



Good markets remain an important consideration.



So does Extension forestry education and certification.

THE TOP TEN FAMILY FORESTRY ISSUES FOR 2012

Focusing the Agenda for Federal, State and Local Policy

Every year since 1986 the National Woodland Owners Association has rated the Top Ten Family Forestry Issues as selected and ranked by the leaders of the Alliance of Landowner Associations (the 36 individual state organizations affiliated with NWOA). NWOA is unique in conducting this nationwide poll which is now cited by some agencies as developing their programs. Several state affiliates conduct a similar ranking for their state and local initiatives.

Fair Income, Inheritance and Property Taxes

1 For most of the 22 years that NWOA has been conducting the national poll, taxes have been the number one concern. Finally getting capital gains treatment for timber income five years ago after more than a decade of effort was a major victory. Next was the removal of the inheritance (family transfer) tax which dropped to zero in 2010, followed by the inability of Congress to make the removal permanent. Generous credits for donations for conservation easements remain, but will sunset soon. Many members

www.timbertax.org
 Federal timber tax site
www.timbertax.net
 Siegel timber tax articles
www.timbertax.com
 Trained tax preparers

of Congress do recognize the importance of private forests to the economy and the environment, but cannot resolve the issues while locked in policy stalemate. NWOA and partner forestry groups continue to support responsible federal and state tax programs to promote sustainable forestry.

Property taxes, levied at the local and county level, are a growing concern. These are decided by state legislatures, with the state landowner associations taking the lead. NWOA reports that cost/benefit ratios for private woodlands rarely justify tax rates of more than \$3/acre per year. Discussion of all three woodland tax expenses are a permanent feature in National Woodlands Magazine, with a searchable reference data base. NWOA is a national co-sponsor of www.timbertax.org.

NWOA believes that federal and state incomes taxes on forest resources should be based on a fair benefit/cost evaluation, that death taxes for woodlands must not be based on the concept of wealth redistribution—so they can remain under same-family ownership and stewardship for generations. NWOA also believes that local property taxes should reflect the benefits to society of well managed lands (0 percent for wetlands, no more than 3 percent for uplands).

Timber Markets, Biomass and Free Trade



Rated #1 in recent years, concern over markets eased slightly to #2. Woodland owners need good opportunities to sell their products if the enterprise is to be sustainable. There are many aspects to markets, including the large reduction of timber

sales from National Forests (which in turn can lead to the closing of smaller sawmills), opposition from paper producers for open access to biomass markets, and proposed Congressional limits

against favorable treatment of woody biomass from family woodlands. NWOA advocates free trade policies, believing free markets operate best with minimal intervention by government.

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www.logprice.com
Current log prices by state

America has a worldwide advantage in timber growing and is a proven leader by example of sustainable forestry. NWOA supports fair access (exports and imports) to world markets, appropriate measures to maintain diversity of markets locally, and advancing the national renewable energy initiative. There must be no discrimination against wood as a renewable fuel and energy source.

Right-to-Practice Forestry



& Private Property Rights

It is difficult to imagine that a local or county government can take away a private landowner's right to harvest trees on their woodlands, but it happens. Moreover, some cases are held to be a legitimate taking. Informed landowners, willing to get involved and defend their rights, are the best defense. Every year NWOA gives an "Outstanding Forestry Legislation of the Year" award to the state with the best new law. Several of these awards recognize legislation that establishes the state as the authority to set the standard for acceptable forest practices, instead of counties or localities.

Private property rights are not written in stone. They are protected by responsible private property stewardship and public standards, and are not taken away without the right to challenge by concerned landowners.

NWOA believes that private property ownership is fundamental to the American way of life, and related rights and responsibilities should be carefully protected. Compensation for necessary takings should be at least 50 percent of fair market value. Every state should have a right-to-practice forestry law.

Extension Education & Service Forestry



NWOA is an outspoken advocate of state university Forestry Extension because, "Forestry Education Beats Forest Regulation!" For years state legislatures matched federal extension appropriations \$5 state to \$1 federal. This is an excellent investment, but positive results have to be recognized regularly to compete for appropriations. When education fails, and practices deteriorate, people understandably call for new regulations and enforcement. This is a more expensive alternative to the same problem. Once there was a goal of having state "service foresters" in every county with significant woodlands. Their duties were to advise landowners of the importance of forestry, to introduce

them to the services of a consulting forester to maximize their benefits, and

advise them of them of laws with which they must comply. Declining state budgets can lead to an increase in law enforcement duties with a corresponding decline in service forestry. This is not a positive trend for landowner assistance.

www.woodlandowners.org

Click your state and scroll down to 1.) State Forestry or 2.) Forestry Extension

NWOA believes that money spent on education beats money spend on regulation! In 1978 Congress recognized the importance of landowner education with the Renewable Resources Education Act (RREA). For the past two decades funding for RREA has been \$4.2 million/year, while the need for these education programs increases as more Americans buy woodlands. NWOA recommends a RREA appropriation of \$8 million/year, and encourages all state forestry agencies to maintain effective and efficient Service Forestry programs.

Keeping Forests as Forests



Eight out of ten Americans now live in urban metropolitan areas, and all of them benefit from forests whether they know it or now. Working forests are those that are managed to 1) increase water yield, 2) provide sustainable harvests of wood for large and small companies and 3) with attention to protection of biodiversity, wildlife habitat and beauty.

As people continue to spread from population centers to wildland/urban zones land prices rise and conflicts develop over fire protection, trespass, forest management activities. In the last two decades millions of acres of industrial woodlands have been sold to timber investment organizations for short and profitable rotations. Eventually much of this land, plus some family forests changing generational ownership, are divided into smaller parcels and sold to take advantage of better land prices.

Over time, bit by bit, this process results in fragmentation of forest ecosystems with unwanted consequences including broken wildlife migration corridors, timber stands too small to harvest economically, and declining natural beauty.

NWOA believes that all forests regardless of ownership should be recognized as valuable, productive and sustainable ecosystems. Publicly owned parks and wilderness should be carefully managed so as not to endanger adjacent lands. Working forests, both public and private, are capable of benefiting society in many ways. Privately owned woodlands produce most of the forest products. Public lands suitable for forestry, especially those intermingled with private land, should provide a share of American grown wood.

Water Quality and Quantity



In many parts of the U.S. forested watersheds are now valued for their production of clean water in reliable quantity. The value is to society, and very little of that value is received by the landowner. Gradually new incentives to landowners to improve water quality and quantity are discussed, but the primary emphasis remains regulation and the do not harm doctrine.

The decision of the district court in March 2011 not to delay the contentious west coast decision that logging and specifically logging roads are a point source of water pollution and not covered by the special forestry exemption in the Clean Water Act is a cause of concern for private landowners. The final decision may be eventually decided by the Supreme Court, but until then the forest industry and nearly every landowner association supports resolution with legislation now before Congress. The National Alliance of Forest Owners, of which NWOA is a member, is the lead association leading the initiative.

NWOA recognizes that clean water in reliable quantities are in some regions already considered to be the most important product of woodlands. The most equitable way to achieve this is through incentives and education and not through additional and expensive regulation at the state or federal level. Since 1986 NWOA has sought agreement on an understandable definition of wetlands, with clear indicators of when land is wet or not. NWOA supports the use of voluntary Best Management Practices (BMPs) in all 50 states with "bad actor" enforcement clauses if necessary. NWOA continues to support the Clean Water Act forestry exemptions as reasonable. However since this position is subject to lawsuits and the possibility of conflicting legal decisions, NWOA urges Congress to pass legislation before it to resolve the issues on pollution from logging roads and practice.

Stewardship Incentives: Cost-Sharing & Tax Credits



Both federal and state agencies have long assisted landowners in managing their woods, with good results. These include financial support for site preparation, tree planting, stand improvements and soil conservation. Such expenses are well justified with clean water, abundant timber growth and good wildlife habitat, all of which create jobs and a new tax base to support public services.

When tax revenues are scarce, tax credits are a way of continuing the benefits that come from private investments in forestry. NWOA considers cost sharing to be an effective incentive for getting good conservation on the ground.

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NWOA supports the Forest Stewardship Program, the Environmental Quality Incentives Program (EQIP), and the Forest Legacy Program. Each state should develop incentives to assist exceptional stewardship by landowners.



Certification of Forest Practices & Practitioners

The quality of woodland management is certified by three major programs: the Tree Farm System, the Sustainable Forestry Initiative (SFI), and the Forest Stewardship Council (FSC). All three have international forestry accreditation. It is estimated that up to 25 percent of family landowners, mostly those closely associated with their land, use one of these three programs. The early promise of a

"premium" to be paid for timber from certified woodlands had not materialized, but improved markets for certified wood has occurred, particularly with FSC. Another important benefit of certification is ready qualification for lower "land use" property taxes rates, instead of the normal "highest and best use" rates.

Since the beginning, NWOA has advised landowners to get their advice from a certified consulting forester, and have their timber harvested by accredited loggers. Great sales pitches can result in eroded land, a degraded future forest, and a loss of removed timber approaching timber theft. NWOA recommends certifications from the Association of Consulting Foresters (ACF) and the Society of American Foresters (SAF/CF), and the use of loggers accredited by the American Loggers Council's Master Logger program or equivalent state program.

NWOA recommends the use of certified loggers and foresters as an indication of their education and skill. Improved markets are often available to landowners who forest practices have been certified.

Wildfire Suppression & Early Detection



The threat of wildfire to private landowners varies greatly by region. The size and intensity of wildfires in American is increasing. The causes are many, with climate change and increased fuel accumulation being prominent. Many—if not most—private woodlands do not suffer from overstocking because of the management of the owners. Public lands, especially the National Forests, are experiencing larger and more intense fire behavior and runs

beyond their boundaries. Part of this is from the natural build up resulting from years of fire protection, and part is from the decline in forest management activities, with the exception of targeted fuel reductions near urban areas. Prescribed burns, which do reduce fuel loads help prevent wildfire, are more difficult to conduct with smoke regulations in force.

Prompt fire detection has changed too. The advent of fewer fire lookouts, reduced air patrols, and greater emphasis on citizen reports has resulted in an increase in the size of fires at initial report. This usually leads to an increase in the size of the fire—not a good trend for private landowners. On the positive side, many remaining active fire lookouts are staffed by volunteers wanting to make a contribution to forest conservation. NWOA regularly reminds legislators that "Small landowners can only afford small fires."

NWOA recognizes the difficult choices facing fire managers in dead and dying forests and conflicting goals within the Wildland Urban Interface (WUI). We are concerned that homes built in inappropriate areas are protected at the expense of productive forests and watersheds.

www.greentag.org
Green Tag Forest Certification
www.findalogger.com
Accredited loggers by state
www.findaforester.com
Professional foresters by state

See www.nhfr.org for historic and important lookouts in your state