

# THE TOP TEN FORESTRY ISSUES FOR 2007-2008

NWOA is the only national organization that conducts an annual survey of our affiliated state forest and woodland owner associations for the purpose of describing and ranking the top ten private forestry issues affecting private landowners.

## New This Year

New this year is a box at the head of each issue that lists internet websites (NWOA sponsored or co-sponsored) that landowners can use to get up-to-date information relating to each subject. NWOA will continue to publish an annual report card at the end of each calendar year with grades (A to F) describing how each important concern fared over the last 12 months.

The survey reveals the tremendous diversity among private woodland owners throughout the United States. This can be seen in the range in rankings listed for each position. Still, all the issues are quite closely grouped, which is an indication that even with diversity, there is common agreement among landowners throughout the country over what concerns them the most.

Energy may begin to dominate low-grade timber marketing.



## 1.) Fair Income, Inheritance and Property Taxes

### Ranking range 1-7

The Number One issue for 20 of the last 22 years: "Taxes" continues to receive top ranking by a comfortable margin. The big concern now is with the tax burden of passing our woodlands on to the next generation. The current buzzword is "intergenerational transfer."

Two years ago, Congress finally approved Capital Gains treatment for lump sum, competitive bid timber sales (the procedure NWOA recommends). Our focus for 2007-2008 is a permanent fix of the negative effect of inheritance taxes ("death tax"), an effort with which we have many partners including the Forest Landowners Tax Council. State affiliates have the lead in assuring that state capital gains rules, as well as tax incentives and land use property tax rates encourage the practice of sustainable forestry on private lands.

Now that good progress is being made on income and inheritance taxes, there is growing concern over local property taxes, which rise each year as land prices escalate above their value for growing trees and ecosystem benefits. This is a result of a continuing surge in rural land prices, including woodlands. As more people move to the country, local governments are pressed to serve new residents with roads, police, fire protection, hospitals and schools. Even with lower land-use taxation rates favoring forestry, many landowners are discovering that their annual property taxes are getting too expensive to justify the continuing investment in forestry.

NWOA believes that property taxes should be based on benefit/cost ratios, with appropriate recognition to the market benefits to society (timber, wildlife revenues) and the non-market benefits (clear water, natural beauty, natural habitat). Federal and state income tax, as well as inheritance tax laws, should encourage—not discourage—long term private investment in forestry.

## 2.) Timber Markets, Biomass and Fair Trade

### Ranking range 2-6

This position jumped from #6 to #3 in voting in 2005, and then moved up to #2 this year. This is a positive indicator that family wood-

[www.timbertax.org](http://www.timbertax.org)  
Federal timber tax site  
[www.timbertax.net](http://www.timbertax.net)  
Seigel timber tax articles  
[www.timbertax.com](http://www.timbertax.com)  
Trained tax preparers

[www.logprice.com](http://www.logprice.com)  
Current log prices by state  
[www.woodybiomass.net](http://www.woodybiomass.net)

land owners, who own and produce one half of America's home-grown wood supply, are willing to work toward good log markets. NWOA, in cooperation with the National Forestry Association, maintains [www.logprices.com](http://www.logprices.com) as part of this nationwide effort.

NWOA is, and remains, an advocate of free trade with a minimum of government interference. We also support diversity and honest competition in the timber market that, in this period of mergers, often requires oversight by government through antitrust laws and investigating market price manipulation. Not many forestry organizations take a position on trade issues. The few that do tend to support import protections while opposing any export penalties. While popular with their members, this is not a realistic public trade policy. The long-running softwood lumber trade dispute with Canada was publicly resolved in early 2006 along guidelines that NWOA advocated, but the Canadians continue to express concern that the U.S. is not abiding by the accord.

With the advent of recent increases in the cost of oil and natural gas, there has been great interest in the production of ethanol as an alternative—domestic—energy source. Although most of the attention is focused in the near term on ethanol from corn, it can also be derived from woody biomass, a much cheaper raw material source. NWOA has been recognized by the 25x25 initiative as "A leader and partner in efforts to provide 25 percent of the nation's energy from renewable sources by 2025." NWOA recommends that all forest resources be made available to the emerging bioenergy market on an equitable market footing with other bioenergy feedstocks, and that such resources not be limited to forest residues.

Multiple buyers (American mills and exports) and competitive markets are essential to the success of private forestry enterprise. Many NWOA members voluntarily allocate a portion of their timber sales to local mills to help assure the continued availability of multiple markets.

*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 works markets, appropriate measures to maintain productivity and diversity of domestic mills, and the 25x25 National Renewable Energy Initiative.*

### 3.) Private Property Rights

Ranking Range: 1-9

NWOA has a long history of working for the recognition and respect of Private Property Rights as fundamental to the American way of life.

Seventeen years ago NWOA developed the widely-respected Private Property Responsibility Code which in turn has been formally adopted by the majority of our state affiliates. This code is our assertion of responsibility for our private lands and our intention to protect the bundle of rights that goes with private ownership.

Property rights come into question most often when a public agency or utility acquires private land for a public purpose (roads, power lines, schools, etc.). This can be done legally without landowner consent through a process called a "taking." The owner can, however, challenge the price offered for the land.....something called "compensation." The ques-

tion then becomes a determination of a fair price, often by a court process. Subtly, or poorly-defined takings often result from logging restrictions or other land use rules required by the federal Endangered Species Act. Unfortunately, some courts have ruled that such a subtle taking does not occur until a landowner has lost up to 80 percent of the value of the property!

A difficult aspect of this issue is that each case must be argued individually by landowners, a process that can be expensive and with limited positive results. Although the Endangered Species Act has technically "sunsetted," Congress keeps it alive each year through the appropriations process. Rulings by the U.S. Supreme Court favoring societal benefits over individual rights have resulted in the introduction of numerous bills at the state level, but Congress remains unwilling to address this issue. There are only 10 million woodland owners among the 275 million citizens that members of Congress represent. It is difficult to get the attention that property rights deserve, but it is imperative to be vigilant.

*NWOA believes that private property ownership is fundamental to the American way of life, and related rights and responsibilities should be carefully protected and not gradually eroded. Compensation for necessary takings should be at least 50 percent of fair market value and more when justified.*

### 4.) Right to Practice Forestry

Ranking Range: 1-10

This is a state and not a Federal issue, but NWOA considers it extremely important to the protection of landowners' ability to harvest trees and practice good for-

See State Landowner Association Newsletter

**Inheritance taxes affecting timberland remain a big concern.**



estry. Always one of the Top Three issues, the Right-to-Practice Forestry has dropped to #4 but, is still an issue of major concern among state affiliates. NWOA remains concerned that those states without appropriate laws on the books put woodland owners at risk of not being able to manage their land and profit from their forestry investments.

Many woodland owners cannot imagine a law being enacted that would prevent them from cutting their timber if they decide to do so, but it can and does happen. This is a local/state issue, but for years NWOA has played a role in sharing information and encouraging all state associations to make it a priority before it is too late. Once local jurisdictions have asserted authority to regulate forest practices on privately owned woodlands, it is difficult to get them to relinquish control!

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*NWOA strongly encourages the enactment of state and local laws that codify the benefits of good forest stewardship, trump restrictive local ordinances, and recognize the long term investments of landowners in the practice of forestry.*

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## 5.) Extension Education and Service Forestry

### Ranking Range: 2-9

Investment in forestry education (e.g. Master Woodland Managers) through the Extension Service and cooperating state and local agencies (who put up \$5 for every federal \$1) yields a good return to society through improved forest health and productivity. In NWOA's opinion: "Forest Education beats Forest Regulation every time!" It is more cost effective and certainly makes more sense in the long run.

Woodland owners benefit from multiple sources of forestry advice, including consulting foresters, state service foresters, industry landowner assistance, and Extension forestry. Putting landowners in touch with trained foresters is important, and in 2005 NWOA joined in support of [www.findaforester.com](http://www.findaforester.com). In spite of the impressive achievements attributed to both Extension and Service forestry, cash strapped states continue to single out these programs for continuing budget cuts. One governor proposed the elimination of forestry Extension altogether, but reconsidered after a state affiliate generated a strong response.

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*NWOA supports annual appropriation for the Renewable Resources Extension Act (RREA) and other related programs. Publicly funded service forestry advice through state agencies is endorsed, as well as industry and certified private consulting foresters (i.e. ACF and SAF-CF).*

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## 6.) Wildfire and Forest Health

### Ranking Range: 1-10

With increased fuel loading, especially on public lands, and the weather effects of apparent global warming, the threat of wildfires is a growing

[www.findaforester.com](http://www.findaforester.com)  
State forester websites  
Extension forestry websites

[www.nationalforestry.net](http://www.nationalforestry.net)  
Wildfire related features  
[www.firewise.org](http://www.firewise.org)  
Cooperative fire programs

concern of private landowners. Fire, plus insect and disease outbreaks, presents a potential of destroying a lifetime investment of work and money in forestry. The disastrous wildfires that have become commonplace in the last seven years have aroused landowner concern, especially in fire-prone regions. Overstocked forests (especially those on federal lands), declining forest health, the arrival of highly inflammable invasive species, delayed fire detection, and inadequate initial attack are all contributing factors. Unfortunately, with the exception of Oregon, fire control priorities give buildings a higher priority for protection than forestlands, and often result in much larger acreage burned with long lasting damage to water and plant resources and well as timber and wildlife.

Implementation of the Healthy Forests Restoration Act has resulted in focused funding for stand improvement, fuels reduction and increased detection, and fire readiness. The National Fire Plan is providing a focus on wildfires nationwide leading to improved performance. However, too much attention continues to be placed on protecting new homes constructed in fire prone areas at the expense of private woodlands burned.

Periodically, NWOA advises Congress that: "Small landowners can only afford small fires!" Detection failures (fires larger than one acre when first reported) have been an important part of the problem. Some NWOA members, in cooperation with local fire districts and the Forest Fire Lookout Association are now volunteering to restaff closed lookouts. In fact, more lookouts across the U.S. are now staffed with paid and volunteer observers than any time in the last 16 years. Invasive species and new disease and insect outbreaks (such as the emerald ash borer) are posing a growing threat to woodlands. Control measures must be on a landscape basis, including all ownerships.

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*NWOA recognizes the difficult choices facing firefighters in dead and dying forests, and within the urban housing interface. We are concerned that homes built in inappropriate areas are being protected at the expense of large expanses of public and private forests. Control of insects, disease and invasive species should be a top priority.*

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## 7.) Certification of Loggers, Foresters & Forest Practices

### Ranking Range: 2 - 10

Certification of loggers and foresters is a confirmation that they practice under a Code of Ethics and receive periodic training to a higher standard. Certification of a forest practice results from a review by an independent qualified third party of actual forest practices on the ground. Woodland certification is important, but it rarely brings a price premium on logs.

Professional foresters are certified through membership in the Association of Consulting Foresters and/or the Society of American Foresters. Such individuals are authorized to display the initials "ACF" or "CF" behind their name. Loggers are trained and often accredited by state Logger Training Programs in cooperation with state forestry associations and agencies, the Extension Service, the Forest Resources Association, and the American Loggers' Council. NWOA is continuing its effort to make the names of trained loggers available through [www.findalogger.com](http://www.findalogger.com), but not all states

[www.greentag.org](http://www.greentag.org)  
Greentag Forest Certification  
[www.findalogger.com](http://www.findalogger.com)  
Accredited loggers by state

make these lists available.

Forest Practice Certification is available from three providers. The two largest programs are the Forest Stewardship Council, and the American Tree Farm System (recognized by the forestry industry's Sustainable Forestry Initiative—SFI). The Green Tag Forestry program, developed for private landowners, is available through NWOA and the National Forestry Association.

NWOA recommends the use of certified loggers and foresters as additional confirmation of quality services and co-sponsors a nationwide source: [www.findaforester.com](http://www.findaforester.com) and [www.findaloggers.com](http://www.findaloggers.com). Forest practice certification programs confirm adherence to a stated level of sustainable forest practices.

## 8.) Cost-Sharing and Incentives Ranking Range: 2-10

NWOA has long endorsed cost sharing for forest practices (federal, state and

[www.privatelandownernetwork.org](http://www.privatelandownernetwork.org)  
Link to cost-share resources

private), as well as other types of incentives (taxes, zoning, easements) as proven programs in getting good forestry on the ground. In recent years there has been a trend away from cost sharing (which tended to benefit a relatively small number of landowners) with more emphasis on alternative incentives. NWOA believes there is justification for continuing both approaches with periodic performance reviews to determine the most effective and appropriate programs. NWOA is a member of The Forests in the Farm Bill Coalition and is seeking to broaden the Environmental Quality Incentives Program (EQIP) so more woodland owners will be eligible to participate if they choose to do so. Emerging cost share initiatives focus on integrated resource management (water quality, wildlife habitat, stewardship plans, etc.) over timber (tree planting, stand improvement). A new area of significant tax incentives for sustainable forestry through the application of conservation easements is emerging at the state and federal level.

NWOA supports the forest stewardship program (FSP), the Forest Land Enhancement Program (FLEP) and the Forest Legacy Program (easements). Each state is encouraged to develop programs to enable the continued practice of sustainable forestry on private land.

## 9.) Landowner Liability Ranking Range: 3-10

At one time ranking as high as #4, this issue now has dropped

[www.woodlandownersinsurance.org](http://www.woodlandownersinsurance.org)  
Landowner and hunt club liability insurance

to #9, partly because of the availability of low cost and high quality vacant land liability insurance, as well as hunt club



Best Management Practices continue to protect watersheds.

insurance, that took NWOA a six-year effort to develop. As of 2007, 94 percent of NWOA members participating had renewed their policies, indicating satisfaction with this long-sought insurance program. With more people moving into rural areas, private landowners are experiencing increased trespass, dumping, and unwanted public use of their property. Individual landowners may be held liable for injuries related to both authorized and unauthorized use of their property. Liability risk is governed by state rather than federal law, and those laws vary in each of the 50 states. NWOA now offers \$1 million/\$2 million coverage vacant woodland liability and/or hunt club insurance—available in all 50 states—at a reasonable rate (\$195/year for up to 500 acres).

NWOA encourages all states to enact reasonable landowner liability laws that shield property owners from nuisance lawsuits. Insurance companies are encouraged to offer fire insurance to rural homeowners at rates based on risk management incentives.

## 10.) Forestry on Wetlands—Best Management Practices Ranking Range: 1-10

Timber production is a compatible and appropriate use on

State Forestry Regulation websites

the majority of privately owned woodlands. Section 404 of the federal Clean Water Act recognizes silviculture as an appropriate practice. All 50 states have adopted Best Management Practices—BMPs—which, when followed, help assure the protection of wetlands as well as all woodlands. There continue to be disagreement and difficulty in recognizing and defining those lands which are wetlands and those which are not.

NWOA recognizes forestry as a usually-compatible use of wetlands. Wetland definitions must be clear and reasonable to be effective. NWOA endorses the creation and application of state Best Management Practices (BMPs) nationwide.