

**Threats to Private Forests Workshop Draft Agenda**  
**Northern Rockies**  
**March 17-18, 2009**

**Natural Resources Conservation Service**  
**9173 W Barnes Dr, Boise, ID 83709**

**Objectives:**

- Develop a detailed outline of the threats in the Northern Rockies
- Review major past efforts to describe threats
- Articulate potential solutions to the threats to be passed on to drafting committee

**Tuesday, March 17**

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**8:00 a.m. Refreshments available**

**8:30 a.m. Opening comments**

**8:40 a.m. Agenda review**

**8:50 a.m. Introductions**

**9:05 a.m. The Western Threats Assessment Process**

A brief explanation of the context for the workshop, how the workshops are organized and the expected final outcome. Review of threats that describe the challenges for the Northern Rockies region.

Description of the process and how we arrived at the themes to be discussed for the day. There is also the potential adding of other threats to the list.

**9:30 a.m. Briefings on Threats**

Workshop organizers will brief each of the four threats/issues identified as challenges for the Northern Rockies region by reviewing studies to understand the impacts of the threats on forests in the Northern Rockies. These threats are:

- Deteriorating infrastructure
- Forest health challenges
- Disease and insects

Question and answer will be included as part of the briefing.

**10:00 a.m. Break**

**10:15 a.m. Discussion**

The group will be asked to discuss the threats and to work to discuss the underlying causes and impacts of the threats to private forestry. How are these threats changing the economic

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and social parameters of private forestry? Some potential questions include:

- Is the threat a symptom of a larger threat or a cause of other symptoms or both?
- What is the nature of the threat? What is the definition?
- Is it different in different locations?
- How is this impacting private forests?

**12:30 p.m.**

**Lunch**

**1:30 p.m.**

**Discussion**

How are the threats related to each other?

What are additional threats and how are they related to the discussion?

**3:00 p.m.**

**Review of outline** of threats and discussion of how they should be bound together/ organized.

**4:30 p.m.**

**Adjourn, Day 1**

*6:00 p.m.*

*Dinner out?*

**Wednesday, March 18**

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**8:00 a.m.**

**Refreshments available**

**8:30 a.m.**

**Discussion of Day 1**

Any additions or changes from the previous day.

**9:00 a.m.**

**Review of outline:** Is this the way it should look? What changes are necessary?

**9:45 a.m.**

**Solutions: Given the outline of threats, how can solutions be applied?** Solutions that were mentioned during discussion will be reviewed and new ideas will be invited.

How can we overcome barriers to achieving productive private forests in the Northern Rockies?

**11:30 a.m.**

**Next steps, comments on workshop**

**Noon**

**Adjourn**

Threats to Western Private Forests

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\*Attended first day only.

**Western Forestry Leadership Coalition  
Threats to Western Private Forests  
Northern Rockies Workshop Summary**  
Boise, ID      March 18 – 19, 2009

**In Attendance:**

Dana Coelho	David Torell	Gordon Cruickshank
Gregg Servheen	Jay Jensen	Jerry Beatty
Jim Riley	Jonathan Oppenheimer	Kennon McClintock
Margie Ewing	Mike DeArmond	Tim Kennedy
Will Whelan	Will Singleton (facilitator)	

**Workshop Objectives:**

- Develop a detailed outline of the threats to the Northern Rockies
- Articulate potential solutions to the threats to be passed on to the drafting committee
- Provide guidance to the drafting committee for the Northern Rockies section of the report

**Action Items / Next Steps:**

- WFLC will post the finalized summary on a private website for participants' reference
- Flip chart photos will also be posted on the Web
- Invitees who did not attend may be asked to add their perspectives that will could be an appendix to the summary

**Process Summary:**

The Western Forestry Leadership Coalition is conducting five workshops throughout the western United States to identify threats to maintaining private forests as working lands. This workshop was the second of the five. Its focus was on the Northern Rockies region, which is principally comprised of Montana and Idaho. The workshop was organized to ask participants to delve into the issues in depth. The results of the workshop are going to be incorporated into a report to be approved and published by the WFLC board. The major steps of this process are:

- Workshops held in five regions throughout the West
- A drafting group is assembled to draft a report
  - The report will summarize the results of the workshops but will also synthesize the themes of the workshops to produce a unified report that reflects the entire region
- The draft report will be reviewed by the WFLC board, changes may be suggested/requested
- A finalized report will be produced by the drafting committee
- WFLC expects to print a final report by the early fall of 2009
- Workshop participants will be asked to review the report and ensure factual accuracy as well as determine their willingness to have their names associated with the report as "Workshop Participants"
- Drafting committee members will be asked if they want to sign on to the report
- The report will be published by WFLC, printed, posted on the Web and distributed to key policy makers

The report will be used to inform policy makers at the local, state and federal levels about the challenges that private forests face in the West, to establish a policy context for approaches to address the challenges, and to make appropriate recommendations to address the barriers to maintaining private working forests in the western states.

A general **timeline** follows (Note: dates are approximate):

April	Regional Workshops are conducted
May	WFLC forms a drafting committee
June – Aug	Drafting committee develops its report
Aug 15	Draft shared with workshop participants – comments are solicited
September	Drafting committee sends its report to the WFLC Board
Sept. 15	Drafting committee considers comments and finalizes reports Workshop participants are asked to sign on to report

## **Workshop Results:**

### **A. Summary of Actions**

Workshop participants engaged in a day and a half of discussions centering on conditions in the Northern Rockies. After an initial review of themes that were developed through interviews with WFLC members, the participants discussed the nature of barriers to maintaining private working forests.

The discussion was framed around three central organizing categories: **Ecological, Economic, and Social**. This framework was used to organize participant described threats and solutions to private forests in the Northern Rockies. The participants were asked to draw a Venn diagram reflecting the threats in the geographic area in which they work (ie. Valley County, ID or the State of Montana). They were asked to draw the diagram to reflect which of the three groupings were the most important (Ecological, Economic, or Social) and they were asked to identify their three priority threats.

The **Venn diagrams** showed that economics is that largest overall concern in the area although social and environmental issues are closely tied to the challenges that face private forests in the region. These diagrams were scanned and are going to be used to inform the drafting committee on the variability in the region.

Through the discussion, workshop participants identified **threats or vulnerabilities** under the three categories. The concept of vulnerabilities was introduced as a way to describe the interconnectedness of the issues. A threat could also make forests and their productivity vulnerable to other factors. These threats/vulnerabilities are included in bullet form at the end of this summary. Some participants indicate that “threat” is a poor descriptor because of its emotional connotations.

**Solutions** were discussed on day two and are attached at the end of this summary. They also centered around the three large categories of Ecological, Economic, and Social. Solutions were given at the local, state and national level.

Finally, as a result of the discussions, an **outline** was suggested that might be a format for the Northern Rockies “chapter” of the eventual region-wide report. Participants stressed the importance of establishing the right context, the importance and scarcity of private lands as a part of the landscape. They stressed that there are many important opportunities that are associated with the threats and barriers.

A description of threats, solutions and a proposed outline follow. The last item is a list of reports, examples and initiatives that can be used to inform the writing of the report.

### **B. Discussion of Threats:**

## **Biophysical/Natural**

- Recreation can bring in invasive plants and pests
- Changed values/management has brought ecological problems by disrupting the balance of naturally occurring events in the forest – such as fire and bug infestation
  - Public lands management impacts the ecology of private lands by providing unimpeded spread of fire and insects
- Climate change is exacerbating natural cycles and degrading forests' natural resilience
- Ecological thresholds are being crossed because of natural and man-caused vulnerabilities – some systems are reaching a point of no return because management is not being done on a system level scale.
- Fire
- Insects/Disease
  - Pines are at their natural rotation age and are more susceptible to disease
  - White Pine Rust
  - Pine Beetle – “Bugs aren't the disease, they are the fever.”
- Undesirable Plants – Can be caused by lack of diversity in the forest and fragmentation
  - Cheat Grass

## **Economic/Policy**

Underlying structural problems- “If land can't pay for itself, its use will change.”

### Ecosystem services are not valued

- No standardized (commoditized) market for essential ecosystem services: water, wildlife, carbon. There is no “currency” for the trading of these economically valuable assets that could change the cost/benefit equation of maintaining private forests

Large log → Small log → Economic distress → Changed land ownership → Changed management values

Decline in Infrastructure – Infrastructure is still there in Northern ID but is declining in Central ID.

→Causes-

- Decline in harvest from federal lands
- Decline in lumber prices as international trade has increased
- Decline in markets for the region's timber has occurred because of inexpensive foreign timber but also because of the cyclical downturn in the US economy and its insipient decline in housing construction.
- Values that are driving management of federal lands are changing to include carbon sequestration and water quality.
- Not attracting new investments – new technology that can more efficiently use forest products is not being deployed

→Results-

- Decline in tax revenues for local and state governments as the market has decreased
- Tax breaks for previously harvested areas are no longer creating economic activity, local government is forced to tax others
- Decline in land values as infrastructure has left the region – forests near mills tend to be more valuable
- Transportation costs increase because logs need to be sent to OR
- Hinders fire management
- This has led to some companies overcutting their parcels to address higher costs
- State trusts are making less revenue because of a decline in infrastructure. This may make them look to other sources of income from the land. State trusts have to look at best economic return

### Small diameter industry not viable? (Biomass)

- Insufficient capacity for use of biomass
- Not enough feedstock to provide for a large enough industrial infrastructure
- Start up costs are high
- Transportation costs are high
- Investment requires a 20yr guarantee of supply but feds can't provide that long-term of an agreement
- Not enough private land
- No one entity can finance the creation of the biomass market – it requires integrated decisions on supply and use
- Region has the cheapest power in the region – making other forms of energy more competitive against biomass

Poor policy framework – Participants stated that the industry is highly regulated when compared with other land uses, this and inconsistency of laws, rules, regs has created a hostile investment environment

- The tax structure and incentives do not reward multigenerational management of forests – “kids can't pay the taxes”
  - Inheritance taxes
- Power disparity makes working with feds difficult
- The “Forest Management Practices Act” has increased the costs of management
- Decision-making is fragmented between the feds, state and county leaders
  - Micro disputes take precedence over big picture
  - Regulations (such as NEPA) focus too much on site specific issues as opposed to bigger/landscape issues
  - Permitting often rest with local perceptions. Counties' zoning decisions can not look at a landscape level that better values ecosystem services
  - “Highest and Best Use” means buildings on the land for counties
  - No functioning mechanism for long-term commitment
  - Land owned by TIMOs & REITs tend to focus on core competencies rather than on a holistic approach
- Unworkable processes on land use (NEPA, Clean Water Act, Endangered Species Act)
  - Permitting process takes to long
  - The system pays people to combat project planning
  - Investors resist uncertainty
- Other uses are not encouraged by current policy framework
  - Regulations for other uses of forest lands don't encourage woody biomass, pellets
  - Biomass plants demand huge supply of feedstock that would require harvesting in public lands as well. Permitting is difficult on public lands making an uncertain investment environment.
- No way to insure resource. Asset is exposed to threats – such as fire.
- There are few discussions on how to do things right – such as the benefits of Resource Advisory Committees

### **Social**

#### Inmigration of new residents

- Much of society expects ecosystem services as a free benefit from forests of all types
- Urban flight of wealthy households is changing the demographics of rural forested areas

- Economic activity has changed with these new residents. They use information to conduct economic activity and this is more difficult for counties to capture through taxes. An end result is an increased burden on more “taxable” activities
- New residents see open lands as a recreational amenity. This has increased conflict on use.
  - These recreational uses do not provide appropriate income for private land owners
- New residents don’t understand/under value the necessity of forest management
  - Some feel that there is so much public land around that private land conversion is not a problem
- Intolerance of different values and approaches
  - Use of science to validate values/views
  - Private right vs. community rights

#### Shift from resource economy to service economy in many rural areas

- Communities lose values for working forestry
- Kids leave
- The workforce loses skills and knowledge in forest management. Community loses the “values” of sustainably using the forest lands.
- Recreation and open space becomes a higher value for communities
- Some communities (such as Ketchum) the recreation economy means that many can no longer afford to live and work in the same place

#### Current public debate separates a system that needs to be viewed as an integrated whole

- Mills, harvest, wildlife, forest health all support each other
- Urban decision-makers do not understand the balance that must be struck in forest management

### **C. Discussion of Solutions**

This brainstorming of potential solutions is intended to inform the drafting committee of some ideas that were discussed during the workshop. Ideas presented below do not necessarily represent the agreement of all participants.

#### **Biophysical/Natural**

- Climate Change
  - Develop criteria for using forest assets as offsets to carbon emissions
  - What practices promote sequestration?
  - Create a market for specific climate-friendly practices
  - Change the vegetation mix for future climate adaptation
  - Link-in with the Western Climate Initiative

#### **Economic/Policy**

- Gain a federal set aside for state/private forestry to enable a cost share to private land owners
- Promote stewardship in management
  - State outreach to non-industrial land owners on practices
  - Incentives should require certification or other stewardship
- Encourage the right actions by large land owners through incentives
  - Over regulate and land owners will dispose of land for other uses
  - Include tax recapture when landowner sells land for other use
  - Use easements to incentivise specific practices
- Enhance markets for diversification – renewables
  - Use the energy stimulus package for biomass

- Reduce materials onsite to reduce transportation costs
  - Develop markets (ie for pellets) through government use (prisons, schools, offices, etc)
  - Include forest products in bioenergy/ethanol policies
- Establish “currency for ecosystem services including wildlife, carbon, water quality/quantity through:
  - Tax credits at the federal (and perhaps state levels)
  - Carbon credits
  - Water credits
  - Long – term management incentives (100 year rotation)
  - Public access credits
  - Wildlife mitigation banking with links to state comprehensive strategies (state wildlife action plans)
  - Open space easements
  - Utilize a “scarcity cap and trade” for lands that have been pre-ID’ed as critical
- Integrate differently owned parcels into one working landscape
- Get other state departments (commerce) to work on barriers that private land owners must address to have working forests
- Provide funding at the state level for easements by establishing a state land legacy trust (MN uses cigarette tax, Great Outdoors Colorado)
- Enable capacity for early planning at the county level – provide service across state so that counties with less capacity can benefit from sophisticated planning tools / GIS

### **Social**

- Develop community, state vision to describe current values (ie Tongas Futures Forum, Community Wildfire Protection Plans, RACs) and processes around specific places
- Examine NEPA and how it makes decisions more difficult because it balkanizes interests. Orient NEPA to restore trust
- Encourage collaborative processes through incentives from feds
- Promote collaborative processes (ie Envision Utah)
- Demonstrate success applications – fund demos

### **D. Proposed Outline**

Workshop participants agreed to a proposed outline for their section that would establish the context for the region, discuss barriers/threats/vulnerabilities, and ways to address underlying causes of problems. The discussed outline follows:

#### **I. Introduction**

##### The players

Participants sought to define who the key players are in the Northern Rockies region by defining working lands in the following ways:

- Working lands- 10+ acres
- Big Industrial – These could be investor owned lands (such as a tree farm),
- non investor – in which working forests provide “incidental” income – and family land owners that can be more “values driven” in their management of the forests.
- Major governmental entities include: tribes, states, BLM, US Forest Service.

##### Context

- Region still has a viable industry

- There is a broad public desire to keep the industry in the region and to keep Natural Resource dollars as an important part of the economy
- There is some significant non-industrial private ownership in some areas
- The Northern Rockies still has viable wildlife populations (notable carnivores and threatened species such as wolverine)
- There is a base of management laws at the state level
- Private lands are disproportionately important
  - Private lands provide access to public resources
  - They provide connectivity for wildlife migration
- Private lands are a small percentage of overall landscape, which means that local officials have less options to address their needs

#### Growth

- Refer to the “Code of the New West” – Expectations of services and use of resources should be different. Life is different in the rural areas
- The low percentage of private land is the focus of growth
- Forests add value to lands
- Recreational demands will increase on remaining open lands

#### Vulnerability/Opportunities

- Recognize the threats and vulnerabilities and use the opportunities to specifically gird against threats
- Apply a systems approach across boundaries
- Look at leverage points where solutions can be found
- Discuss the intensity-based continuum for forestry, at one end of the scale there is very little intensity but the forest is not economically viable, at the other end, the forest is economically profitable but not sustainable as a natural system. Finding the sweet spot is the goal.

### **II. Barriers/Threats/Opportunities**

- Look at trend analysis/long-term impacts and the loss of opportunities
- Focus on origins/causes – not symptoms, connect symptoms to underlying causes

### **III. Recommendations/Solutions/Opportunities**

- Scale context for solutions at the right label
- Enable each actor to act at appropriate level
- Encourage a systemic approach through recommendations
- Use specific examples of programs. What has worked? What impacts would they have?
- Link report with state assessments

### **E. Workshop Debrief**

Good:

- Diverse interests at the table
- Good group dynamics. It was a constructive discussion where people listened to each other
- Venn diagram exercise
- Nice to get to talk about the issues on a more holistic level
- WFLC is an appropriately neutral convener

Issues to be changed:

- Need to have a more detailed plan/explanation on how report will be used
  - What will be the specific actions of WFLC with the report?
- It was too bad to have a drop off in attendance on the 2<sup>nd</sup> day
- It would be helpful to know more about the process before the meeting
- Not enough participation from Montana interests
- WFLC should bring participants back together to discuss report and provide comments to the drafting committee.