

## **A National Policy for Sustainable Forests**

### **❖ Background**

American forests directly and positively influence the social, economic, and ecological conditions of the country. They sustain and enrich the well-being of individuals and communities. The threats our forests face and the inadequacy of our current response to these threats have caused concern whether the nation's forests are, in fact, sustainable. The values at risk are not trivial – clean and abundant water, clean air, stable employment, energy self-sufficiency, wildlife habitat, and access for recreation and spiritual renewal.

A Task Force from the National Association of State Foresters and the Society of American Foresters was established in April '06 to create a renewed national commitment and social contract to understand, enhance, and protect the health, productivity, and sustainability of America's forests. The Task Force concluded that:

- our nation lacks a clear vision and policies that promote the sustainable management of the nation's public and private forests as an integrated and high priority;
- many of the problems faced by our forests derive from other much larger social and economic forces;
- engagement and collaboration with other partners outside of the traditional forestry community is needed; and
- efforts meaningful to all regions of the country are needed.

This paper provides a rationale for a core national policy as an impetus for looking at new, more effective models for government and societal involvement aimed at sustaining America's forests for future generations. A policy that seeks sustainable forests would recognize that all economics, environmental, and social values are inter-dependent. The role of government would be to support the sustainability of forested landscapes across multiple ownership and objectives. While there are other shorter term actions needed (e.g. tax policy, market development) to keep our nation's forestlands forested, a overall national policy is critical to bring the level of commitment and coordination needed to sustain the broad range of values provided by our nation's forests.

## ❖ Overview of American Forests

The United States has the fourth largest forest estate of any nation, with 8 percent of the world's forests, exceeded only by the Russian Federation, Brazil and Canada. The total forestland in the United States is approximately 749 million acres — about one-third of the Nation's total land area. This is about two thirds of the area estimated to have been forested in 1630. These forests and woodlands vary from sparse scrub woodlands of the arid, interior west to the highly productive forests of the Pacific Coast and the South, and range from pure coniferous forests to multi-species mixtures, including extensive and diverse deciduous forests.

U.S. forest ownership includes extensive private forests, federally managed forests and public forests managed by States and local governments. Private forests (predominately in the eastern portion of the country) account for 57 percent of all US forestland, federal lands about 33 percent, and state and local governments the remainder. Some 9.6 million non-industrial private forest owners hold title to nearly 72% of the nation's available timberland. Production from these private lands accounted for 60% of domestic timber harvested in 2001, and has increased as national forest timber harvesting continues to decline. Forestlands managed by industrial forest products companies constitute 13 percent of productive forestlands and provide 29% of the wood production. They are generally concentrated in the South and the Pacific Coast

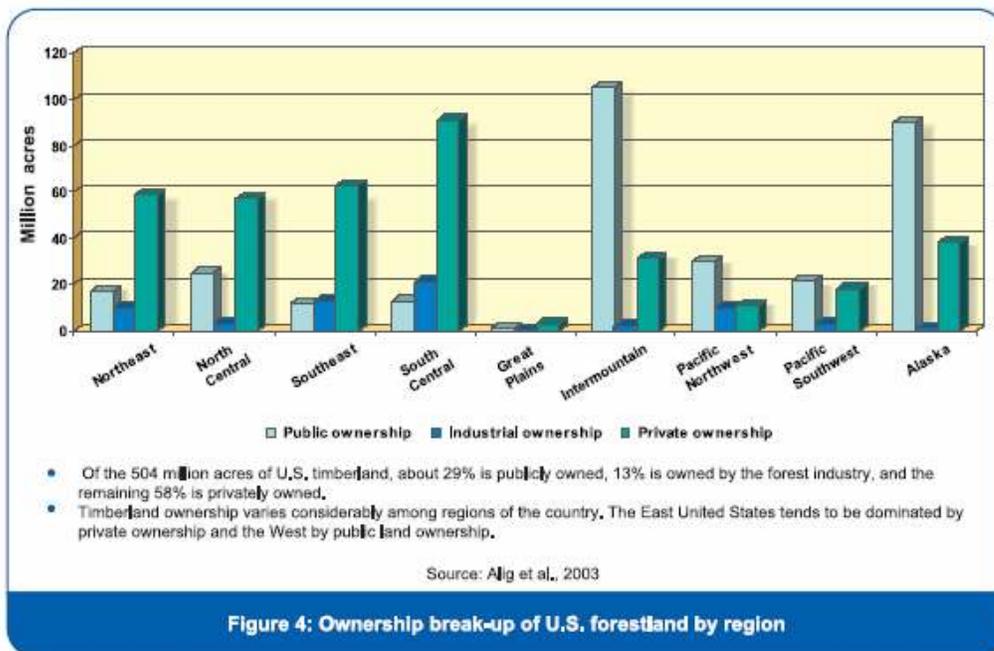


Figure 4: Ownership break-up of U.S. forestland by region

## ❖ **What's at Stake - National Interests in Sustainable Forests for America**

There is a compelling national interest in sustainable forests for America. The nation's forests provide a tremendous array of goods and services and add to our quality of life.

- **A clean and healthy environment for the nation's urban and rural citizens.**
  - Forests are essential to clean water. Well-managed urban and rural forests absorb rainfall and snow melt, slow storm runoff, sustain stream flows and aquatic ecosystems that depend on them. They also recharge aquifers, filter pollutants from runoff before they enter our waterways and provide a less expensive source of drinking water. About two-thirds of the Nation's scarce water resource originates on forests and forested watersheds provide a source of drinking water for over 180 million people.
  - Forests are vital for clean air. Urban and rural forests improve air quality by releasing oxygen, removing air pollutants, reducing temperatures, and mitigating greenhouse gases. Forests also play a critical role by sequestering large quantities of carbon (by absorbing CO<sub>2</sub>), helping offset emissions from burning fossil fuels. In 2001, forests provided over 90 percent of the U.S. net carbon sink (@759 million metric tons).
- **Employment and economic opportunities.**

U.S paper and wood manufacturing generates 1.2 million jobs and \$230 billion dollars in annual sales. Forest industry is the number one industry in 10 of 13 states in the Southeast, providing the raw material for a multitude of wood products including lumber, paper, laminates, engineered structural wood, and composite materials. Forest products also require less energy to produce than other building materials and are highly recyclable.
- **Quality habitat for America's plants and animals.**

Forests provide essential feeding, breeding and cover habitats for many rare wildlife species, such as the Mexican and northern spotted owl, red-cockaded woodpecker, and grizzly bear. Various federally endangered or threatened aquatic species, such as salmon and steelhead in the northwestern United States and rare mussels in the southeast, are also dependent on healthy forest ecosystems.
- **Open space and outdoor recreation.**
  - The Nation's urban and rural forests provide important recreational opportunities to over 66 million Americans. Nine in ten Americans (87%) participated in an outdoor recreational activity in 2003.

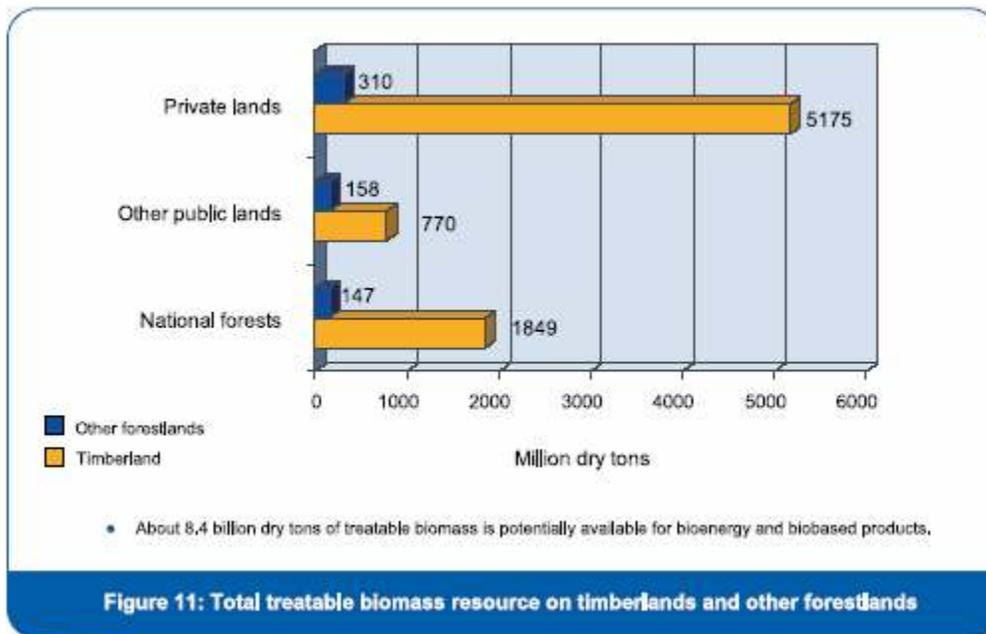
- Wildlife recreationists spent a total \$108 billion in 2001. An estimated 1.1 million jobs was derived from forest-based recreation in the U.S. in 1997, contributing more than \$20 billion in income to economies across the U.S.

- **America's cultural and traditional heritage.**

Our frontier history, conservation accomplishments, and private family forests are part of our nation's cultural and traditional heritage that define who we are. Many of the best examples of forest management can be found on tribal lands, where Native American values have influenced and enhanced long-term sustainable forests.

- **Energy self-sufficiency.**

Forests can provide a solution in our nation's efforts to reduce energy use and greenhouse gas emissions. Bio-energy is emerging as a new industry, with the potential to provide substantial amounts of energy using woody biomass as fuel. The U.S. could feasibly derive 10% of its energy from wood (currently 3.1%), helping offset fossil fuel use and contributing to forest health by reducing fuels.



## ❖ Trends in U.S. forest conditions, ownerships and management

There is a set of disturbing trends are now occurring in America's forests across the country. They include:

### Rapid loss to development - less green space and open space for recreation and wildlife;

- In the last 100 years, the U.S. **population** has tripled to about 300 million. By 2050, it is projected to be just under half a billion. This means that nearly three times as many people are being supported by the same forested areas that existed in 1900.

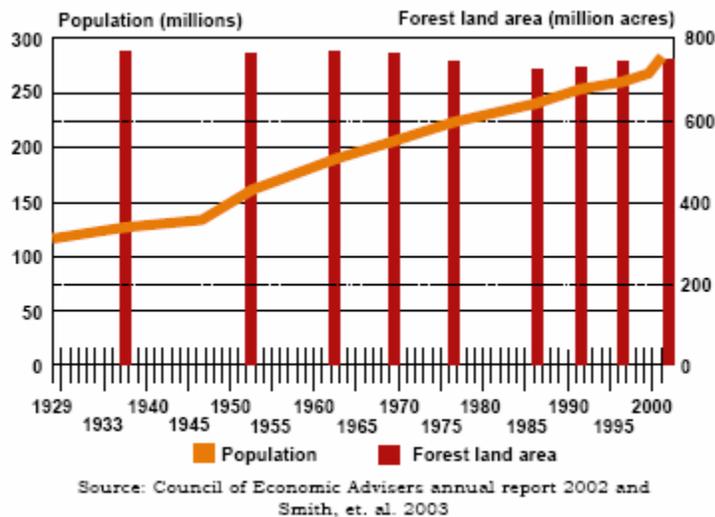
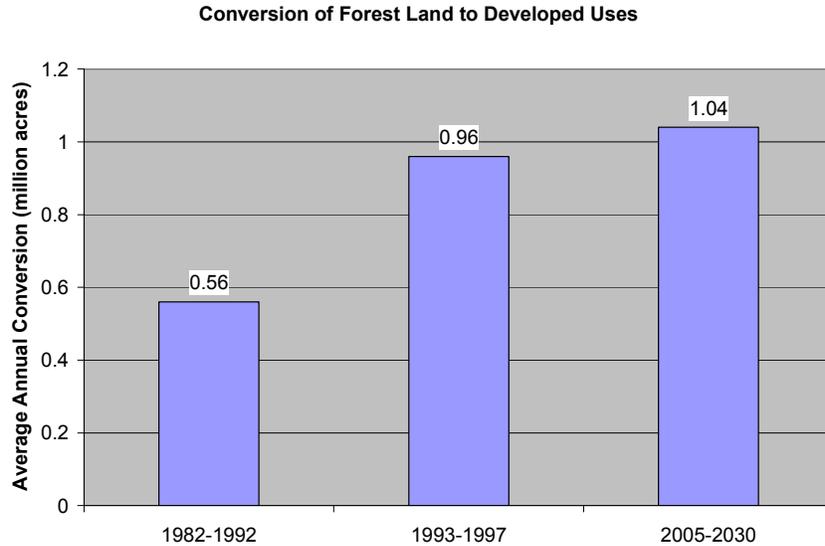


Figure 4. U.S. population and forest land area.

- During that same time period, our country went from being primarily rural to being nearly **80 percent urban and suburban dwellers**, with the areas of greatest growth in the West and the coastal South. Much of this growth and associated development is occurring in suburban and even rural areas that surround existing cities – areas previously characterized by forests and agricultural lands. As a result, **forests are being permanently converted** to non-forest uses at a rate of 1 million acres per year. By 2030, an estimated additional 26 million acres will be converted to developed uses.



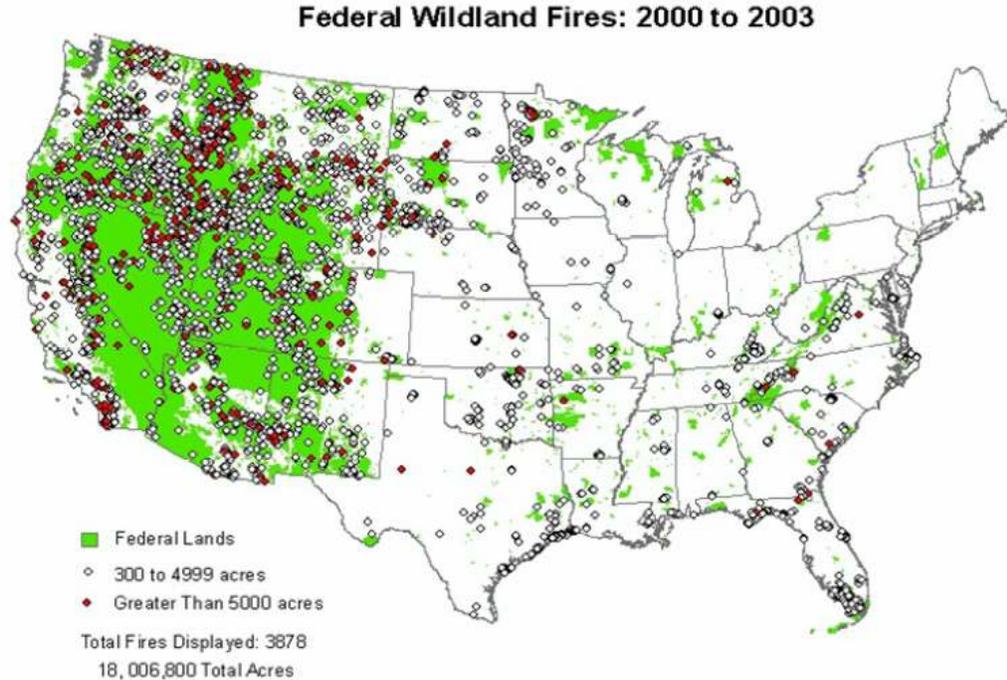
(Sources: NRCS National Resource Inventory and Alig RJ, JD Kline)

**the sale of industrial forest lands to real estate interests – forest land is being chopped up and sold**

- Over 22 million acres of industrial timberland has **changed ownership** in the past five years as the forest products industry has divested itself of its holdings. Most of these lands have gone to Timber Investment Management Organizations (TIMO), supported by institutional investors, whose earnings strategies see such forest ownerships typically held for 8-15 years. Amendments to the Internal Revenue Code in the 1970's, have spurred these massive changes, leaving only a handful of fully integrated, publicly held forest products firms still in business, as In Maine, over one third of the entire state, 6 million acres, has been bought and sold in the last 6-7 years.
- **Fragmentation** has caused the average size of private forest holdings in the US to shrink. This fragmentation of forest land make it more difficult to manage and maintain forest values like wildlife habitat and clean water and air. Ninety percent of family forest owners have fewer than 50 acres; over half of which own 1-9 acres. Preliminary data shows that the number of owners of these small forest tracts increased by 17% in the 10-year period from 1993 to 2004. By 2030, over 44 million acres of forest lands could see sizeable increases in housing density.

✚ **increasing insect and disease outbreaks and large-scale wildfires – loss of life, property and natural resources, enormous firefighting costs, threats to our water supply;**

- **Wildfire**, particularly in the West, continues to increase in size and intensity and now threaten people, communities, and natural resources in ways never before seen in our Nation’s history. Suppression costs regularly exceed \$1 billion. In the years 2000 to 2004, Alaska, Arizona, California, Colorado, New Mexico, and Oregon have each experienced record-breaking wildland fires.
- Today’s forests contain previously unrecorded levels of fuel, while highly flammable invasive species now pervade many rangelands. The geographic scope of the fire-fuels problem is enormous, with estimates exceeding 397 million acres across all ownerships identified as high priority for fuels reduction treatment, which includes 180 million acres of Federal lands.



- **Invasive plants** are found on 133 million acres (as big as California and New York combined), in federal, state, and private ownerships. Each year, invasive plants advance by 1.7 million acres per year across the land in all directions, an area that is two-thirds bigger than the state of Delaware. Estimates are that the United States spends \$137 billion per year in total economic damages and associated control costs.
- **Tree mortality** due to insects including the southern and mountain pine beetles, along with native forest diseases continue to rise in many

areas, often due to long-term drought, overstocked conditions and/or generally aging forests.

**✚ loss of forest industry – increasing unemployment, damage to the social fabric of forest dependent rural communities, loss of tax dollars for schools, roads and other services;**

- Shifting markets and other factors have driven forest investment toward other parts of the globe while production capacity has leveled off or declined in the US. More than 330 paper and wood mills have closed since 1997 and more than 158,000 industry jobs have been lost. In many cases, capacity growth is now taking place in countries where harvesting, labor, energy, and environmental practices may not be as responsible as those in the U.S. The national consumption of wood and paper products is projected to increase from 223 to 310 million tons, or 39 percent, between 1998 and 2050. Imports as a percent of consumption increased from 13.1 percent in 1965 to 27.2 percent in 2002.

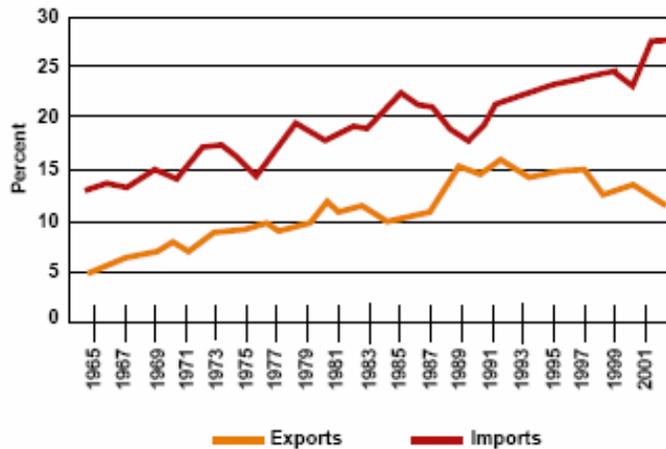


Figure 5. U.S. exports of timber products as a percent of production and U.S. imports of timber products as a percent of consumption.

- In Georgia, forestry has a total direct and indirect economic impact of \$20.2 billion supporting a total of over 136,000 jobs. Recent studies verify an approximate \$10 billion drop in economic value since 2001.

**🚧 ineffective tax policies and assistance programs - families find it increasingly costly and difficult to keep forestland, and to pass it down to their children.**

- Many tax policies do not recognize the long-term nature of investments in forest land and the public values associated with keeping land in active forest management, placing forest investments on the same level as short-term investments with much larger payoffs. In many parts of the country it is not uncommon for timberlands, historically owned for a range of forest values, to have a real estate market value that dwarfs the net present value of sustainably managed forest products.
- The National Woodlot Owners Survey found that 63% of family forest landowners are over 55 years old and 33% are over 65. The number of landowners in the over-55 age group increased by almost 30% in the years between 1993 and 2004. During the next two decades, a substantial portion of the Nation's private forest lands will be transferred to the next generation.

**🚧 Participation in the global forest community - we are losing credibility.**

- Sustainable forest management (SFM) is an internationally accepted and applied concept that balances the environmental, social, and economic values and services that forests provide. Other countries have adopted policies supporting SFM and used them to develop more effective and coordinated government programs with active citizen involvement. The United States has vigorously promoted SFM at the international level, while neglecting to apply its concepts in our own country.

These trends are not unconnected. Yet there are no policies to acknowledge that a reduction in harvests on federal lands coupled with the forest practice standards in Brazil have an impact on the continued viability of a paper mill in northern Wisconsin.....that the existence of that paper mill can determine whether a small private landowner keeps his or her land in forest, or sells it to a developer.....that whether or not the land stays in forest impacts the successful nesting of neotropical migratory birds ....that if the paper mill goes away and the land is parceled to second home developers, family wage jobs in manufacturing, forestry, transportation and service are all lost to the community....and that when these incomes exit the community then schools, roads and all other forms of essential societal needs begin to degrade.

## ❖ The Federal role in American Forests

Federal budgets today show a long term trend of disinvestment in federally and privately owned forest lands across the full range of values.... recreation, wilderness, access, wildlife, water and timber. What will be the impacts on America's forests?

Federal involvement in the U.S. forest sector is both extensive and multi-dimensional. Over the last century, forest policy has been evolving from a largely decentralized to a more centralized political and institutional framework. The centralization process in the U.S. started with the first national conservation movement at the close of the 19<sup>th</sup> century with the nationalization of policy and management for the remaining public domain lands. It continued with many of the federal programs of the Great Depression and accelerated further by the environmental legislation of the 1970s. The 1970's environmental legislation also greatly enhanced the role of both formalized public involvement and the judiciary in environmental policy making and governance.

The specific roles of the Federal Government in forest sector today are:

- Manage the national forests, national parks and other federal lands;
- Provide financial assistance to the States for delivery to forest landowners (provide a portion of cost sharing funding);
- Partially finance and set overall quality standards for national programs designed to assist in protecting forests from fire, insects and disease;
- Directly carry out forest inventory and assessments, with State cooperation, on all forest lands;
- Directly carry out forestry research, as well as help finance research at State educational institutions;
- Set policy/standards for air and water quality, pesticide use, protection of endangered species and wetlands management on both public and private lands;
- Provide technical and financial assistance on soil conservation techniques and practices to farmers and forest landowners;
- Directly enforce federal wildlife laws and regulations (dealing primarily with migratory birds and endangered species);
- Establish and enforce worker safety rules for industrial facilities and forest operations; and
- Assess federal taxes on income derived from forests and federal inheritance taxes on the estates of deceased forest landowners

Federal responsibilities which are shared with state and local responsibilities for policy making and governance range from: 1) federal policy regulatory oversight, with state and/or local enforcement on private lands (e.g., Clean Water Act, pesticide labeling and enforcement, etc.); 2) indirect federal control of standards through cost sharing leverage (e.g., wildfire protection standards, the federal cost sharing of private reforestation, etc.); and 3) state and/or local control (e.g., regulation of private forest lands, except for listed endangered species).

## ❖ Sustainable Forest Management - A Way Forward

Sustainable forest management (SFM) is an internationally accepted and applied concept that balances the environmental, social, and economic values and services that forests provide. In 1987 the Bruntland Report, more formally known as *Our Common Future*, published by the UN World Commission on Environment and Development, broadly advanced the notion that sustainable development must meet the needs of the present generation without compromising those of future generations. These Principles were adopted by consensus on the part of nearly 180 countries in attendance at this conference, most commonly known as the 1992 Rio Earth Summit.

Key to this vision of sustainability is that, across large areas, forests must be able to deliver a full and integrated set of economic, environmental and social values. Forests which generate economic value are better able to provide environmental and social benefits. This is true on both public and private ownerships. At the same time, if a forest's environmental values are not protected then we are jeopardizing the basic soil, water and biological elements that underpin economic value.

Using these Principles and relevant portions of "*Agenda 21*", also agreed to in Rio, the Montreal Process subsequently developed "*Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forests.*" Endorsed through the 1995 "Santiago Declaration" by a dozen countries, including the United States, who represent 90% of the world's temperate and boreal forests, this document defines in more specific detail the kinds of social, economic and environmental values we expect from forests in terms of what we should strive to measure as we track progress towards sustainable forests.

In 1993, Presidential Decision Directive / NSC-16 stated that U.S. committed "...to a national goal of achieving sustainable management of U.S. forests by the year 2000." The United States Roundtable on Sustainable Forests was initiated in 1998 to coordinate efforts among federal agencies as they began development of the country's "*First Approximation Report*", an attempt to produce the nation's first assessment under the concept of criteria and indicators for sustainable forest management. Since then the Roundtable has become a broadly-based forum to advance the concepts of sustainable forestry and the US produced its *First National report on Sustainable Forests* in 2003.

Clearly embodied in this last nearly twenty years of work is a concept of sustainable forest resources that is globally endorsed and that represents a solid foundation for the development of a national policy.

## ❖ How A National Policy for Sustainable Forests Can Help

Our nation's complex land ownership patterns combined with our strong independent state, local, and private interests make any unifying national efforts challenging at best. But we need to move beyond current forest management discussions which have evolved into debates about individual agendas for the values that forests should be managed. None of these values can be sustained if the forest themselves are lost, which is occurring now. A national effort to achieve a sustainable forest resource is the foundation for the actions needed to keep our forestlands forested.

A national policy can clarify and enhance the roles of federal, state, and local governments, promoting regional collaboration, joint planning and coordinated action.

A National Policy for Sustainable Forests would say that:

- The management and conservation of forest resources in the United States should be guided by a mandate to meet the forest related needs of the present generation without compromising the ability of future generations to meet their needs.
- Doing so requires that economic, social and environmental values from forests be provided within a framework where these values are mutually supportive.
- Laws and programs that promote this vision of sustainable forests and the inter-connectedness of environmental, social and economic values are acceptable expressions of federal policy. Government functions that do otherwise are not.

To be effective the policy must articulate a clear requirement for implementation. Implementation could start with an assessment of federal laws and regulations to evaluate their alignment with the achievement of the goal of a sustainable forest resource as defined by this policy. The hope would be to create a more effective model of federal government involvement in the promotion of sustainable forests that recognizes the existence of geographic boundaries and ownership differences, but brings forward solutions to the task of integrating social, environmental and economic values by looking across all forest resources simultaneously.

The expectation is that a national policy on forests based on sustainability would be operationally translated into laws and programs that could result in such actions as:

- 1) Interagency cooperation and better efficiencies for forest related data gathering and reporting that:
  - a. Focus the dialogue on forests towards accurate and relevant scientific information, rather than broad political statements;
  - b. Provide credible market data for the range of environmental services and products provided by the nation's forests; and

- c. Communicate to the larger public the critical and inter-connected contributions of public and private forest lands for sustainable forest management.
- 2) Regional landscape level approaches to forest management that assure core areas for economic/community sustainability and biodiversity that:
    - a. Provide a context for appropriate governance, strategic planning and operational management of private and public forest lands, respectful of the delegation of powers and the rights of private landowners, so that, looking collectively, forest resources in total are managed in a sustainable manner with close cooperation and clear acknowledgement of public and private ownership contributions;
    - b. Maintain and enhance forest based economies and processing capabilities to contribute to regional and national economic and employment growth; and
    - c. Bring efficiencies to forest management activities that address threats across ownerships (e.g. fuel reduction, invasive species).
  - 3) Revision of relevant forest and tax legislation that:
    - a. Establish fiscal mechanisms for new emerging environmental markets;
    - b. Allow for sustainably managed timberlands to compete with real estate market values that are driving forest conversion and fragmentation; and
    - c. Reverse current federal disinvestment in federally and privately owned forest lands across the full range of forest values.
  - 4) Provide a framework and policy context to U.S. engagement in international forest policy that:
    - a. Strives for continual improvement in forest practices globally.
    - b. Discourages the transfer of forest product demand to regions without adequate records of environmental protection and controls over illegal trade.
    - c. Promotes a level playing field as it pertains to standards of forest practice among industries within international forest products markets.

## CASE STUDIES

### La Grande, Oregon

What happens in the woods no longer stays in the woods. It is becoming clear that the health and sustainability of our forestlands affects our nation as a whole. From the closing of rural schools to brown water coming out of your faucet, it is apparent that our forest issues are really social issues. When forestry management fails to incorporate environmental, economic and social values, here is what happens...

La Grande is a city of 12,000 people in northeastern Oregon. It is the largest city in a sparsely populated area near the Wallowa and Blue Mountains. Seventy-two percent of the forests in Eastern Oregon are owned by the federal government including the forests around La Grande. The Malheur, Wallowa-Whitman and Umatilla National Forests constitute 5.3 million acres near the city.

In addition to the National Forests, there is another 300,000 acres of industrial timberlands. These lands were once owned by the integrated forest products firm *Boise-Cascade* and are now owned by the timber investment management organization *Capital Forest Partners*. Forests, once known as the *Kinzua Lands* (280,000 acres), have been sold into smaller ownerships and are no longer provide sustainable forest benefits.

Historically, forests across all ownerships delivered a robust set of benefits such as: timber for a thriving wood products economy and the subsequent economic support to local schools and government, spectacular scenery and recreational opportunities, watershed functions important to quantity and quality, as well as wildlife habitat.

In the early 1990's federal policy shifted to drastically reduce the amount of tree harvesting on federal land. While this change in policy addressed some concerns, it missed the big picture. The result of limited tree harvesting has left thousands of acres of dead trees on the landscape and over 1 billion board feet of annual timber volume was no longer available to the Eastern Oregon wood products market.

However, our demand for wood products has not decreased. Mills tried to stay open to meet our need for wood products and maintain jobs. To compensate for the decrease in tree harvest from federal land, properties such as the *Kinzua Lands* were over-harvested and, when stripped of their forest value, were parceled and sold. This was devastating for the land and communities. Eventually, over half the mills in the area have closed. The probability of more closures is a constant concern.

Non-industrial landowners (similar to "family farmers") face problems because fewer mills equates to fewer opportunities to make a living off the land. Longer hauls to transport the wood equates to higher costs for the remaining mills that are already struggling to survive. As more mills close more landowners sell or convert their forests to other uses and we all lose. Currently portions of the former Boise-Cascade land are advertised for sale, including lands on La Grande's scenic backdrop, Mt. Emily.

The landscape continues to see pressures to convert from working forest to other uses resulting in negative biological and watershed impacts. Plus, the standing, dead trees, now covering over half the land in the Blue Mountains, create 'blow up' fuels for wildfire. The diminished economic activity means fewer dollars for forest health issues such as invasive weed control. Scenic and recreational impacts include smoked-in airsheds and a charred backcountry with hazardous dead trees.

Local economies, schools and social services have faced tremendous struggles while trying to cope with the loss of local funds associated with wood products. The

opportunities to replace that level of local economic activity are severely limited. The inability to find jobs that can support a family has ultimately damaged the underlying social fabric of communities. People are forced to move elsewhere.

The Secure Rural Schools and Community Stability Act no longer helps. A special “Blue Mountain Demonstration Project” pumping millions of extra dollars into collaborative projects has not stopped the downward spiral. Neither has the Healthy Forest Restoration Act. The full compliment of forest values, ranging from economic to social to environmental, once enjoyed in this region no longer exist.

Could a national policy stating that “It is the goal of the United States to achieve sustainable forests.” have kept La Grande, Oregon and its communities from this fate?

Imagine a “National Sustainable Forests Act” playing the same role as the Farm Bill or Energy Bill. Congress would engage in a political debate establishing the framework under which forest reviews and decisions are made. Out of that, would emerge an advancement of creative solutions.

A policy that seeks sustainable forests would recognize that all three legs (economics, environmental, social) are necessary and inter-dependent. The role of government would be to support the sustainability of forested landscapes across multiple ownership and objectives. We would no longer have federal policies that result in unintended negative consequences.

Achieving this policy commitment will not bring back “the good old days” for communities like La Grande. It will, however, move our nation forward with solutions to real problems confronting communities and landowners throughout the country. Without a new, foundational policy framework we will constantly run up against boundaries, constraints and conflicting statute – finding ourselves in a box with no way out.