go to any lengths to make a profit thereby making it more difficult for prudent businesses. For example if there were no regulations on water quality loggers willing to cut and run could do so without putting in waterbars in their logging roads making it more profitable for them to log than for loggers willing to use more sound forestry practices by preventing silt from entering the brooks.

### Lucy Wyman, Lancaster, VT

Current use-style taxation, conservation easements, partnerships and the like are terrific and innovative incentives but where they fail more regulation may be in order. Private land-owners will not swallow this pill easily. Some with business sense and local ties may, others, for whom the bottom line dictates policy, will not. I found no discussion of this in these pages.

Regulation is a tough issue in a so-called free society but it is clear to me that in an over-populated world with diminishing resources no one remains "free" to do whatever s/he likes. It is my observation that laws are generally the by-product of abuse, or the failure of humanity to discipline itself. Hence, we find an over-populated world engaged in an increasingly violent struggle over abused and rapidly shrinking resources.

## Second Home Mortgage

### Herve Giguere, Colebrook, NH

These second home adventures can be handled quite easily. Our Government should have an interest in all Americans. No second home for anyone until there is a first home for everyone. What you have is certain people having all the rights while others have nothing which was, enhanced by tax changes of the 80's. We need a change that will benefit everyone.

### Lawrence Sunderland, Hillsboro, NH

Eliminate second home mortgage deductions. If you can't afford the mortgage on a second home without a tax deduction you probably can't afford the upkeep, taxes, etc. either.

Our whole industrial/commercial society needs this treatment.

## Vermont Land Gains Tax

### Hank Swan, Wagner Woodlands, Lyme, NH

6 This is another excellent idea and a good record that keeps getting by-passed. I think it works. [Ed. Note: Not everyone in the timber industry is opposed to fair play. Too bad the Council chose to listen to the polarizers instead of voices such as Hank's.]

### William Kropelin, Burlington Electric Department, Burlington, VT

Option 6 pertaining to a land gains tax is a negative incentive but an effective one here in Vermont and I support it. I advise the holding period be longer than is the case in Vermont's law, probably 15 years or more.

### David Kozak, W. Hartford, CT

This program, by most assessments, has been very successful in Vermont and should be instituted through the NFL region. The proceeds from the land gains tax should remain in a fund dedicated to acquiring public land or conservation easements.

### Bob Cope, Champion International, Bangor, ME

[Opposed to imposition of Vermont Land Gains Tax] Why? This portion restricts the ability of a landowner to develop a portion of his land for highest and best use. Vermont has this law, but it is not a good option for most landowners in other Northeastern States.

## Existing Use Zoning

### Alexandra Dawson, Antioch University, Keene NH,

I did not see any discussion of the simplest method of preventing use conversion: Existing Use Zoning. Why Not?

### Caroline Snyder, N. Sandwich, NH

Land use regulations should encourage communities to engage in regional long-range planning for the development in appropriate growth areas (2.d). As Charles Clarke emphasizes in his keynote address (Forum: *Building Local Economies* p. 2), "The further you can get on planning . . . the better chance you have of preventing catastrophic solutions . . . being imposed on you."

sizes in his keynote address (Forum: *Building Local Economies* p. 2), "The further you can get on planning . . . the better chance you have of preventing catastrophic solutions . . . being imposed on you."

### Mike Cline, Maine Audubon Society, Falmouth, ME

In parts of the Northern Forest, current use zoning (not taxation) is an effective strategy for protecting land from conversion. It is a proven conservation tool that can be enacted through existing authorities such as the Land Use Regulation Commission in Maine. Current use zoning is most effective if used before land values rise above use values and consequently, the Council should recommend application of this strategy.

### Tom Klingerman, Albany, NY

Further, while local government regulations are usually based on local plans, state or regional land use regs are, by their reason for existence, based on strong regional plans. To protect the large forest holdings which comprise the Northern Forest Lands, local planning must be integrated with regional planning or a patchwork of differing regulations will result and the forest resource will remain subject to fragmentation.

### Charles R. Niebling, NH Timberlands Association, Concord, NH

We urge the Council to adopt an option which articulates strong opposition to the concept of 'existing use zoning'.



There's been enough construction in the Northern Forests already. Let's leave future building projects to the beavers and birds. Photo © Betsy Fuchs, courtesy Appalachian Mountain Club

# Needed: Model to Coordinate Public Investments in Northern Forests

by Jim Northrup

Right now we find ourselves in the middle of a debate over the future of the northern forest. There is clear tension between those who believe we need a bold, unambiguous, prescriptive plan for the future and those who are opposed to anything which could dilute the autonomy of landowners and market forces, or which could be used to justify the federal, state or local government taking away landowners' rights.

Preparing a clear plan for the region would probably include drawing lines on a map, determining the activities which could be permitted inside and outside of those lines, and determining the tools to be used to acquire and protect ecological reserves, timber production zones and other forested areas. However, with the current concern over government land grabs, diminution of local control and interference with the market, acceptance of a plan, however "perfect", is likely to be a long time coming.

In the meantime, we could begin to work together to make progress toward some of the goals that are generally accepted without having top-down governmentally imposed rulings. We could adapt a model provided by the Vermont Housing and Conservation Board which combines the good will of landowners and citizens, some accepted public goals and priorities, and some public funding

In essence, the model would work like this: a public board would have public funds to be used to fund projects which further the public goals of the region. The projects may range from appropriate economic development in one area to appropriate land acquisition and protection in another. It would be up to landowners, citizens, and organizations to demonstrate that their project was a good public investment to meet the public purposes.

This model for guiding and coordinating forest related public investments across the northern forests will not achieve the ideal, and it is not intended to replace a comprehensive plan for the region. However, it can help the region move toward acceptance of a plan for several reasons:

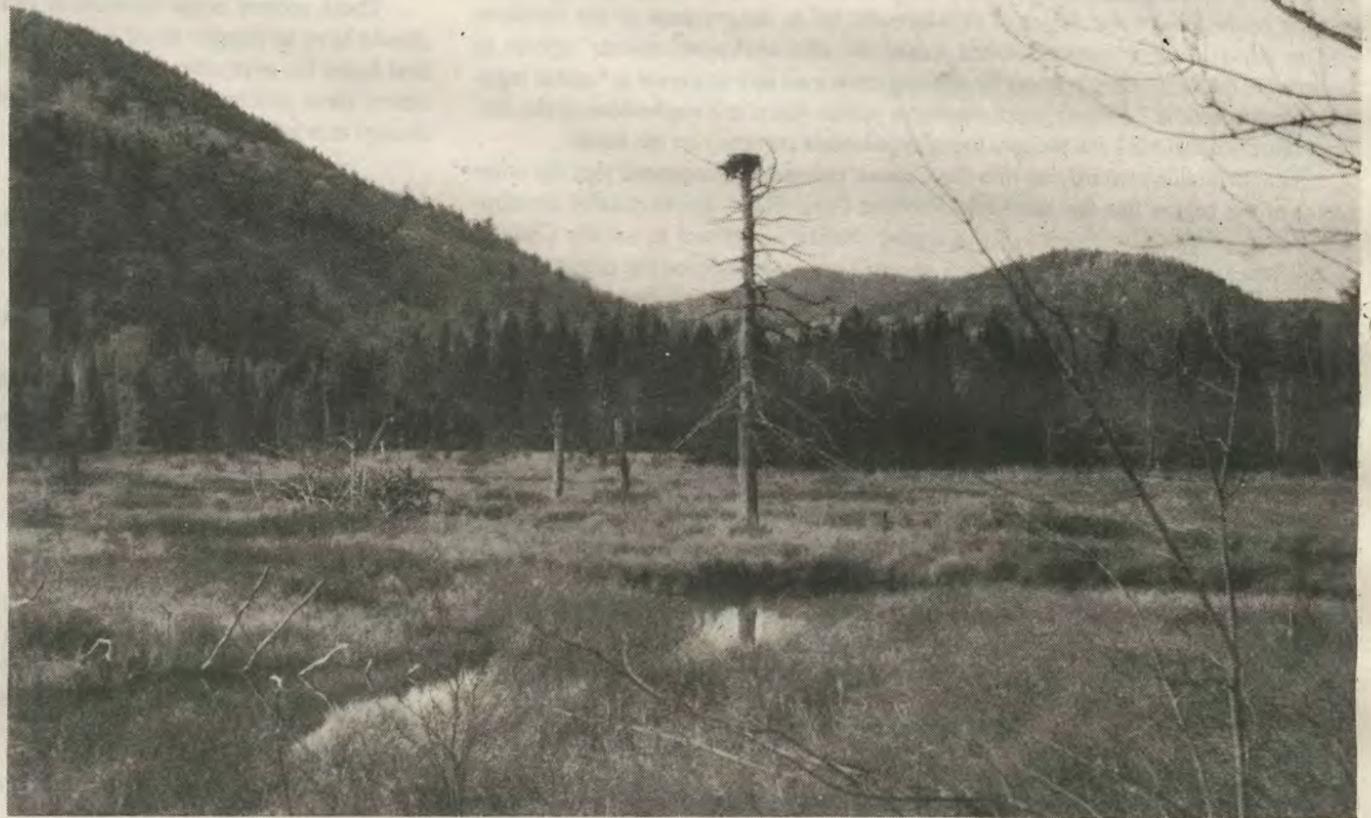
1. Hopefully, many of the projects will be successful, moving the region closer to achieving some of its generally accepted goals. Visible success may make the goals seem more possible and less threatening.

2. Presumably, project funding would be contingent on consistency with state and local plans so that the funding would serve as an incentive for consistent planning across the region.

3. Land acquisition and conservation methods may become more acceptable if and when they are voluntarily and successfully used in the region. Over time, public acquisition may not seem as threatening.

4. Various interest groups will learn that there is much to be gained from working together.

Although the Vermont Housing and Conservation Board program has a more limited focus than the Northern Forest Program would have, both



Bald Eagle nest, Lake Umbagog. Photo by Diane Evans, courtesy Appalachian Mountain Club

involve land acquisition. Sharing some experiences of the Vermont Housing and Conservation Board in implementing a willing seller conservation program may be helpful.

The first concern with the proposed public investment model is likely to be that owners will be reluctant to sell forest land to the government. When the Vermont Housing and Conservation Board program began, most farmers were skeptical of the sale of development rights to the state. As one farmer put it, how could anyone risk having big brother tell him that he could only use his tractor on Sundays? He has since sold his development rights and he can still use his tractor. Although the program started up slowly, the board is now swamped with applications from farmers who cautiously watched their neighbors before they decided to participate.

A second concern with the proposed model is likely to be that its voluntary nature would mean that the projects would be scattered and the cumulative results would not be coherent. Similarly, members of the Housing and Conservation Board were worried that their farmland program would protect many scattered small farms which would not provide an adequate base within any geographic area for a profitable agricultural industry. After five years, because of priorities set by the board and the efforts of nonprofits to achieve the same goals, there are large areas of contiguous farms that have been protected. What might have seemed impossible five years ago has quietly happened, piece by piece, deal by deal.

## The Proposed Northern Forest Public Investment Model

Over the next few months, the Northern Forest Lands Council, with our help, should try to design a model that will enable the region to focus, connect and coordinate public investments in forests.

The model must acknowledge that there is a great deal of suspicion and resentment of traditional prescriptive, top-down governmental programs. To be successful, the new model should encourage action from the bottom up. The model should not define the boxes (green lines or new National Forests) within which our solutions must be forced to fit, but never do, or prescribe rigid paths to be followed. The model should enable us to focus on what would be the centers (purposes) of those boxes, rather than the walls, and it should allow us to move toward those centers along myriad pathways.

For example, broad-scale public acquisition of land to create an ecological reserve may be supported in one town, while the town next door may prefer to use purchase of conservation easements. Fine. Let them work together to achieve their common purpose through different means. As a region, we should be concerned with the results, not the methods. And, we should be concerned that the results add up across the region.

Basically, a successful model to guide public investments in the region's forests would:

- \*ensure that public policies and actions promote our common purposes;
- \*enable federal, state and local governments, private organizations and individuals to form innovative, boundary spanning partnerships;
- \*allow individual landowners and local groups to decide which tools to use; and
- \*provide a means for us to monitor, learn and adapt along the way.

**Federal Legislation:** Federal legislation may provide the best means of putting this regional model in place. *Continued on Next Page*

## Life After the Council

### We Need an Ongoing Regional Initiative

Bartram Cadbury, Cushing, ME

*There should be continuing encouragement provided for meetings among economic, industrial, development, recreation and environmental interests to reduce the amount of adversarial confrontation and increase cooperative activity. Small working groups on a local or regional basis sitting down together and working on specific aspects of the problem can accomplish much in reducing tension and finding solutions. Although the major aspects of the problem are the same, the specifics across the whole region may be quite different. Regional groups within the four states involved can do much to reduce duplication of effort. It would seem to be important to find some way to continue the Council or substitute some organization to continue work on the Northern Forest after September 1994. Otherwise the effective value of the report will be lost.*

William Schomburg, N. Stratford, NH

*Keep the Northern Forest Lands Council alive.*

*I don't blame you for being tired and worn out from all this, but we need you. Could some members stay on as full time employees? It's a shame to waste the knowledge, expertise, impact, and guidance from which our area should benefit and without which our areas is destined to zigzag from greed, to band-aid reactions, to emergency response.*

*We need an informed and objective guiding force and we don't have one. At times we need model legislation to protect and shape our present, and to ensure a healthy economic and environmental future. We need a board to work with areas that face conditions, such as the land sales at Nash Stream or the great land-jockey tidal wave of the 1980's, which drown unsophisticated local governments.*

# Thoreau Regional Wilderness Reserve Proposed for Northern Maine



Chesuncook Lake lies in the heart of the uninhabited Northern Maine Woods. It is also in the heart of the proposed 5 million acre—or greater—Thoreau Regional Wilderness Reserve (see *The Northern Forest Forum*, Spring Equinox 1994 issue, pages 4–5). The proposed reserve includes the St. John and Allagash Rivers, the Greater Baxter ecoregion, including the East and West Branch Penobscot, and extends towards the Flagstaff and Rangley Lakes region. The proposal also calls for

the establishment of a new land management agency in the U.S. Department of the Interior—a "Regional Wilderness Reserve System." Management of the TRWR should be a collaboration among local, state, regional and federal representatives. We must establish a network of Regional Wilderness Reserves throughout North America. We believe it fitting that the first such reserve be named after Thoreau. Photo © Paul Mozell, courtesy Appalachian Mountain Club.

## Model Needed

*Continued from Preceding Page*

Clearly, the nation has a vital stake in the future of forested regions such as the Pacific Northwest, Lake States, South East, and the Northern Forest. Enacting federal legislation to create a new model for regional cooperation would communicate the federal government's desire to be a partner in: shaping a desired future; integrating national, regional and local policies and actions; and avoiding crises like the one now facing the Pacific Northwest. If successful, the Northern Forest's model could be adapted to fit other regions of the nation.

Basic elements of the federal legislation would include:

- \*a description of the public purposes it aims to achieve;
- \*an allocation of the federal government's share of funds;
- \*a mechanism for administration and distribution of funding; and
- \*a means for monitoring and evaluation.

**Public Purposes:** If the legislation clearly describes the public purposes that it aims to achieve, then there will be no need to force our public investments into pre-set molds—green lines, official National Forest or National Park purchase boundaries, or existing use zones. Our common public purposes, not lines on a map, would be our targets. These might include:

- \*promoting ecological sustainability
- \*promoting locally and regionally owned, value-added manufacturing;
- \*plugging leaks to local and regional economies;
- \*promoting local agriculture; and
- \*restoring human and natural communities.

**Administration and Distribution of Funds:** A regional board could be set up to oversee the administration and distribution of funds. The board's membership could be similar in nature to the Northern Forest Lands Council with representatives from federal and state governments, the scientific community, timber industry, conservation organiza-

tions, municipal officials, and the general public. Appointments could be made by the governors of the four states.

A primary responsibility of the Northern Forest Board would be deciding on requests for funding to implement actions aimed at achieving the public purposes set forth in the statute. The Northern Forest Board, like Vermont's Housing and Conservation Board, could establish rules and procedures for applicants and could set criteria and priorities for awarding grants and loans.

The Northern Forest Board could oversee a pool of federal/state funds set aside for "quick" purchases of forest land that are critically important, as defined by criteria set by federal, state and local governments.

**Applicants:** Essentially anyone—federal and state agencies, town officials, conservation organizations, business people, individual landowners—could apply to the Northern Forest Board for funding.

**Types of Projects:** Any proposed action that promotes the statutory purposes and meets the Board's rules could be eligible for grants or loans. Examples could include: purchasing development rights, constructing facilities for wood processing or recycling, marketing wood products, acquiring public land, developing existing use zoning, creating a program for "green" certification, assisting forest management, and increasing public awareness about forest-related topics.

**Priority for Funding Projects:** If such a mechanism is created, it is likely that the Board would have to set priorities in order to distribute its limited funds. Priorities could be based on considerations such as: local support, degree of consistency with goals of state and local plans, successful integration with other projects, urgency, need, and cost effectiveness.

**Funding for Projects:** Project funding could come from federal, state and local governments, private businesses and private non-profit organizations. Applicants could be required to

match federal funding with funds of their own.

The initial pool of federal funds would have to be substantial in order to inspire action and make a difference in a region as large as this. Two hundred and fifty million dollars per year—one one-thousandth of the total cost of the Savings and Loan bailout—would probably get the ball rolling. Funds that are now going to the federal Land and Water Conservation Fund, National Forest System, Forest Legacy, economic development initiatives, and other federal programs related to the legislation's purposes could be channeled into a single account and distributed to eligible applicants by the Northern Forest Board.

**Monitoring and Evaluation:** A separate review board could be established to objectively monitor and evalu-

ate the success of the program, to oversee studies and research, to host public forums and to give annual reports with recommendations to Congress, the Northern Forest Board and the public. Like the Northern Forest Board, the review board could have representatives from federal government and all four states. However, it may make sense to have a higher proportion of researchers, scientists and local officials on the review board.

**Public Involvement:** Of course, the citizens of the Northern Forest region and rest of the nation should be involved every step of the way. If nothing else, the model we create for the region must be democratic. It must inspire voluntary actions that serve the best interests of the regional community. Ultimately, all decisions should be made by a well informed citizenry.

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# A Guide To the Council's 33 Draft Recommendations

This quick guide to the Council's Draft Recommendations (DRs) refers to the page on which the more important recommendations are discussed in this Special Issue of the *Forum*. Italicized comments in parentheses are *Forum's* comments. While studying the DRs, the reader should consult pages 4 and 5 in this issue and ask: \*What are these recommendations designed to achieve? \*Do they promote sustainable forestry, responsible land use, and a healthy, diverse, value-added regional economy? \*Do they adequately protect the biological diversity of the region? \*What will they cost? \*Who will pay? \*Will beneficiaries be required to practice sustainable forestry? \*Are there cheaper, more effective ways to achieve the desired result? (For example: to control undesirable development, is current use zoning more cost effective than an easement that costs 75% of the full fee value of the land and that permits the landowner to continue to clearcut and apply herbicides?)

## Property Taxes: (pages 24-25 & 20-21 in this issue)

(Proposed reforms will probably not prevent land conversion or abusive forestry. We support equitable taxation. Some smaller landowners' taxes ought to be reduced, but property taxes for large absentee owners should be raised.)

1. Reform current use.
2. Replace *ad valorem* system with current use for all property.

## Public Land Management and Acquisition: (pages 16-17 & 20-21 in this issue)

(Very important, but there is no "Quick Response Mechanism," and this section is biased against Federal participation, except for providing funds. Congress is unlikely to appropriate large sums unless there is a Federal and regional role.)

3. Increase funds to manage existing public lands.  
(OK. But real issue is need for much more public land.)
4. Refine existing land acquisition programs.  
(Very important, but states cannot do this properly without Federal partnership.)
5. Congress should increase LWCF funding. And increase funds for purchase of land, easements, and improving recreational facilities.  
(Very important, but increase in State funding must supplement, not drain, funds for Federal acquisition in region. Full fee acquisition is most important)
6. Congress should fund Forest Legacy consistently.  
(A small program that can supplement large-scale acquisition initiatives. Definitely not an adequate substitute for large-scale Federal full-fee acquisition.)
7. States should employ a variety of tools in addition to fee and less than fee acquisition to conserve working landscapes.  
(Why isn't current use zoning recommended? Cheaper, much more effective. Term and rolling easements are expensive, temporary and should be opposed.)
8. States should find the money to acquire exceptional lands.  
(Yes, but only if definition of "exceptional" includes: lands necessary to establish large, buffered, connected network of ecological reserves. If "exceptional" only means small parcels, then this is counterproductive.)

## Federal and State Tax Policies: (see page 26 in this issue)

(The NFLC has failed to make the connection between tax policy and land conversion. Questions: What are the costs? Who pays? Are there cheaper or more effective ways to achieve goals? Who are the primary beneficiaries? Absentee owners? Council has ignored repeated requests for answers to these questions.)

9. Congress and state legislature should change tax policies to reduce pressures on heirs to sell or convert inherited land.  
(9(a) is good, but the minimum holding period must be longer—at least 50 years.)
10. Congress and state legislatures should change income tax policies to allow the basis (original cost) of timber to be adjusted for inflation.  
(Preferential tax treatment; could promote shorter cutting rotations; must be tied to stringent forest management practices.)
11. Congress and state legislatures should change income tax codes to exclude gains made by selling timberland or easements to the public.  
(Good, but must eliminate bias against full fee sales and should only apply to fair market portion of sale.)
12. Landowners should no longer have to work 100 hours per year to be allowed to deduct normal management expenses.  
(Are herbicides considered "normal management expenses"?)

## Biological Diversity: (see pages 6 & 7 in this issue)

(Bravo to Council for recommending establishment of ecological reserves. But must be re-written: Protection of biological diversity must be done on regional scale—a federal-state collaboration (not just a state effort) is imperative; it must not be "limited" and we must restore native species and ecosystems, not merely "maintain present diversity.")

13. States should conserve and enhance biodiversity across the landscape.  
(13-d is the key recommendation, but reserves must be as large as necessary, and regional.)

## Outdoor Recreation on Private and Public Land (see pages 16-17 in this issue)

(Most important is: need for more public land. It is the only guarantee of continued public access to land. Private landowners always have right to post land, regardless of incentives.)

14. Congress and state legislatures should encourage forest based recreation on public and private land.  
(Adopt Wisconsin plan: everyone on current use must allow access, but there is an 80 acre exemption for farms and residences. This is fair and cost effective)
15. Congress should institute a national excise tax on recreational equipment to fund management on existing private and public lands. (see page 20)  
(Excise tax can supplement, but not replace, other land acquisition funding sources such as the Land and Water Conservation Fund.)

## Private Forest Land Stewardship: (see page 20)

16. Congress should fund a Stewardship Incentive Program for private landowners.  
(Subsidy. May be OK if there are stringent forest management practices.)

## Forest Practices: (see pages 11-15 & 20)

(Council refused to study forest practices. Now, too little, too late, it advises states to do so. But Maine, NH and VT have demonstrated unwillingness to protect forest

ecosystems from abusive forestry. This weak section would perpetuate status quo.)

17. States should study current forest practices.  
(No. We need stringent, region-wide forest practices that penalize abusive forestry now.)
18. States should strengthen education programs in sound forest management for loggers, foresters, landowners, and the general public.  
(Who determines sound management and who is responsible for education? States and industry both tolerate unsustainable forestry.)
19. Stewardship incentives for landowners should be added to current use valuation programs.  
(Same as recommendation 1(g). It should be remembered that township-sized clearcuts in Maine were done under supervision of professional foresters.)

## Market Development:

(Council's recommendations for region's economy suffer from failure to examine trends of current economy, including raw log exports, or to examine other aspects of a healthy diverse economy, including local agriculture.)

20. "Green Certification" should be encouraged by state forestry and economic development agencies. (see pages: 12, 21, 22)  
(Recent "certification" of Seven Islands—the region's leading raw log exporter—exposes potential for abuse of this fine-sounding idea.)
21. State and federal economic development agencies should encourage and support primary and secondary wood products firms by fostering the establishment of marketing cooperatives or networks. (see pages 12, 21)  
(What about woodlot cooperatives?)
22. States should give financial, technical, and marketing assistance to forest products interests.  
(Unless tied to strict forest practices regulations and designed to promote a diverse, locally-controlled, value-added economy that is ecologically sustainable, it is just one more subsidy to clearcutters and raw log exporters.)

## Rural Development Through Forestry: (see page 21)

23. Congress should increase funding for the USDA's "Rural Development Through Forestry" program in the Northeast.

## Education and Technical Assistance:

24. Forestry Departments of state Universities should coordinate regional efforts to address needs of forest based industries and landowners.  
(Why propose a regional approach for this when Council has rejected regionalism for protecting the environment and the economy?)

## Workers' Compensation Insurance: (see page 13)

- (Council did not study this issue and merely rehashes failed arguments. Fails to address structural reasons for this problem.)
25. State forestry agencies should institute or expand training programs to reduce workers' comp. claims.
26. State legislatures should reform their workers' comp. programs to reduce cost.

## Government Regulation: (see page 29)

- (This section panders to anti-regulatory attitudes of those who have prevented enactment of meaningful regulations, instead of boldly proposing specific regulations to curb development and abusive forestry.)
27. State agencies should periodically review their rules regarding business, land use and the environment with all interested parties.
28. State agencies should simplify and stabilize the regulatory process.  
(The problem in this region is lack of meaningful regulations governing forestry and development, not excessive regulations.)
29. Land use planners should share successes and failures.
30. States should establish consistent truck weights across the region.  
(Very funny—industry opposes regionalism except for truck weights. Regionalism to protect biotic integrity is far more important than truck weight reform. The NH Dept. of Transportation estimates that one 40 ton truck inflicts as much damage to a stretch of road as 9,600 single vehicles. A 50 ton truck equals 19,200 cars.)

## Land Conversion and Forest Status Research

(OK)

31. States should develop information management systems to track and analyze conversion trend data.
32. Congress should fund the USDA's Forest Service to produce ten year surveys in a timely fashion.
33. The states should utilize the forest data collected by the Northern Forest Resource Inventory in their conservation efforts.

## Missing:

- \*Quick Response Acquisition Mechanism
- \*Regionalism and Role of Federal Agencies
- \*Current Use Zoning
- \*Meaningful Forest Practices Regulations
- \*\*Commitment to do whatever is necessary to protect biological diversity throughout region