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# FORESTS: Forest owners lobby Senate for climate bill funds

By Jessica Leber, E&E reporter

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Private landowners and conservationists are angling for more money for U.S. forests as lawmakers shape Senate climate legislation.

About 15 of the more than 70 coalition members are spending this week arguing that 5 percent of cap-and-trade revenue be devoted to domestic forest and land conservation. That's compared to about 1.2 percent proposed by Sen. John Kerry (D-Mass.) and Sen. Barbara Boxer (D-Calif.) and on par with the money slated to protect rain forests outside of U.S. borders.

Advocates say they want the funding to stem decades of forest losses fueled by struggling landowners facing intense pressure to harvest their trees or sell to housing developers.

"In the energy and alternative energy sectors, the public is investing a great deal in helping entrepreneurs develop technologies that reduce carbon emissions. Land does this naturally, but it doesn't do this for free. Landowners can't do this just out of their goodwill," said Laurie Wayburn, president of the Pacific Forest Trust, a conservation group organizing the meetings.

More than 2 million acres of forest, farm and rangeland -- an area twice Rhode Island's size -- disappears every year, according to a letter the coalition wrote to senators in November. The Agriculture Department projects up to 75 million acres of forest losses alone in the coming half-century.

Wayburn said she expects the funding request, which addresses a bipartisan issue tied closely to rural economies and jobs, to resonate with lawmakers who hold considerable sway drafting Senate climate legislation. The House passed a version of cap and trade last year.

Coalition members plan to visit with either pivotal committee members or their senior staff. Their schedule includes time with Agriculture Committee Chairwoman Blanche Lincoln (D-Ark.) and aides to Finance Committee Chairman Max Baucus (D-Mont.) and climate deal-broker Sen. Lindsey Graham (R-S.C.), Wayburn and other coalition members said.

## Battling for carbon bucks

Graham, Kerry and Sen. Joe Lieberman (I-Conn.) unveiled a climate bill framework in December. Along with support for the domestic nuclear energy and oil and gas industries, it calls for legislation that creates "wealth for domestic agriculture and forestry."

Lincoln, a Senate moderate, plans to hold a hearing in coming months but has not yet decided how the committee will shape the legislation, said spokeswoman Courtney Rowe.

And with hard-fought battles over every dollar of the carbon revenue allocations, which might otherwise fund consumer rebates or

carbon capture and storage deployment, the forest campaign could still face an uphill course.

Landowners already stand to gain through a climate bill's offset program, under which they could sell credits to balance fossil-fuel emissions under a carbon cap. A proposal by Sen. Debbie Stabenow (D-Mich.), which could be folded into a final Senate bill, includes a beefed-up domestic offset program with a specific carve-out for farm and forest projects.

But Wayburn said the Stabenow proposal, though a good step, does not go far enough. Many of the nation's 10 million family forest owners would not be able to pay the high compliance and monitoring costs that participation in the offset market would require.

To include them, she said, more revenue from cap-and-trade sales should fund conservation easements and other restoration and grant programs that would keep smaller farmers on the land and encourage sustainable management practices.

### **Family forest owners struggle to stay sustainable**

Gary Hendrix, a sixth-generation co-owner of the Phillips Brothers Mill and Tree Farm in California, said his farm is one example of how the revenue would help.

Located on just under 1,000 acres of land, the business was lucky to survive last year's collapse of the timber market and extensive sawmill closures, Hendrix said. Owning his own small mill and selling wood to niche markets were big factors in its survival, he said.

But a conservation easement set up by the Pacific Forest Trust also helped. The farm receives payments in return for an agreement to never subdivide its land and always maintain a sustainable forest. By contrast, the offset market, with the high participation costs and low carbon prices so far, is still at best a break-even proposal for him, Hendrix said.

Hendrix's neighbors are having even tougher times. On even smaller plots of land, they have struggled to sell timber to the few large commercial mills still operating and often face high tax rates that make staying on their land difficult, he said.

None of this encourages the sustainable timber harvesting practices that continue to store carbon on the land.

"Some of our neighbors have raped the land to get a dollar bill out of it," Hendrix said, noting that the practices also create dangerous tinder boxes in the fire-prone region.

### **Competing with the tax laws**

Larger private landowners that attempt sustainable harvesting have also struggled.

Tax laws over the last 20 years have encouraged large public timber corporations such as Weyerhaeuser to sell land holdings to real-estate or timber investment funds set on making short-term profits, according to Wade Mosby, senior vice president at the Collins Cos., a family-owned timber company that produces sustainable-certified lumber.

"Until a year ago, they were promising double-digit returns. How are you going to get that from the land? You are going to harvest it, and harvest it hard," he said.

His company, which owns 300,000 acres in California, Oregon and Pennsylvania, has had a harder time competing, Mosby said.

While the company harvests on a 140-year cycle in the West, the typical standard can be as short as 30 or 40 years. Though there is some debate, scientists believe that older trees lock in more carbon over the long term.

"I think we're providing a lot of environmental benefits to the entire public, but we don't get paid for it," he said. Both Mosby and Hendrix will bring their message to senators today.