



Northern Forest Lands Council *10th Anniversary Forum*

FINAL REPORT April 25, 2005

Recommendations for the Conservation of the Northern Forest

Sponsored by the
North East *State* Foresters
Association (NEFA)





May 27, 2005

To members of the Congressional Delegations of New York, Vermont, New Hampshire & Maine and other interested people in the Northern Forest region:

Together, we are releasing the recently completed Northern Forest Land Council 10th Anniversary Forum's Final Report: Recommendations for the Conservation of the Northern Forest. The report represents important work by twenty-three individuals from our states. We believe you should take notice of their work and, with us, begin actions to address their recommendations.

The report, prepared by the North East State Foresters Association, with public input and assistance from the United States Forest Service and a Forum Group appointed by the Governors of the four Northern Forest States, examines the issues surrounding the future of the 26 million acre Northern Forest region of New York, Vermont, New Hampshire and Maine. It builds upon the 1994 *Finding Common Ground: Conserving the Northern Forest* report of the original Northern Forest Lands Council which compiled an extensive analysis of the status of the Northern Forest and made comprehensive recommendations to help conserve the Northern Forest and improve the economy of the region. In 1988, a major land sale in the region by what was then Diamond International Corporation, marked a change in the future of the region, causing our predecessors and the Congressional Delegations of our states then to initiate action through the Northern Forest Lands Study and the Northern Forest Lands Council.

A decade later, the new report notes that significant progress has been made, particularly as it relates to the conservation of the public and private forest lands that dominate the region. It also underscores the need to focus on broader economic strategies that help improve the economic viability of the communities within this vast, but sparsely populated part of the Northeast. As the report notes, "Ten years after the work of the Northern Forest Lands Council, the forest remains the central element that ties the region together. Our communities, economies, and culture all share a common connection to our forest lands."

The report makes four recommendations:

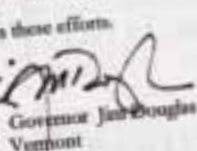
1. Invest public and private resources to develop and implement community and economic development strategies across the region to reinvigorate the rural economies of the Northern Forest;
2. Continue public and private investment in the conservation and forest stewardship efforts catalyzed by the work of the original Northern Forest Land Council;
3. Support private forest landowners in practicing sustainable forest management and good stewardship while encouraging public access to private property for recreational purposes; and
4. Create a collaborative regional effort to follow through and ensure the implementation of the initiatives in this report, to be led and supported by the Governors of the four states.

As Congress continues its efforts to address the economy and environment of the Northern Forest, we believe you will find this report useful in understanding the many issues facing this important area. The four Governors stand ready to work with the Region's Congressional delegation in advance, as the report indicates, "bold new strategies ... to link economic and community opportunities to foster stewardship, conservation and industrial uses."


With this letter, we hope to initiate the Forum's fourth recommendation.

We hope you will join us in these efforts.


Governor George Pataki
New York


Governor Jan Douglas
Vermont


Governor John Doherty
New Hampshire


Governor John Baldacci
Maine

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Northern Forest Lands Council

10th Anniversary Forum



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Sponsored by the North East *State* Foresters Association (NEFA)

Funding provided by the USDA Forest Service, Northeastern Area State and Private Forestry;
Baskahegan Company; Huber Resources Corp.; and LandVest.



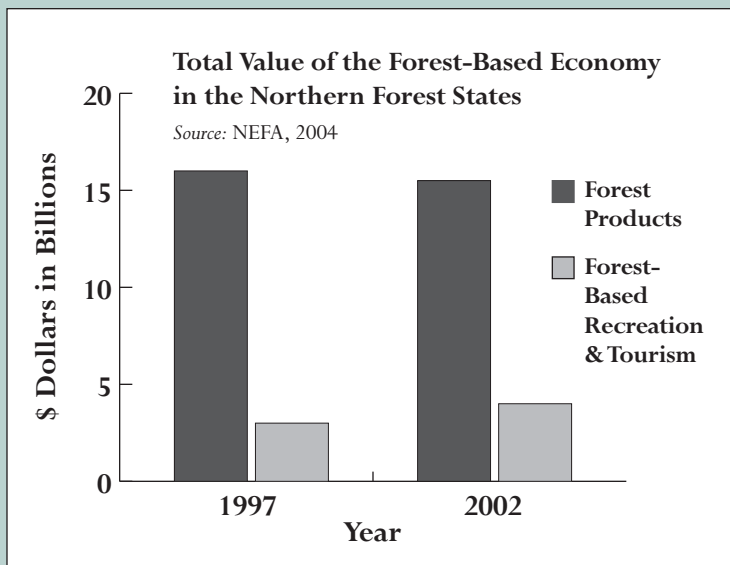
economic viability



natural resources conservation



strong communities



This effort concluded that action was needed on four fronts:

Recommendation 1:

Invest public and private resources to develop and implement community and economic development strategies across the region to reinvigorate the rural economies of the Northern Forest.

Recommendation 2:

Continue public and private investment in the conservation and forest stewardship efforts catalyzed by the work of the original Northern Forest Lands Council.

Recommendation 3:

Support private forest landowners in practicing sustainable forest management and good stewardship while encouraging public access to private land for recreational purposes.

Recommendation 4:

Create a collaborative regional effort to follow through and ensure the implementation of the initiatives in this report. The Forum urges the governors to initiate a continuing coordinating mechanism, to provide an ongoing and sustained focus on the challenges and opportunities common to the Northern Forest geographies of the four states.

I. Introduction

THE YEAR 2004 marked the 10th anniversary year of the issuance of *Finding Common Ground: Conserving the Northern Forest*, the final report and recommendations of the Northern Forest Lands Council (NFLC). After years of interim review and reflection on the NFLC work, in 2003 the North East State Foresters Association¹ (NEFA) began a review and re-analysis of the issues surrounding the Council's report about the future of the 26 million acre Northern Forest region of the northeastern United States².

The Ten-Year Review does not replicate the extensive work that resulted in the *Finding Common Ground* report. That effort had significantly more resources, with \$5 million of funding from the federal and state governments and other sources. The previous effort also had some 10 staff at its disposal. Including the work of the Northern Forest Lands Study and Governors' Task Force on Northern Forest Lands (lasting over a year and a half), the process spanned nearly 6 years, from 1989 to 1994.

Thousands of people were engaged in the original NFLC process. The current NEFA process has been conducted for a one-year period, funded at nearly \$90,000 from the USDA Forest Service, State and Private Forestry, private donations, and donated time on the part of the members of the Forum and states.

However, similar to the NFLC process that started in 1991 (preceded by the Northern Forest Lands Study and Governors' Task Force on Northern Forest Lands), NEFA intended that its 10th Anniversary process be one of *informed decision-making*. This approach requires careful research and deliberation about facts and information before any recommendations about action are crafted. The twenty-four people appointed to the Northern Forest Lands Council 10th Year "Forum" by the administrations of the four states are the initial participants in the review.

¹state foresters of Maine, New Hampshire, Vermont and New York working with the USDA Forest Service, Northeastern Area State and Private Forestry

²While the focus of the Northern Forest Lands Council work was the 26 million acre "Northern Forest" region, the Council made clear that its recommendations for public policy and private action embodied in the 1994 "Finding Common Ground" report were intended to cover the entire four-state region, not just the Northern Forest area of the region. The 10th Anniversary Forum has a similar focus.

During 2004, the Forum group (listed on page 5) became very engaged in the topics surrounding the conservation of the Northern Forest region's forests, forest-based economy and its communities and people. With oversight and direction provided by NEFA, Forum members agreed to the following objectives:

- **EXAMINE** what has been accomplished (relative to the NFLC recommendations);
- **REVIEW** what has changed in the region in the last ten years (from a background paper and other sources); and;
- **DEVELOP** other recommendations not included in the NFLC report, in addition to affirming those relevant NFLC recommendations still outstanding, necessary today to conserve the natural, economic, cultural, and human resources of this 26 million acre region for the benefit of all.

History, data, and trends from the last ten years were provided to the members of the Forum and other members of the interested public through a background paper, modeled after the several thousand page Technical Appendix of the Northern Forest Lands Council process and Northern Forest Lands Study. This paper, entitled, *The Northern Forest of Maine, New Hampshire, Vermont and New York: A look at the land, economies and communities 1994-2004*, was produced in an early draft form and made available to the members of the Forum in June of 2004. The paper, posted on the web at www.nefainfo.org, provides critical background information that allows reasoned and informed discussion about the future of this heavily forested region.

The Forum was further guided by the mission (most particularly the bulleted items) of the original Northern Forest Lands Council, which read:

- **“ENHANCING the quality of life for local residents through the promotion of economic stability for the people and communities of the area and through the maintenance of large forest areas;**

- **ENCOURAGING the production of a sustainable yield of forest products, and;**

- **PROTECTING recreational, wildlife, scenic and wildland resources.”**

The work of the Forum provides an important perspective on the status of the Northern Forest at the start of the twenty-first century and builds on the milestone work of the Northern Forest Council's work of the previous decade. It is important to recognize that this report addresses issues common to the states which make up the northern forest and does not presume to address all the issues that may be important in any individual state.

Forum Process

After being appointed by the administrations of the four Northern Forest states in early 2004, the Forum organized over the summer months in 2004. During this period, the members of the Forum worked in three subcommittees (Stewardship, Local Economies and Exceptional Resources) through conference calls and electronic communication to develop a set of draft “Findings”. A two-day meeting of the Forum was held on September 14-15 in Fairlee, Vermont. At this meeting, findings were revised and recommendations were drafted. A draft report resulted. A one-day conference was held at the Mt. Washington Hotel in Bretton Woods, New Hampshire, on December 10, 2004 to solicit public comment on the draft report. Interested parties were also invited to comment in writing before and after the conference until December 31, 2004. The final meeting of the Forum was held in Concord, New Hampshire, on January 20-21, 2005. The Forum report is the conclusion of the member involvement and public process that ended in early 2005.

³Findings—relevant factual information and data that provide the basis for recommendations.

NFLC 10th Anniversary Forum Members

The administrations in Maine, New Hampshire, Vermont and New York, named a group of twenty-three people to the “Forum” created by NEFA. As with the NFLC process itself, the USDA Forest Service named a 24th person to the group.

In order to provide continuity and history with the original work of the NFLC, seven members of the original Northern Forest Lands Council were appointed to the Forum and the Council's original executive director led the effort.

The Forum members included:

Maine

Jerry Bley, Creative Conservation, LLC (former NFLC member)
R. Alec Giffen, Director, Maine Forest Service (NEFA board member)
Roger Milliken Jr., Baskahegan Company (former NFLC member)
Patrick Strauch, Maine Forest Products Council
Karin Tilberg, Deputy Commissioner, Maine Department of Conservation
Peter Triandafillou, Huber Resources Corp.

New Hampshire

Philip Bryce, Director, NH Division of Forests & Lands (NEFA board chair)
Jane Difley, President/Forester, Society for the Protection of NH Forests
John Harrigan, Landowner/Farmer (former NFLC member)
Tom Thomson, Tree Farmer
James Wagner, NexFor Fraser Papers

Note: State Senator John Gallus was originally named to the body but was unable to participate in the Forum work due to time constraints resulting from the official duties of his office.

Vermont

Richard Carbonetti, LandVest (former NFLC member)
Peter Meyer, Vermont Public Service Board (former NFLC member)
Steve Sinclair, Director of Forests, VT Dept. of Forests,
Parks & Recreation (NEFA board member)
Brendan Whittaker, (former NFLC member)
Jonathan Wood, Commissioner, VT Dept. of Forests, Parks & Recreation

New York

Graham Cox, Audubon New York
Sloane Crawford, Division of Lands & Forests, NY DEC
Rob Davies, State Forester, Div. of Lands & Forests, NY DEC
(NEFA Board member)
Terry Martino, Executive Director, Adirondack North Country Association
Francis Sheehan, Director of Natural Resource Planning, NY DEC
Robert Stegemann, International Paper (former NFLC member)

USDA Forest Service Liaison:

Karen R. Mollander, Field Representative, USDA Forest Service,
Northeastern Area State and Private Forestry

Staffing of this process has included: NEFA Executive Director Charles Levesque (former executive director of the Northern Forest Lands Council); Christina Petersen, NEFA Associate Director; and Elizabeth Egan, USDA Forest Service, Presidential Management Fellow. Eric Kingsley also played a role in writing a portion of the background paper for the process.



Ten years after the work of the Northern Forest Lands Council, the forest remains the central element that ties the region together.



II. Background

WHEN THE NORTHERN FOREST LANDS COUNCIL was formed in 1988, the major concern was the future of the then current patterns of land ownership and use in the region. There was widespread concern that access to the land base for economic and recreational activity was at risk. While there is still much work to do, much progress has been made in the interim to address these concerns.

As the Forum reflected on changes since the release of *Finding Common Ground* by the Council in 1994, general economic issues in the region have moved front and center. We must now focus our efforts to sustain and enhance the economic base of local communities and the forest products industry. While the NFLC identified many factors to strengthen the health of private landownership and the forest products industry (many of these recommendations have not been acted upon), it gave inadequate focus to the economic health of communities. We recognize the need to make an effort to solve these issues equivalent to that dedicated to the conservation challenges of the 1990s. The interests that were represented around the table in the NFLC are part of the solutions, but other parties and expertise are needed in the dialogue going forward.

Highlighted below are the Forum's key recommendations for action. Additional analysis and more detailed recommendations around these issues are found in the Forum's draft report, an excerpt of which is found in the Appendix (found as a separate document on the NEFA website at www.nefainfo.org). Further information, including the full draft report from the Forum and the detailed background report (referenced above) can be found on the NEFA website.

The Forum relied on all of this information, the expertise available within its membership and the information and feedback provided by many individuals (see Appendix) to develop its final recommendations. Throughout the Forum review process, members and public participants clearly artic-



ulated the value of the 26 million acre area Northern Forest as a treasure of environmental, cultural and economic values. The region contains a globally significant ecosystem, one that provides natural values for many uses. It is a resilient forest

that can sustainably support the forest products industry, a primary contributor to the region's economy, while contributing a significant share towards the regional and global demand for forest products. As Americans, continuing productive use of the regions' forests to meet our need for fiber is important to assure that we do not export the demand for forest products to foreign countries with less resilient ecosystems and few governmental and private-based environmental protections. The region's timber-based economies can be further advanced if investments in additional value-added manufacturing facilities augment the current export of the region's raw materials.

The most recent data show the forest-based economy of the region to be significant. The forest products industry's annual value in the four-state region is \$15 billion with an additional \$4 billion generated by the recreation and tourism industry based on the forests of the region⁴. This economy is at risk if some of the key issues are not addressed—but maintaining or strengthening the forest products industry also represents a significant opportunity if we find ways to embrace and strengthen it.

In recognition of the wholesale shift and changes in the forest based economy and forested landscape in the past decade, we must prepare for continuing changes. We believe discussion about the future of the Northern Forest region must start with recognition of the need to address community and economic development interests while continuing the successful land conservation initiatives of the past decade, including regional coordination, strategic planning, capacity enhancement and development of a public process. We identified the need to secure and sustain increased levels of federal funding and additional public and private funding for project implementation and conservation across the

Northern Forest. We recognize this discussion must include measures to support the forest products industry, landowner stewardship, and the working landscape. We also believe that this economic development strategic planning should also work to build community and economic diversity so our rural economies are improved.

Further, while the NFLC identified land conservation, protection of exceptional ecological resources and maintenance of ecosystem health as crucial, the state and federal agencies have made major progress in advancing our knowledge on these complex issues. We must now link this new knowledge about ecological health to community and economic health across the four-state region.

Ten years after the work of the Northern Forest Lands Council, the forest remains the central element that ties the region together. Our communities, economies, and cultures all share a common connection to our forest lands. The commonalities among the Northern Forest communities are often greater than the connection with the southern parts of these states. This shared landscape is a tremendous asset, but it also brings shared challenges.

To begin the next phase of work on this comprehensive agenda of needs in the Northern Forest, we propose the following four recommendation areas. We urge the Governors of Maine, New Hampshire, Vermont and New York to embark upon an initiative, guided by the recommendations below, to provide a continuing and sustained focus on the challenges and opportunities common to the Northern Forest geographies of the four states.

⁴U. S. Bureau of the Census 2001 statewide data on value of shipments for logging, wood products manufacturing, pulp and paper manufacturing, and furniture and related products was used to calculate annual value of the forest products industry. Contributions from forest-related recreation and tourism were calculated by estimating the number of visitor-days for camping, hiking, hunting, downhill skiing, cross-country skiing, snowmobiling, fall foliage viewing, and wildlife viewing and applying them to a percentage of expenditures at food and beverage stores, automobile gasoline service stations, accommodations, eating and drinking establishments, and a host of other retail trade or service sectors. These data are the latest available.



III. Recommendations



Recommendation 1:

Invest public and private resources to develop and implement community and economic development strategies across the region to reinvigorate the rural economies of the Northern Forest. These strategies should seek to assess the economic strengths and weaknesses of the region, strengthen the region's forest products industry and landowner stewardship, and spur the creation of new economic ventures that foster the sustainable use of the region's abundant natural resources. These efforts should build upon the strong traditions and character of the region's communities with the goal of strengthening sustainable Northern Forest communities.

To date, our regional economy has been studied and understood through state and local lenses. In the global marketplace *this isn't enough.*

SINCE THE ORIGINAL WORK of the Northern Forest Lands Council, significant conservation efforts have made great progress towards stabilizing our forestland base. Yet at the same time, many Northern Forest communities struggle economically, in large part due to major transitions in the forest products industry brought about through global competition. Over the last decade the region's forest products industry has faced increasingly stiff competition from other parts of the country, North America and the World. To remain competitive, these industries have consolidated production in the most efficient manufacturing facilities, invested in the most efficient production technology and sold their non-strategic assets. This has resulted in closing manufacturing plants that are less efficient and reduced employment levels at facilities that remain open. However, these industries remain a very important part of the region's economy and indeed many have added to their productive capacity over the last several decades. They continue to provide some of the best jobs (rates of pay, reliable employment, benefits, etc.) available in the region.

While forest product manufacturers in the region have competitive advantages in terms of existing manufacturing plants, a trained workforce, access to a very resilient and diverse forest resource with a long history of active management, infrastructure and diverse markets that support the whole complex of forest product manufacturers, and prox-

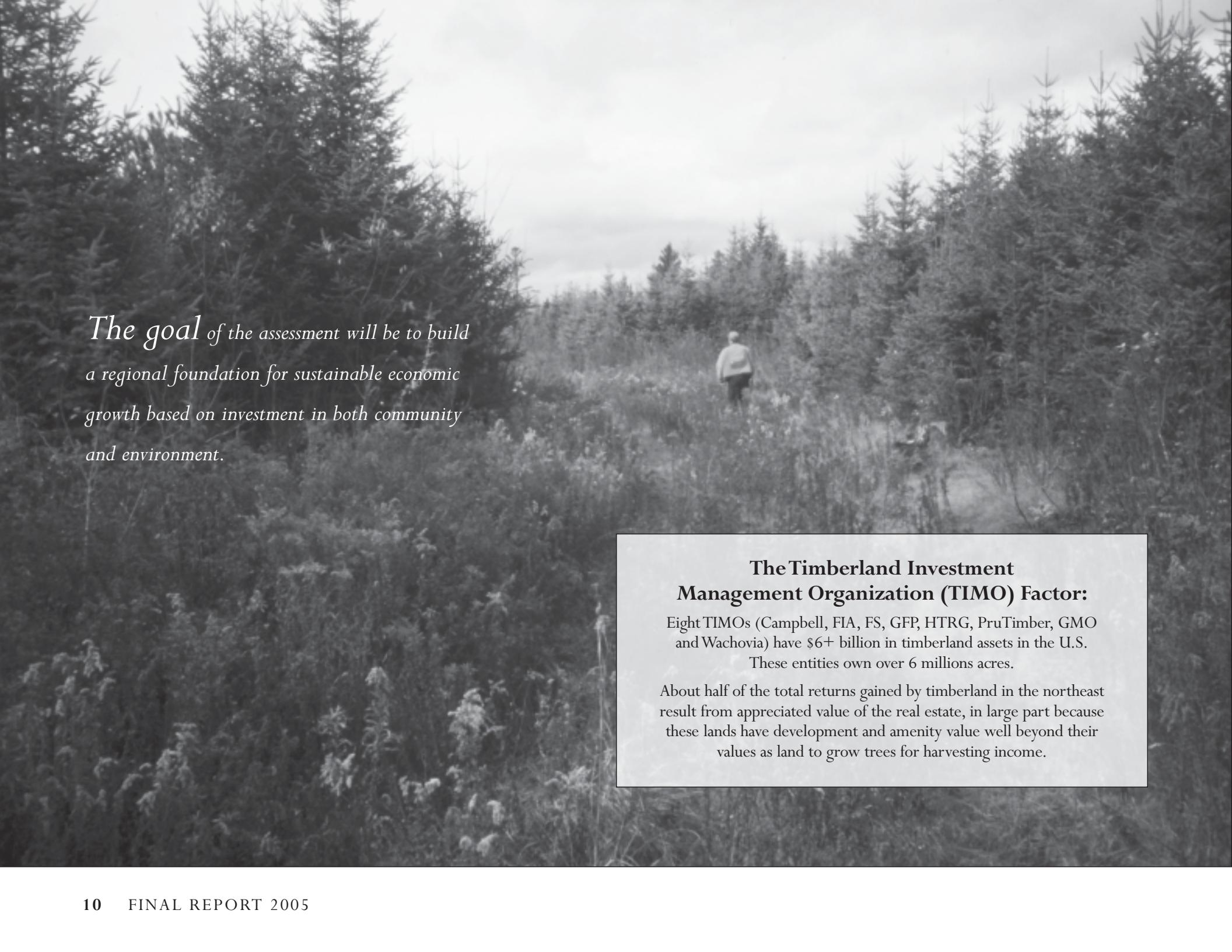
imity to some of the largest markets in the World, they face challenges in terms of labor, energy, and taxation costs. In addition, they are competing with other regions of the world that lack the environmental protections in place within the Northern Forest states. For the region's economy to achieve its full potential, we must find ways to strengthen the competitive position of the region's forest products industry by such measures as reducing energy and other costs and distinguishing the region's forest products in the global market place. Good jobs with livable wages that augment, but do not replace, traditional resource dependent economic activity should be emphasized.

Over the past decade, communities across the Northern Forest communities have also seen growth of businesses dependent upon nature-based tourism and outdoor recreation. The area's wealth of scenic natural areas and proximity to major population centers offer great opportunity to expand this segment of the Northern Forest economy as well.

We propose a collaborative effort (federal, state and private) to assess the Northern Forest economy and develop strategies for strengthening the region's economy and communities. This assessment would meet several key needs in our region. First, by compiling and analyzing local, sub-state, regional, and state analysis, it would give us a comprehensive regional understanding of our natural resource-based economy, and how we fit competitively in the global marketplace of the 21st century. Identifying our competitive economic advantages—both in the timber industry and in other forest enterprise, heritage and tourism, recreation, and new growth areas—is critical to developing viable economic strategies. At the same time, it is necessary to critically assess those current policies and practices that are undermining existing businesses and efforts to attract new business capital to the region. To date, our regional economy has been studied and understood through state and local lenses. In the global marketplace this isn't enough. To be truly competitive we need a broader understanding and regional strategies.

Continued on page 6





The goal of the assessment will be to build a regional foundation for sustainable economic growth based on investment in both community and environment.

**The Timberland Investment
Management Organization (TIMO) Factor:**

Eight TIMOs (Campbell, FIA, FS, GFP, HTRG, PruTimber, GMO and Wachovia) have \$6+ billion in timberland assets in the U.S.

These entities own over 6 millions acres.

About half of the total returns gained by timberland in the northeast result from appreciated value of the real estate, in large part because these lands have development and amenity value well beyond their values as land to grow trees for harvesting income.

Second, the assessment process should be a catalyst for a high-profile regional dialogue about the current economic needs and opportunities in the Northern Forest. The Northern Forest Lands Council put a spotlight



on shifting land patterns and jumpstarted both dialogue and substantive action resulting in substantial accomplishments in land conservation and sustainable forestry. The collaborative economic assessment would provide similar focus on our natural resource economy, creating a “home” for regional economic

thinking and partnerships as well as momentum and justification for new investment in the economic revitalization of the region.

The goal of the assessment will be to build a regional foundation for sustainable economic growth based on investment in both community and environment. Specifically, the project will be directed to the following work activities:

- **Identify** the competitive economic advantages and disadvantages of the various sectors of the Northern Forest economy.
- **Identify** barriers which hamper the ability of existing businesses to survive and expand and deter efforts to attract new capital investment and new businesses to the region.
- **Assess** the state of the communities in the region (their economies, infrastructure, social services, etc.) and their sustainability.
- **Identify** the specific economic and community development tools that work best and maximize the payoff for the dollars spent.
- **Develop** model regional projects that support economic and community development across the Northern Forest.
- **Create** an investment and implementation strategy to direct public and private investment to priority economic development needs.

1 • **Develop** strategies for attracting new capital investments in manufacturing industries, particularly the forest products industry.

• **Develop** a regional network of business leaders, community economic development practitioners, local and state governments, academic institutions, and others to consolidate and learn from existing information and best practices.

• **Examine** recent changes in land ownership (new investment models and motivations, expanded public ownership, landscape easements, etc.) and assess the implications for future timber supply, public access for recreation, and ecological attributes.

• **Improve** opportunities for silviculture through the expansion of timber markets that provide a market for all the timber products which can be produced on forest land; thus, allowing management which does not leave low quality trees to form the new stand.

• **Identify** barriers to private land stewardship and develop ways to support landowners to deal with the costs, pressures and other impacts of increasing public use, especially those associated with ATVs.

The economic assessment should lead to action and build on the ideas for action already outlined in this report, resulting in a region-wide economic strategy through which the four states can identify opportunities, strengths and projects to support region-wide community and economic development.

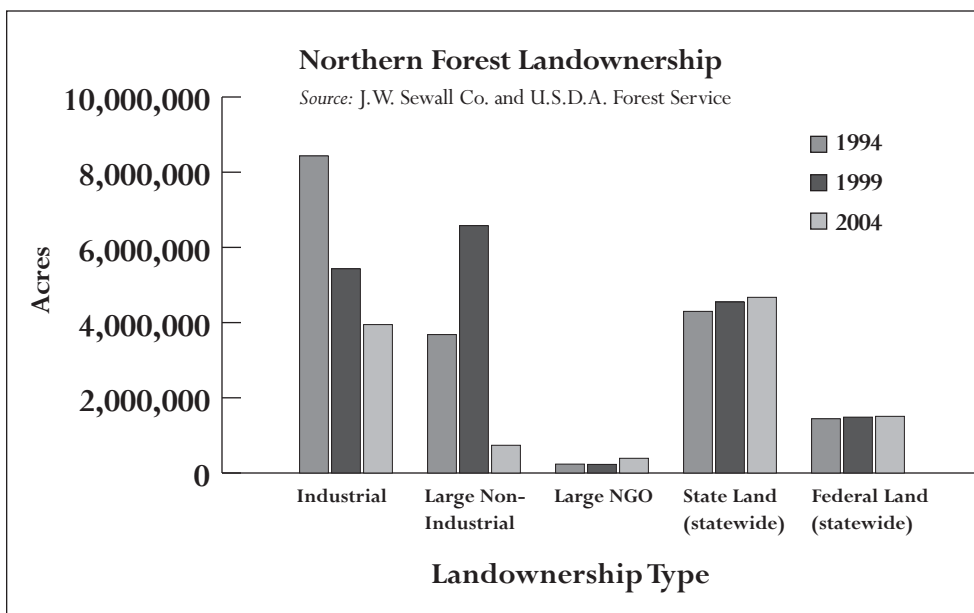
Based upon the findings of the assessment, a set of strategies can be created to strengthen the region’s forest products manufacturing base while creating new economic enterprises that can build upon the strengths of the region’s natural resources and communities. Northern Forest states and communities have already begun to develop solutions to the community and economic challenges before them. With additional coordination and resources, these efforts can be enhanced and expanded as implementation components of a regional community and economic development strategy.



*...both public and private conservation agencies cannot keep pace
with the rapid turnover of forest land.*

Recommendation 2:

Continue public and private investment in the conservation and forest stewardship efforts catalyzed by the work of the original Northern Forest Lands Council.



Changes in forestland ownership patterns continue to result in the rapid sale, division and resale of large blocks of land. In some cases, shifting landowner motivations and short business time horizons do not support sustainable employment, sustainable forest practices, and long-term resource management planning. With unprecedented public and private investment in forest land conservation over the past decade, landscape level forestland conservation is being achieved in several locations across the Northern Forest region through a strategic combination of conservation easement and fee acquisitions. Despite these accomplishments, both public and private conservation agencies cannot keep pace with the rapid turnover of forest land. Expanded public investment in effective programs such as Forest Legacy is needed to build upon the success of the past decade. Such investments serve the interests of private landowners who in many cases are looking to capture the development value of their land while maintaining its capacity for timber production. Having funds for acquisition of easements, targeted fees lands with high public amenities or other protection strategies that protect the public values of the forest and, with easements, that help maintain land in private ownership and managed sustainably, can allow for mutual beneficial solutions to many of the region's issues that would otherwise prove divisive.

Expanded acquisition efforts have strained the stewardship capacity of some easement holders to monitor their easement holdings and manage their interests and fee owners to properly manage their holdings. Acquisitions need to be accompanied by the resources to support responsible management.

Over the past decade, states have taken important steps to protect critical biological values. These efforts need to be critically assessed and, where warranted, modified to ensure preservation of the region's biodiversity. This analysis should focus on both the working forest land base as well as lands owned by public and private land conservation entities.





Private forest owners manage the vast majority of the forestland in the Northern Forest (over 21 million of the 26 million acre Northern Forest area).

Recommendation 3:

Support private forest landowners in practicing sustainable forest management and good stewardship while encouraging public access to private land for recreational purposes.

Along with investment in public land and easement acquisition, there needs to be a commensurate investment in strengthening private forestland stewardship in the region. The public value of private land stewardship in the Northern Forest is considerable. These lands:

- **Protect** water quality and provide and enhance wildlife habitat;
- **Supply** timber to the forest products economy and thereby support jobs;
- **Provide** access for recreational uses such as hiking, cross-country skiing, camping, snowshoeing, hunting, fishing, snowmobiling, nature observation and other pursuits;
- **Provide** for the sequestration of carbon through tree photosynthetic use of carbon dioxide from the atmosphere, and
- **Maintain** open space that benefits our states' tourism industry.

Over the past decade, third-party certification (there are several certification programs operating in the U.S.) of sustainable forest practices has brought about measurable and verifiable improvements in forest stewardship and laid the groundwork for establishing a market for timber products certified to sustainability standards. Efforts to expand the reach of certification to more forestlands and to enhance the market for certified forest products will help to secure the future of the region's private timberland base. In recent years, new threats to the stewardship of private forest lands have emerged, most notably the increasing damage to the forest and property resulting from forest insects, disease, invasive species, natural disasters such as the 1998 ice-storm, increased vandalism and the

expanded use of all-terrain vehicles and OHRVs, and dumping of garbage, resulting in damage to the forest and property.

Private forest owners manage the vast majority of the forestland in the Northern Forest (over 21 million of the 26 million acre Northern Forest area). Any recommendations for public policy

and private action must help these landowners in order to maintain the public benefits provided by these vast forest acreages. Actions must be taken to support the following objectives:

- **Maintain** favorable state current use property tax programs;
- **Encourage** landowners with incentives to provide open access to their forestland for recreational purposes⁵ to address the growing vandalism and costs associated with public access on private land for recreation;
- **Create** favorable federal tax policy towards private timberland ownership, particularly allowing for inflation adjustment on the original cost of timber (so that landowners are not taxed on the appreciated gain when timber is sold—a disincentive to sustainable forest management) and assuring favorable estate tax policy to allow for forestlands to be passed on from one generation to the next;
- **Assure** a wide variety of high and lower value timber markets to ensure that timber continues to have value as an economic asset, thereby further encouraging conservation of private forests in the region;
- **Strengthen** current laws to deal with increased vandalism and illegal ATV and OHRV use;
- **Educate** the public on the many benefits of current use and open space on private forestland.

It is critical that strong responses be developed to these issues before they result in permanent damage to the public and private values of the Northern Forest as a result of private landowner action.

The Forum recognized that a number of the private stewardship recommendations of the Northern Forest Lands Council were not acted upon. We recommend that they be re-visited and where appropriate, be implemented.

⁵New York has a different history and tradition relative to public access to private land for recreation than do Maine, New Hampshire and Vermont where open public access for no charge has been tradition.



Moreover, the four states have *much to learn* from each other's successes and *much to gain* from coordinating their respective actions to build a better future for Northern Forest communities.

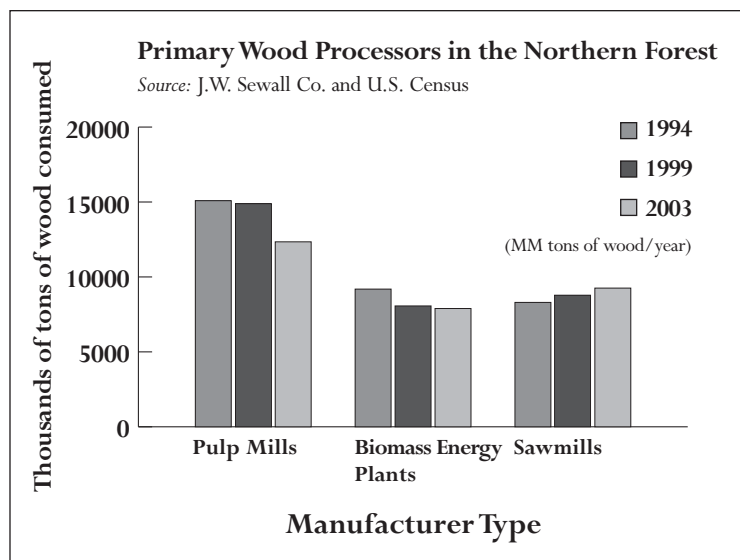


Recommendation 4:

Create a collaborative regional effort to follow through and ensure the implementation of the initiatives in this report. The Forum urges the governors to initiate a continuing coordinating mechanism, to provide an ongoing and sustained focus on the challenges and opportunities common to the Northern Forest geographies of the four states.

The Northern Forest Lands Council demonstrated the power of a coordinated regional effort. The successful implementation of numerous NFLC recommendations and the broad interest generated by this 10th Anniversary Forum confirm the validity of taking a regional approach to addressing the challenges of the Northern Forest. To build upon the successes of the NFLC efforts and, in particular, to expand economic and community development initiatives in the Northern Forest, it is essential to create a new collaborative regional effort. The ability of Northern Forest states to secure needed federal resources for economic development and conservation programs requires a cooperative approach among the four states. Similarly, important state/federal policies that impact the region, for example truck weight regulations, require a coordinated regional approach if progress is to be made. Moreover,

the four states have much to learn from each other's successes and much to gain from coordinating their respective actions to build a better future for Northern Forest communities.

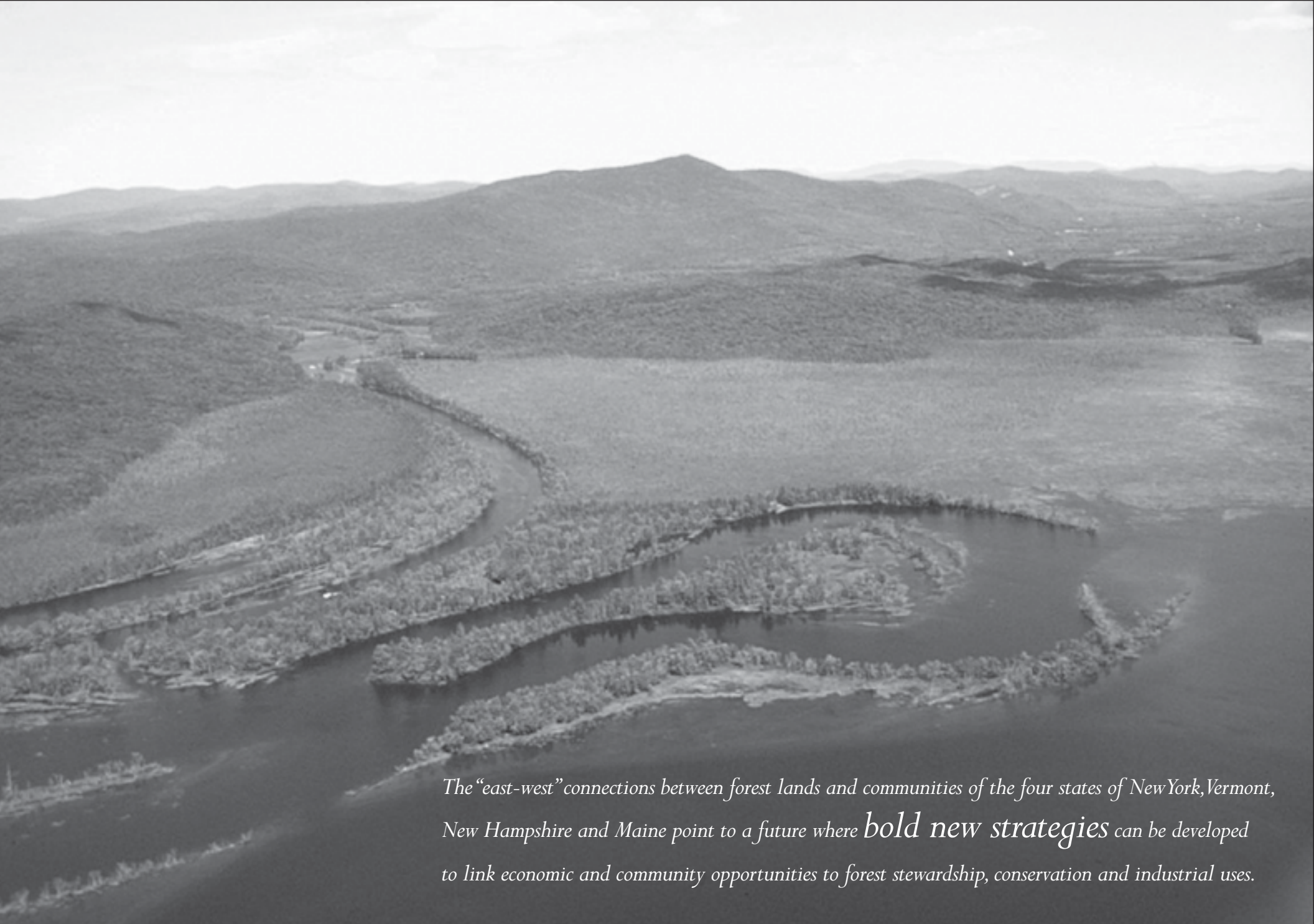


To achieve the recommendations presented above, the four state governments should jointly/cooperatively facilitate a process for a collaborative regional effort.

There are various possibilities, both temporary and permanent, for creating coordination capacity for the Northern Forest. The Forum recommends the creation of a new collaborative regional effort based on the following:

- **Employs Existing Structures**—Whenever possible, use existing organizations and structures to achieve these purposes.
- **Non-Regulatory**—Any regional effort should be focused on cooperation and should not involve any new regulatory authority.
- **Locally Directed**—Coordination should reflect our region's long-standing traditions of local and state self-determination and civic democracy;
- **Voluntary**—Participation by local, state and regional entities must be entirely voluntary;
- **Citizen-Based**—Encourage and support citizen participation in matters that affect them;
- **Open Flow of Information**—Encourage and support the free and open flow of information;
- **Inclusive and Collaborative**—Build partnerships that cross sectors, institutions, boundaries, and perspectives;
- **Additive Resources**—To the extent possible, programs proposed in this package should be additive to existing programs and historic funding levels;
- **Flexible**—Coordination should allow flexibility in implementing programs and allocating funding to ensure responsiveness to a wide range of local and state needs;
- **Financially supported** by federal, state and private resources.

We urge the governors both individually and collectively to identify and act on short-term action items from the recommendations of this report while longer-term needs are studied for further action later.



*The “east-west” connections between forest lands and communities of the four states of New York, Vermont, New Hampshire and Maine point to a future where **bold new strategies** can be developed to link economic and community opportunities to forest stewardship, conservation and industrial uses.*

IV. Conclusion:

THE NORTHERN FOREST LANDS COUNCIL 10th Anniversary Forum report provides an updated and timely review on the ***Finding Common Ground: Conserving the Northern Forest*** final report of the original Council. The anniversary report bridges a perspective on the status of the Northern Forest at the end of the twentieth century with an updated assessment at the start of the twenty-first century. The ten-year report reaffirms the regional and national stature of the Northern Forest as a vast region that has been impacted by economic, cultural and social change. Past concerns about the patterns of land ownership in relation to traditional uses have been coupled with an increased recognition of how the working landscape and conservation goals affect local communities and economies. There is greater understanding of the interplay between the land and the potential and need for strategic assessment, funding, and project implementation to improve the local and regional economies.

This report builds on the awareness that forest land is the central common element that links the region. Recommendations in the report focus on strategies to support the forest products industry and working landscape and addressing community and economic development needs. The “east-west” connections between forest lands and communities of the four states of New York, Vermont, New Hampshire and Maine point to a future where bold new strategies can be developed to link economic and community opportunities to forest stewardship, conservation and industrial uses. The support and leadership of the four-state Governors and Congressional delegation will establish a direction that builds upon the report recommendations to ensure a future of healthy productive forests and healthy communities.



Issues Affecting the Rural Economy of the Northern Forest Region

- Energy Costs—Highest in the United States
- Average Worker Age is Increasing
- High Transportation Costs
- High Insurance Costs





Appendix found at www.nefainfo.org

- Excerpt—Draft Forum Report
- Public Comments
- Factual Issues in Draft Report

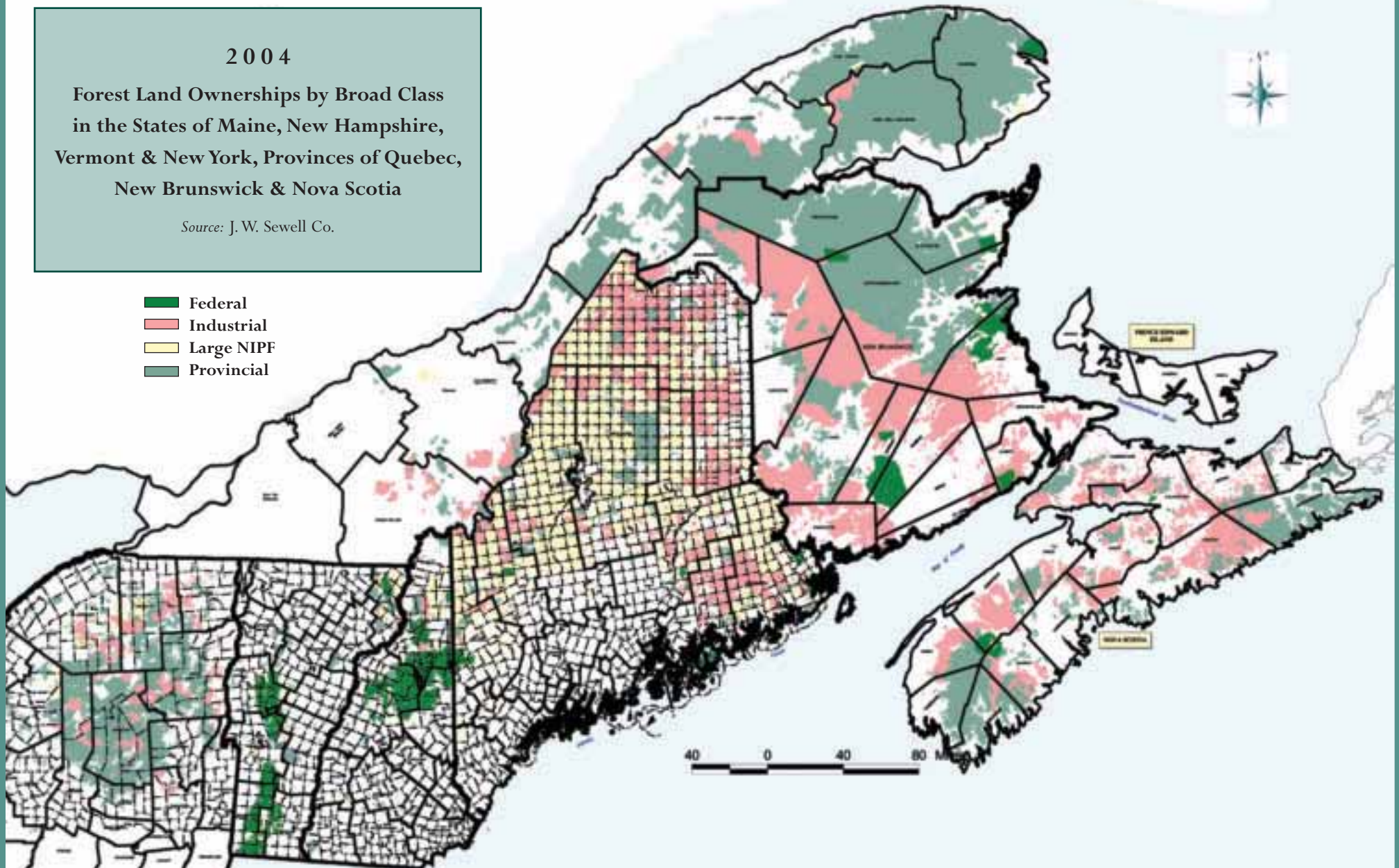


2004

Forest Land Ownerships by Broad Class
in the States of Maine, New Hampshire,
Vermont & New York, Provinces of Quebec,
New Brunswick & Nova Scotia

Source: J. W. Sewell Co.

- Federal
- Industrial
- Large NIPF
- Provincial





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