

2 February 2006

Honorable Gerald Van Woerkom, Chairperson

Senate Committee on Agriculture, Forestry and Tourism

420 Farnum Building

PO Box 30036

Lansing, MI 48909-7536

Dear Senator Van Woerkom:

Please accept the following comments from the Timber Producers Association (TPA) of Michigan and Wisconsin and Michigan Association of Timbermen (MAT) on Senate Bills 912 – 919. TPA and MAT represents over 1400 logging contractors, truckers, equipment dealers, sawmills, strandboard and pulpwood operations in Michigan and Wisconsin.

We are pleased the Senate is recognizing the importance of the forest industry to Michigan's economy by introducing legislation that will both stimulate economic growth as well as improve the overall health and welfare of Michigan's 19 million acres of forest land.

Senate Bills 912-917 are designed to provide needed incentives for family forest owners, who own 57% of Michigan's forestland, to retain and manage them for long term economic, social and ecological benefits. Public benefits from well managed private forest lands far outweigh the benefits received by the forest landowner. The average forest landowner harvests timber once during their ownership tenure, yet the land they own and manage provides habitat for wildlife, ground water retention and purification and improved air quality among other public benefits at no public cost. Furthermore, family forests comprise 57% of the total forest ownership but only provide 37% of the raw materials used in Michigan's \$12 billion forest products industry. This compares to Wisconsin's family forest ownership with the same acreage that provides 60% of the raw material for their \$28 billion forest products industry. The potential exists to significantly increase the economic output of Michigan's forest products industry with a small investment in family forest ownership through tax incentives for sustainable forest management. With minor amendments Senate Bills 912-917 could provide that incentive.

Senate Bill 918 addresses an issue that is confusing to both Department foresters, the public and logging contractors that purchase state timber designated for harvest. The Department has forty (40) separate limiting factors (reasons) that commercial logging is either temporarily or permanently not allowed on designated areas of state forests. The list of limiting factors includes everything from "federal law" prohibition to "timber contractors not available". There was no public input into the development of the list of limiting factors or into any additions to the list. The proliferation of reasons to exclude commercial logging from state forests has resulted in a significant number of acres that are not receiving any conservation treatment and in excess of 3 million cords of raw forest products unavailable to Michigan's forest products industry. SB 918 will put some structure and public involvement in the process of developing special areas that exclude commercial logging as a conservation treatment.

Senate Bill 919 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.

The Timber Producers Association and Timbermen support the Senate Bills with the following suggested changes:

SB 912 – Section 7JJ (12) (E) Sub (i) we recommend that the productive capability of a "Productive Forest" be changed from 50 cubic feet to 20 cubic feet to be consistent with the Commercial Forest Act. We also recommend that Sub (iii and v) be deleted. Buildings or structures do not impact the sustainable management of adjoining forest land and excluding them would eliminate thousands of acres of productive forest land. Structures should be assessed at their real value separate from the forest land. Requiring a development rights agreement would restrict the use of this law to a very small number of landowners. Development rights are an exception rather than a rule for family forest owners. We recommend as an alternative that criteria be added for a "Qualified Forest" that requires the forest land to be certified by one of the nationally recognized forest certification programs. By requiring certification, the program becomes self policing since certification requires a third party forest management audit and five year inspections to maintain certification. If landowners don't maintain certification, they lose their qualified forest status.

SB 915 – Section 51113 Sub (2) we recommend that all CFA lands currently entered into the law be grand-fathered rather than just those entered prior to March 30, 1995. We don't understand the rationale for discriminating against entries between 1995 and 2006.

SB 918 – TPA and MAT applauds Senator Jelinek and the bill's co-sponsors for reigning in the proliferation of reasons to exclude timber harvesting on state forest land. Given the tremendous ecological and economic impact of the large amount of acres (286,000 acres) that are off limits to conservation harvests because of factor limits we recommend a more structured approach. We recommend that factor limits be established through an administrative regulations process that requires public input and legislative oversight. This process would require any future factor limits be established through a regulation revision. In requiring the Department to develop regulations, the legislature should require that a proposed factor limit include the approximate number of acres affected and an analysis of the economic and social impacts of the factor limit. We believe a better solution is to allow those acres that are not restricted by state or federal law to be made available for harvest. The advancement of the technology in our harvesting equipment has allowed our members to harvest timber on very sensitive sites without causing excessive ecological damage. Contract language can specifically outline or detail what is required for these "Factor Limited" sites to ensure minimal damage. Also we would recommend that a concurrent study be conducted to evaluate the amount of proposed "Factor Limited" acres that are actually harvested and to look at those acres that are not harvested to be used as a baseline for establishing more realistic "Factor Limits".

Sincerely,

Gene Francisco

Executive Director

Timber Producers Association

PO BOX 1278

Rhineland WI 54501

Thomas A Barnes

Executive Director

Michigan Association of Timbermen

7350 S M-123

Newberry MI 49868