



# MADISON'S TIMBER PREVIEW

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Even as large, modern sawmills in British Columbia are closing due to the scope of the mountain pine beetle infestation resulting in a reduction of available timber supply, the argument about timber harvests on US Forest Service (USFS) lands continues. Most notably, Oregon -- with its long history of earnings from forest activity -- is working through various ideas to generate revenue from timberlands following a 25-year restriction on logging.

Last week the USFS's Southern Research Station released its "Southern Forest Futures Project" report, which examines which states would benefit economically from a timber salvage as a way to reduce millions of beetle-killed trees in national forests. The multiyear assessment details the economics of allowing accelerated salvage on damaged timber, including the impacts on the markets.

"The central Rocky Mountain states of Colorado, Utah, and Wyoming — which have the largest volume of standing dead timber — would not generate positive net revenues by salvaging beetle-killed timber," the USFS said in a statement.

The agency estimates there are nearly 20 billion cubic feet of standing dead timber potentially available for salvage distributed across more than 20 million acres in 12 Western states.

Five states — Colorado, Wyoming, Montana, Idaho, and Utah — have 75 per cent of the dead timber in the West — with most of it on national forest land. The study notes that in states where the timber market is strong, the salvage would be profitable. Where markets are weak, those states would need "sizable public expenditures" to achieve significant reductions in the amount of beetle-kill trees.

Study findings include:

- The central and northern Rocky Mountain states have the most salvageable timberland and the largest total salvageable volumes, with the highest in Montana, Colorado, Wyoming, and Idaho;
- The majority of timber and lands affected in the 12 Western states are in national forests — 88 per cent of the total salvageable volume and 84 per cent of the total area;
- Four states — Colorado, Idaho, Montana, and Wyoming — have actual volume losses greater than 2 billion cubic feet. Two additional states — Oregon and Utah — have more than 1 billion cubic feet of salvageable volume;
- Of the above six states, Idaho, Oregon, and Montana currently have the timber processing capacity to absorb large quantities of salvage.

Scenarios show that salvage would generate positive net revenues in Idaho, Montana, Washington, Oregon, California, and South Dakota.

The study notes that the federal agency, private landowners, forestry professionals, and the public have become increasingly concerned for at least the past decade over the "extraordinary scale" of the mountain pine beetle epidemic and its vast ramifications both on the aesthetics of the forests and the cost to fix the problem.

The full report is available here: <http://www.srs.fs.usda.gov/futures/index.html>

Researchers note in the study that it only examined a course of action in the context of timber markets and how states and markets would fare economically, but other considerations could be evaluated.

"There are other factors that come into play aside from having the infrastructure in place," such as timber mills, said Zoe Hoyle, with the Forest Service's Southern Research Station.

"It could be a positive decision in states if it provides fire risk reduction, improves forest health and provides jobs," she said.

Meanwhile, US lawmakers passed a joint resolution in the 2013 Legislative Session emphasizing the right of local government to respond to situations on federal land that pose a risk to public health and safety, citing two specific wildfires from the 2012 season that they said lacked appropriate federal management.

Decades ago, about 20 per cent of the entire US forestry budget was devoted to fire. Now that portion is more than 50 per cent, said Jane Cliff, spokesperson for the 17 national forests stretching from Maine to Minnesota. In 2012, the USFS acknowledged it had a nationwide harvest problem and faces threats including fire, climate change, and bug infestations that put forest-dependent communities at risk. The agency set out on a path to expand collaborative partnerships and cut 20 per cent more wood. Heavy fuel loads, intensive fire suppression, and urban sprawl have led to an era of "super fires" over ranges of Ponderosa pine.

Last year, the USFS increased the harvest to 2.6 billion board feet and says it will meet its mark if Congress approves enough money in its budget. The agency also set out a goal of 4 million acres "treated" for restoration, meaning burns, reforestation, and cuts. The Forest Service hit that mark in 2012, said Bill Timko, Deputy Director of Forest Management for the agency.

In mid-September, the US House of Representatives passed the Restoring Healthy Forests for Healthy Communities Act across the entire [national forest] system of 193 million acres — roughly the size of Texas — , which would continue Secure Rural Schools funding for one more year. After that, local governments would again have to depend on logging revenues for most funding.

Wisconsin Republican Rep. Reid Ribble, of Sherwood, WI, is a co-sponsor of the Act. It would require the Forest Service to triple its timber harvest to 6 billion board feet annually on land already designated as suitable for logging. It would send 25 per cent of receipts to counties where the timber was cut. It would bypass some environmental laws and would turn over a small segment of Idaho forest to the state and counties to manage as trust land. It includes a section written by Rep. Peter DeFazio, D-OR, for the Oregon & California Railroad grant lands, known as the O&C lands in Oregon, turning over parts to a state trust managed for timber production.

Supporters say it will create 200,000 jobs and save nearly US\$400 million, while conservation groups oppose provisions in the Act that double timber harvest from national forests and curtail environmental review. However, the bill has practically no chance of becoming law after US President Obama issued a veto threat, citing "numerous harmful provisions ... that undermine many important existing public land and environmental laws, rules and processes."

As for Oregon and its ongoing revenue problems, the bill includes an one-year extension of the timber payments program, meaning that counties in 41 states will share about US\$329 million. Thirty-three Oregon counties will get about US\$100 million, with Jackson County expected to receive US\$3.5 million, Josephine County US\$4.4 million. and \$1 million for Curry County.

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