FOREST NEWSWATCH™

July 26, 2007

Laurie Wayburn is the president of the California-based Pacific Forest Trust, which she co-founded with Constance Best in 1993. She has forestry and sustainable development experience both in the United States and internationally. Along with Ms Best, she wrote and published *America's Private Forests: Status and Stewardship* in 2001. In this Leadership Interview, Ms Wayburn talks about the Pacific Forest Trust from its founding on, her work in forest certification schemes development, and how TIMOs and REITs relate to conservation. In the second part of the interview, she extensively discusses carbon forestry and climate change, and her involvement in recent California climate change pilot projects. In reference to *America's Private Forests*, she relates the ideas expressed in 2001 to the present and the developing U.S. Endowment for Forests & Communities. Finally, she comments on her receipt of the 2007 Leadership Award at the ForestLeadership Conference in May.

What brought you to work in the area of forestry?

I worked overseas in the area of sustainable development for a number of years, and one of the things that struck me was that a third of the earth's land surface is in forests and just how important they are to sustaining life on earth. I thus became particularly interested in looking at sustainable management of all of those resources that we derive from forests, as well as the single resource that most people focus on, which is timber.

What motivated you to co-found the Pacific Forest Trust in 1993?

When I came back to the United States, it struck me again that one-third of the United States' landmass was also in forests. Within that, almost two-thirds of it is in private hands. There was very little attention being paid to what the consequences were of decision-making on private forestlands for the public good—on the water resources that flowed through those lands, or the benefits for fish and wildlife, or the overarching notion of sustainability of forest ecosystems. That in turn drove me to ask why the landowners make the decisions that they do, and if we would like them to make different decisions than the ones they are making, how can we do that in a way that is attractive to those private landowners and will create a new alignment between private interests, which control those resources, and public

interests, which benefit from those resources. That was really the founding motivation of the Pacific Forest Trust—to create a new alignment of those interests so that there was more sustainability and a more positive relationship between the public and private sectors on that.

Can you highlight one or two key achievements of the Pacific Forest Trust in its 14 years of existence?

There are three things I would mention. Number one is that you might call the conditions and challenges in private forests a "hidden crisis" in the United States. Very few people know them, and if they do, have little understanding as to why the crises that exist are there. We lose more forestland to development in this country than any other land type every year, and the scale of that is increasing. Every time we lose those lands, we also lose a whole suite of other resources that go with them. So I wrote, along with my colleague Connie Best, the first overview of that situation, and that brought for the first time significant attention to the challenges facing private forest landowners and the issues associated with forestland loss. That, I think, is a key one.

There are two others, and both of them are focused on creating new and compatible economic returns for landowners for managing for both private return and public benefit. One of those is a legal instrument called the Working Forest Conservation Easement, which is a new way of using conservation easements to reward landowners for higher levels of stewardship. Prior to the Working Forest Conservation Easement, you basically had two ways to do that: something called a "Forever Wild" easement, which meant no human should touch anything in the forest, and the other was the "Open Space" easement, which meant that you protected it for development only and didn't do anything to address the resources on the land. The Working Forest Conservation Easement acknowledged that resource management would and should occur, but it compensates landowners for higher levels of stewardship than would otherwise happen. That's become a standard tool in the United States now.

The third accomplishment is that we recognize that landowners manage for many things other than what they get paid for. They get paid for timber or for selling their land for development. Naturally, they need to earn money like anybody else, so that's what they're going to do. The conflicts occur because the other resources that come from their forestland don't get paid for. Perhaps the most important of those today is the climate service of forests. Our organization has really pioneered this concept, creating a place in the climate market for forest conservation and forest management because of the critical role that forests play in climate stabilization.

You have been involved in certification both with the FSC and SFI standards. Starting with the FSC, from your perspective, what has been its contribution to forest conservation in the U.S. so far, and can you also comment on your involvement?

We were present at the beginning of the FSC at the founding meeting and we played a leadership role early on in the Pacific Northwest, facilitating the development of the regional guidelines at that time. I think the greatest contribution of FSC certification is that for landowners, it gives the overall, holistic understanding of the kinds of multiple resources under their control and the opportunity to learn about them. From that learning, they can see if there are any changes they want to make in their management. For the public, I think what FSC certification does is raise the awareness of challenges on private forests as well as giving them a choice about what they might or might not be able to support through their purchasing power in the marketplace.

I'll just roll right over into the SFI standard. SFI, equally, provides those benefits to both landowners and the public. I think SFI and FSC are complementary approaches in certification. Each has a different appeal for different audiences. SFI has a larger impact within the more industrially managed forest landscapes and has particular benefit for small landowners and loggers, while the FSC has more impact in promoting more natural forest management approaches.

Talking about private forests, aren't initiatives like the American Tree Farm System and the Master Logger Certification Program in the end more appropriate in terms of scale and reaching out?

Well, one of the values in the whole certification system is the chain-of-custody and procurement certification. SFI procures a lot of its timber supply from small landowners, and that means for those small landowners, the management on their lands also needs to meet SFI standards. Particularly in areas of the United States such as the Southeast where there's not much of a regulatory framework to underpin the sustainability of management, you do have recommendations called best management practices. That ensures those lands are managed to best management standards, which I think is something that no other program has been able to do. All programs have benefits in terms of education for loggers, small landowners, or large landowners, but certification has played a unique role. That's a good thing. It's complementary.

Talking about the sale of industrial forestlands to Timber Investment Management Organizations (TIMOs) and Real Estate Investment Trusts (REITs), what are the implications, from your perspective? It doesn't seem that certification can curb the trend towards these sales and the consequent fragmentation of these lands.

You're absolutely right. Unfortunately, certification doesn't bring back any significant increase in economic return to landowners, and as a land conservation tool, it's not very effective. As a resource management tool, it can be helpful. However, the Working Forest Conservation Easement that we spoke about earlier is a much more effective land conservation tool, where it counts in particular to these new owners. The fundamental implication of these sales is that the underlying nature of land as an asset class has shifted from an industrial asset, where land was tied to integrated companies who produced lumber and then sold lumber

products, to a financial asset owned by financial management entities who view it as the last wholesale market for real estate. The underlying implication of that is that it is not economically competitive in the United States to use forestland for commodity production of timber. Of those two things that pay in the marketplace, timber products and land development, land development is competitive in the global marketplace while timber production is not. Therefore, the other new markets that we have to continue to build, such as climate services or conservation, are absolutely essential if you want to maintain the forestland base, and with those income streams we can continue to have sustainable timber production. Without those income streams, we fundamentally are going to see the disappearance of timber production from the United States—except from the very most productive areas.

To go one step further into this discussion, do you think that certification is sending the right signal to the general public, who will certainly not be in a position to distinguish between sustainable and proper land conservation? Basically, certification doesn't guarantee conservation of the certified land.

I think the message has to be broadened. The certification message must be broadened to include conservation of the land base.

Do you think conservation of the land base could become a condition for certification?

I've not heard of that. It's a possibility—it might be, for example, something that you could have within different levels of certification, much like LEED certification for green building with platinum, gold, silver… All different levels that you can achieve in the ranking. You could have the same kind of a approach in forest certification where the top level meant the land base was conserved and you knew that it was going to be a working forest for forever. You knew that it was a sustainable closed-loop cycle. You could take timber from there on a sustainable and ongoing basis. Then you could have different levels of choice within the certification program because it would be a voluntary, choice-centered approach.

In the context of the U.S., can that guarantee be given by the private sector or should it be state forestlands or federal forestlands?

Conservation easements have been in wide use in the private sector for decades, so it definitely can remain within the private voluntary sector.≠