

SUPPORTING TESTIMONY

Substitutes For
House Bills 5453 & 5456
Senate Bill 919

I would like to thank you Mister Chairmen and your fellow Agriculture, Forestry and Tourism Committee members for allowing me to testify in support of Senate Substitute for House Bill 5453, Senate Substitute for House Bill 5456, Substitute for Senate Bill 919. The Michigan Association of Timbermen represents a broad cross section of forest industry within Michigan.

These bills will help provide stability to our forest industry which has become increasingly unstable over the last few years. Although Michigan is blessed with the largest state owned forest in the country and we lead the nation in the amount of surplus timber, we continue to lose jobs and manufacturing facilities to other states and countries. This wealth of "Green Gold" is useless if it can not be made available to local markets. Michigan has lost three large forest products companies in less then 12 months, totaling roughly 750 mill workers and severely impacting roughly 1250 wood workers. These numbers do not take into consideration the countless secondary jobs affected by these closures.

As mentioned earlier Michigan leads our nation in timber surplus, however, the problem isn't growing timber it is harvest availability. Just less than 300,000 acres of state land are "Factor Limited" on an annual basis. Using a common production number of 13 cords per acre this is roughly 3.9 million cords that are not available for harvest on an annual basis. Michigan Department of Forest, Minerals and Fire Management personnel make the determination on what acres are "Factor Limited". Michigan Association of Timbermen feels that the current amount of acres "Factor Limited" is excessive. We also feel that there is not enough public input as to how these "Factor Limits" are determined. The Substitute for House Bill 5453 will allow more public input and review of the "Factor Limits" on a 5 year cycle. In the fall of 2004, Michigan's Department of FM & FM offered to create a "Factor Limits" Working Group to address our industries concerns. However, we are no further today regarding this working group as we were 18 months ago. We have always felt that the legislative process should be the last resort and the lack of follow through on the departments has led us down this path.

Senate Bill 919 and Substitute for House Bill 5456 provides an opportunity for economic expansion of the forest products industry in rural communities close to the forest resource. Michigan with it's 19 million acres of forest land has significant room for expansion in its primary and secondary wood using industries. Wisconsin with 16 million acres of forest land has a \$28 billion forest products industry, more than double that of Michigan. Much of their economic output comes from secondary wood products manufacturers. Flooring, millwork, cabinet production, window and door manufacturers are some of the opportunities that exist. This legislation compliments the other bills designed to improve the management and therefore increased forest products production on public and private forest lands; essential elements to attracting new business and jobs to Michigan.

As I have mentioned earlier the problem is not one of enough timber, it is having enough timber available for harvest that is an issue. As a result of this poor availability, Michigan is experiencing extremes in stumpage prices which is making our forest industry less competitive with other states and countries. This has resulted in the loss of industry and the listing for sale of others. We have been to complacent over the years regarding forestry in Michigan, it is time our governmental leaders become proactive and lead Michigan into a national leader in forestry, thus providing a strong forest industry and economical return from Michigan's renewable resource.

Submitted 9 March 2006 By:
Thomas A Barnes
Executive Director
Michigan Association of Timbermen