

Appendix A

Citizen Advisory Committee Members

We would like to extend a special thank you to our state Citizen Advisory Committee members. Your guidance has been a great benefit to our work.

Will Abbott, New Hampshire
Douglas Allen, New York
Rolf Anderson, Vermont
Howard Aubin, New York
Chris Ballantyne, New York
Gerry Barnes, Maine
Maurice Barnes, Vermont
Timothy Barnett, New York
James Bates, Vermont
Charles Baylis, New Hampshire
Chip Bessey, Maine
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Sarah Bogdonovitch, New York
Virginia Brandreth-Canale, NY
Deb Brighton, Vermont
Charles Browne, Vermont
William Bruner, New York
William Butler, Maine
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Michael Cline, Maine
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Stephen Coleman, Maine
Andrea Colnes, Vermont
John Courtney, New York
William Crary, New York
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Ken Hastings, New Hampshire
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Bruce Holt, New Hampshire
Fred Huntress, Maine
Roger Joslin, Vermont
Cheryl Johnson, New Hampshire
Barbara Ann Kane, Maine
Barry Kelley, New Hampshire
Robert Kimber, Maine
Kevin King, New York
Johanna Laggis, Vermont
Mitch Lansky, Maine
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Sandra Neily, Maine
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Robert Sauer, New York
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William Sayre, Vermont
Mary Shriver, New Hampshire
Mary Sloat, New Hampshire
Ernst Spencer, New York
Will Staats, Vermont
Sam Stoddard, New Hampshire
James St. Pierre, Maine
John Stowell, Maine
Henry Swan, New Hampshire
Jeff Taylor, New Hampshire
Dave Thompson, New Hampshire
Lynn Truesdell, New York
Sid Ward, New York
Steve Weber, New Hampshire
Stanley Wentzell, New Hampshire
Dale Wheaton, Maine
Ed Wheelock, Vermont
Brendan A. Whittaker, Vermont
A. Bradford Wyman, New Hampshire

Appendix B

Subcommittee Work Group Members

We would like to thank the following individuals who graciously shared their time and expertise with us throughout our work. All served as work group members for at least one council subcommittee.

John Albright, Natural Heritage Program, ME	David Carlisle, Prentiss and Carlisle, ME	Herbert Echelberger, Northeast Forest Experiment Station, VT
Doug Allen, SUNY-School of Environmental Science and Forestry, NY	Connie Carpenter, USDA Forest Service, NH	Ray Emery, Emery Forest Products, ME
Bill Altenburg, Mountain Recreation, ME	Gary Carrier, Cersosimo Lumber Company, VT	Nicholas Engalichiev, UNH Cooperative Extension Service, NH
Chris Ballantyne, Sierra Club, NY	Tom Cieslinski, ME Bureau of Parks & Recreation, ME	Jay Espy, Maine Coast Heritage Trust, ME
John Banta, Adirondack Park Agency, NY	Rep. Paul Cillo, VT Legislator, VT	David Field, University of Maine, ME
Tim Barnett, Adirondack Conservancy, NY	Tom Cobb, NY Parks, Recreation & Historical Preservation, NY	Cheryl Fischer, formerly, Vermont Land Trust, VT
Emily Bateson, Conservation Law Foundation, MA	Charles Cogbill, VT	Peter Forbes, Trust for Public Lands, MA
Robert Bathrick, NYS Dep't of Environmental Conservation, NY	Steve Coleman, LandVest, ME	John Frado, Nordic Group International, NH
Pierre Bedard, NH	Andrea Colnes, Appalachian Mountain Club, VT	Jerry Gates, Bell-Gates Lumber, VT
Judy Berg, Small Woodland Owners' Association of Maine, ME	Warren Cook, Sugarloaf USA, ME	Gregory Gerdell, VT Travel & Tourism, VT
Richard Bird, Adirondack Tourism Council, NY	Eliza Cope, Trust for Public Lands, MA	Larry Goss, Northern Economic Planners, NH
Steve Blackmer, Appalachian Mountain Club, MA	Dennis Cote, Berlin Development Department, NH	Wende Gray, Nordic Ski Council, ME
Dave Brann, Champion International Corporation, ME	Albro Cowperthwaite, North Maine Woods, ME	Perry Hagenstein, Resource Issues, Inc., MA
Terrence Brennan, Ethan Allen, VT	John Cureton, International Paper, ME	Brenton Halsey, Jr., Diamond Occidental Forest, ME
Deb Brighton, Ad-Hoc Assoc., VT	Mike Cyr, MarketTree, ME	Richard Hamilton, White Mountain Attractions, NH
Rainer Brocke, SUNY-School of Environmental Science and Forestry, NY	Rick DeMark, North Country Resource Conservation & Development Area, NH	Harry Haney, Virginia Technical Institute, VA
Susan Bulmer, VT Agency of Natural Resources, VT	Jane Difley, formerly, American Forest Foundation, DC	David Harrigan, Society for the Protection of NH Forests, NH
Peter Busque, Peter Busque, Inc., ME	Michael DiNunzio, Adirondack Council, NY	Tom Hartranft, Champion International, ME
Hugh Canham, SUNY-School of Environmental Science and Forestry, NY	David Dolan, VT Housing & Conservation Board, VT	Ray Heelan, Tradepoint International, ME
	Thomas Duffus, Adirondack Land Trust, NY	William Hoover, Purdue University,
	Roger Dziengesleski, Finch-Pruyn, NY	

Appendix C

Definitions

Ad valorem taxation: Property taxation levied on the fair market value of the land.

Barelandvalue: The market value of forest land without accounting for marketable timber or other forest products.

Biological diversity or Biodiversity: The diversity of life in all its forms, and at all levels of organization. “In all its forms” reminds us that biodiversity includes plants, invertebrate animals, and microorganisms, as well as vertebrates that garner most of the attention. “All levels of organization” indicates that biodiversity refers to the diversity of genes and ecosystems, as well as species diversity. (Source: Fundamentals of Conservation Biology, in preparation by Dr. Malcolm L. Hunter, Jr.) See also the sidebar definitions on page 61.

Conservation: The enhancement and maintenance of public and private values, including long-term stewardship of the forest resource including timber, wildlife, wildlife habitats, and ecosystems, and public access for recreational purposes.

Conservation easement: A legal agreement between a landowner and an easement holder which restricts use of the land by the owner to certain specified conservation uses, such as farming or forestry. Conservation easements may be held by conservation organizations or government agencies and usually run with the land, restricting perpetuity. The landowner continues to use and manage the land in accordance with the restrictions, while the easement holder is responsible for seeing that the restrictions are obeyed and upheld over time.

Conversion: The removal of forest land from traditional forest land uses and change of use into forest uses, such as residential development.

Current use taxation: Special property taxation that provides reduced taxation to forest land (land open space land), based on taxing forest land at its use value rather than its full fair market value.

Decennial survey: The USDA Forest Service 10-year, state-by-state survey of the forest resource, including acreage, timber quantity and quality, and forest landowners, including demography and attitudes.

Ecological reserves: An area established to maintain in a relatively undisturbed state one or more ecosystems representative of a region. To properly understand the definition and use of the term “ecological reserve”, several points need explanation. First, the Council recommends that the need, size, and location of ecological reserves be based on sound science and determined through the Council-proposed open space planning process (see Recommendation 15). Second, human uses and activities allowed in a reserve, regardless of size, must be compatible with scientifically-determined ecological value(s) of the particular site(s).

Ecosystem: The complex of plants, animals, and physical environment (soil, water, atmosphere) that exists in a location or region. Ecosystems are usually grouped and classified according to their characteristic plants, animals, and environmental features.

Ecosystem management: The strategy by which, in aggregate, the full array of forest values and functions is maintained at the landscape level. Coordinated management at the landscape level, including across ownerships, is an essential component.

Appendix D

Expanded Northern Forest History and Process

Public attention to the Northern Forest issue, in the form of the Northern Forest lands Study, the Governors' Task Force on Northern Forest Lands, and the Northern Forest Lands Council, began with the sale of the so-called Diamond lands. Thus, it is important to understand the details surrounding that event. Numerous inaccurate accounts of the event have been written; the Council hopes the following description will assist those writing or speaking about it in the future to be accurate.

A detailed account of the Diamond and Coburn Lands Trust sales is presented in the proceedings from the Council's March, 1992 Forum on Land Sales of Coburn and Former Diamond International Corporation. These proceedings are in the Council's Technical Appendix, which is available from state and university libraries around the country.

Diamond Land Sale

After decades of acquisition and consolidation, Diamond International Corporation owned 976,000 acres in Maine, New Hampshire, New York, and Vermont. In 1982, British financier Sir James Goldsmith acquired the entire 976,000 acres through a hostile takeover of the Diamond firm. Maine lands amounted to 790,000 acres, New Hampshire had 67,088 acres, New York 96,486 acres, and Vermont 22,426 acres. This takeover also included all the forest products manufacturing assets of the company.

In 1983, James River Corporation purchased most of the paper mill assets (in Maine and New Hampshire). In 1988 James River gained partial interest in the Maine timberlands along with a right of first refusal on the sale of these Maine lands which they had acquired in 1983. The balance of the assets, including the land, were sold to the French utility and telecommunications firm Cie General Electric (CGE) in 1987. CGE had no interest in managing the lands for timber and elected to sell them as quickly as possible. It was CGE then, not Goldsmith, who ultimately made the decision to put the lands on the market.

In 1988, through the real estate broker Land Vest, CGE began selling the lands. The 96,000 acres of New York lands were put up for sale as a single block and were purchased by Lassiter Properties of Georgia for \$17 million. Lassiter was in the business of both developing and managing timberland. The New Hampshire and Vermont lands, nearly 90,000 acres combined, were put up for sale as another unit. These were sold in 1988 for \$19 million by Bancourt Associates of Nashua, New Hampshire, a firm dealing mainly in mobile home parks. It should be noted that The Nature Conservancy, a non-profit international land conservation group, had been negotiating with CGE for the purchase of some of these lands prior to the sales.

Appendix E

Subcommittee Research Findings

Every recommendation cites the findings upon which it is based. All the findings are listed here according to their respective issue areas, as studies by Council subcommittees during its information gathering phase. The findings are extracted directly from the Findings and Options document. The Council released this document in September 1993 to gather the public's response to the optional strategies for conserving the region's forest values.

Land Conversion

The concern about present and future conversion of forest land to non-forest uses in the Northern Forest region prompted the Congress and the governors of Maine, New Hampshire, New York, and Vermont to create the Northern Forest Lands Study, and subsequently the Northern Forest Lands Council. First the Study and now the Council have focused efforts on changes in the region which are, or potentially might be, leading to a loss of public and private values of these lands. The values include: long term stewardship of the forest resource for timber, wildlife, wildlife habitats, and ecosystems; and public access for recreational purposes.

To better understand the magnitude and extent of land conversions in the region for larger ownerships (greater than 500 acres), the Northern Forest Lands Council contracted for a comprehensive study of conversion activity for the period 1980-1991. This acreage cut-off was chosen because the Congressional concern centered on "large ownerships" and the limited research funds available required a targeted approach to data collection. The study also gathered landowner motivational information through direct landowner surveys. An important note is that, although land sales were used as a key data source for determining land conversions in the region, they are different from conversions. Land sales do not necessarily result in conversion.

The subcommittee also sought data and information on ownerships of less than 500 acres from existing studies and reports. The data resulting from those investigations (by contractor Market Decisions, Inc.) are very incomplete because existing studies either lacked data, or data were forms which did not allow for useful analysis. As a result of these incomplete data, only findings number 1 and a portion of number 7 are drawn from the results of these investigations. All other findings concerning land sales and conversions are drawn from data on larger than 500-acre parcels.

Appendix F

Status of Northern Forest Resource Inventory

Introduction

The Northern Forest Resource Inventory (NFRI) is a state-based program designed to assist states in the gathering of natural and economic resource information, largely from existing data sources.¹ The purposes of the inventory are to: (1) assist state land conservation work; (2) establish an information baseline; and (3) provide a clear picture of the forest resource and the economy that relies upon it. The information gathered provides a factual basis for discussion and analysis of land conservation issues and policies in the Northern Forest. It will provide the framework for private sector and government applications beyond the life of the NFLC.

The inventory is Geographic Information System-based. A Geographic Information System (GIS) is a computer system capable of storing and using data describing places on the earth's surface. A GIS is more than a tool to make maps. It is a tool that allows the user to perform complex spatial analyses that integrate databases containing information about locations on the earth's surface. For example, emergency service providers can use GIS to identify the shortest routes to an incident. Shortened response times can save lives and reduce property damage.

History

The NFRI has its roots in the Northern Forest Lands Study and the companion Report of the Governors' Task Force on Northern Forest Lands. Chapter V of the Northern Forest Lands Study (Identifying Land with Important Resources) outlines the original concept for NFRI. When the Governors' Task Force recommended to Congress that it create the Northern Forest Lands Council, the Task Force also urged Congress to fund simultaneously an inventory of the region's natural and economic resources. During each year of the Council's operation, Congress provided funds to the states to conduct the inventory.

The NFLC issued two draft Operating Procedures, Standards and Guidelines documents, in May 1991 and October 1991. After public and technical review of these drafts, the Council approved a final version. This document guides the implementation of the NFRI.²

¹ The Northern Forest Resource Inventory required landowner permission in cases where field work or ground-truthing of existing information was necessary.

**Northern Forest Lands Council
Finding Common Ground**

Funding

Congress funded the inventory for federal fiscal years 1991 through 1994, when the Northern Forest Lands Council disbanded. Funds were apportioned using a formula that divided a portion of the funds evenly and divided the remainder based on the percentage of land each state had in the original Northern Forest Lands Study area. The following table presents funding levels by state.

State / Fiscal year	Maine	New Hampshire	New York	Vermont	NFLCOffice	Total
FY 1991	\$ 207,500	\$ 73,875	\$ 135,875	\$ 81,875	\$ 0	\$ 499,125
FY 1992	\$ 297,129	\$ 79,833	\$ 180,608	\$ 92,430	\$ 10,000	\$ 660,000
FY 1993*	\$ 297,129	\$ 0	\$ 180,608	\$ 92,430	\$ 33,000	\$ 603,167
FY 1994*	\$ 245,303	\$ 25,000	\$ 153,224	\$ 66,306	\$ 5,000	\$ 494,833
Project totals	\$1,047,061	\$ 178,708	\$ 650,315	\$ 333,041	\$ 48,000	\$ 2,257,125

* Some FY 1993 funds were re-allocated to Maine, New York, and Vermont following New Hampshire's completion of its inventory project. New Hampshire received \$25,000 in FY 1994 to complete a special project approved by the Northern Forest Lands Council.

See Appendix I for the Total Northern Forest Congressional Funding breakdown per year.

Operational process

Each state is responsible for carrying out the inventory in a manner consistent with the Operating Procedures, Standards and Guidelines report. The four state coordinators³, working in concert with state technical working group, developed the approach for each state's inventory. An outside contractor worked with the coordinators, state Geographic Information Systems administrators, and other technical personnel to develop the technical standards for the inventory. State coordinators are responsible for technical and financial oversight of the NFR project.

² For a complete description of the Northern Forest Resource Inventory project, refer to the Operating Procedures, Standards and Guidelines report, published in October 1992 and included in the Northern Forest Lands Council Technical Appendix

³ Northern Forest state coordinators are staff positions in each of the Northern Forest states. The positions are funded as State Planner grants by the USDA Forest Service-State and Private Forestry branch, as part of the Northern Forest Lands project. The state coordinators support their respective state's Northern Forest Lands Council members, and coordinate their state's public involvement program.

Appendix F
Status of Northern Forest Resource Inventory

Status of Northern Forest Resource Inventory				
Dates signify the projected date of completion for the specified data layer, as of September 1994.				
Inventory Data Layer / State	Maine	New Hampshire	New York	Vermont
Airports	Complete	Complete	Complete	Complete
Electric and gas lines	Complete	Complete	In progress, 1994	Complete
Elevations	Complete	Complete	Complete	Complete
Forest products manufacturing sites	December, 1994	Complete	In progress, 1994	Complete
Historic sites	Undetermined schedule	Complete	Complete	In progress, 1994
Hydrography (water)	June, 1995	Complete	In progress, 1994	In progress, 1994
Land habitat/cover, land use	Complete	Complete	In progress, 1994	In progress, 1994
Lands under existing state protection	June, 1996	Complete	In progress, 1994	Complete
Large blocks of forest lands	Complete	Complete	In progress, 1994	In progress, 1994
Political subdivisions (town boundaries)	June, 1995	Complete	Complete	Complete
Population density	Complete	Complete	Complete	Complete
Private lands open to the public	Undetermined schedule	Undetermined schedule	Undetermined schedule	Undetermined schedule
Privately-owned fee/ interest in lands	Undetermined schedule	Complete	In progress, 1994	In progress, 1994
Publicly-owned fee/ interest in lands	Complete	Complete	In progress, 1994	Complete
Railroads	June, 1995	Complete	Complete	Complete
Recreational opportunities	Undetermined schedule	Complete	In progress, 1994	In progress, 1994
Roads	June, 1995	Complete	In progress, 1994	Complete
Shoreline development	Complete	Complete	Undetermined schedule	Complete
Wetlands, state regulated	June, 1995	Complete	In progress, 1994	In progress, 1994

Update

The inventory project began in late summer of 1991. During the first year, the states concentrated automating base map features. The finalization of the Operating Procedures, Standards and Guidelines report allowed work to continue in an orderly fashion.

The table on the preceding page outlines each state's progress on all the data layers outlined in the Operating Procedures, Standards and Guidelines report. By the end of 1994, all states will have finished, or be very close to finishing, the highest priority data layers: base maps, public and private conservation ownerships, land habitat, cover and use, population densities, and elevations. New Hampshire and Vermont will likely complete their full inventories by the end of 1994. Due to funding and staff constraints, Maine and New York are less likely to complete the inventory by that time, although all funds have been committed to ongoing or scheduled projects.

Uses of the data

Geographic Information Systems provide an efficient framework to store, manage, and exchange information about locations on the earth's surface. The information automated as part of NFERI will enable the private sector and all levels of government to make more informed decisions about land use, facility siting, service delivery, and other matters.

The base map information automated as part of NFERI is of particular importance. The accuracy of analyses using all other databases depends upon an accurate link between information and a particular spot on the earth's surface, using latitude and longitude, or some other coordinate system. The base map data layer is, and will continue to be for the foreseeable future, of universal utility.

States will be responsible for the management, updating, and future use of NFERI data. States are already using the automated data in a number of ways. For example, Maine's Land Use Regulation Commission is using elevation, land use guidance, and other data to evaluate the impact of a large-scale wind power project. Graphic displays of the information can assist the public in evaluating the potential impact of policy changes affecting forest lands. Such displays may also help to indicate the level of protection accorded the region's natural resource base.

References

Northern Forest Lands Council, *Operating Procedures, Standards and Guidelines: Northern Forest Resource Inventory*, October 1992.

Watson, Julia, *Wildlife Compendium Project*, August 1, 1992.

Other existing studies under the auspices of the state universities and USDA Forest Service are also cited as sources for these findings.

Extent and Location of Land Conversion

1. During the 1980-91 period, at least 203,000 acres of land across the region were parcelized in connection with the sale of large tracts of forest land (over 500 acres). This represents approximately 1% of the 26 million-acre Northern Forest area and approximately 4% of the 5.5 million acres of these large ownerships which changed hands during the period. Of this acreage, parcels totaling at least 39,000 acres were converted by development. This represents approximately 2/10ths of 1% of the study area and nearly 1% of the acres which changed hands. Source: Sewall Study.
2. Conversion activities have been focused on lands with high amenity values, particularly waterfront properties, those with accessibility to lakes, and those with outstanding views. Source: Sewall Study, Irland Study, Lindsay Study.
3. For parcels of less than 500 acres in size, the limited available research indicates that land from parcels under 500 acres in size is more likely to result in subdivision and parcelization and conversion than for transactions involving larger ownerships in the region (greater than 500 acres). Based upon the less than 500-acre data, between 10% and 25% of land sold was parcelized or converted. Source: Sewall Study, Market Decisions Study.

Extent and Location of Land Sales

4. Over the past decade, there have been significant shifts in forest land ownership in the Northern Forest region. During this period, for ownerships of 500 acres and greater, at least 7.63 million acres changed hands. At least 2.1 million acres changed hands twice due to the sale of the Great Northern lands and other assets in Maine during the period of the study. Avoiding the double counting of these lands, the 5.5 million acres where ownership changed hands represent at least 21% of the Northern Forest area. A significant percentage of sales took place in the latter part of the study period. According to buyers of these lands, it is estimated that approximately 92% of the acreage sold (5.5 million acres) remained in timber management; 5% changed to public ownership and use (this includes 151,297 acres under conservation easement); 2% went to speculation for development; and the remaining 1% went to a combination of other commercial and unspecified private uses. The extent of land sales reflects the growing economic pressures faced by forest landowners and the instability, in some cases, caused by these pressures. Source: Sewall Study.
5. At least 344,137 acres (6% of the acreage sold and 1.3% of Northern Forest area), were sold to public agencies during the period. A significant portion, 151,297 acres, was through conservation easements. Source: Sewall Study.

Subcommittee Research Findings: Land Conversion

6. Consolidation of smaller ownerships into larger ownerships occurred during the period but this has not been quantified. Source: Sewall Study.

7. Table 1 - Conversions and Land Sales - A Summary

Northern Forest Lands Area 1980-1991	500+ Acre Parcels			< 500 Acre Parcels		
	Acres	% of Region	% of Land Sales	Acres	% of Region	% of Land Sales
Land Sales	5,500,000	21%	100%	No data	No data	No data
Parcelization	203,000	1%	4%	No data	No data	10-25%
Conversion	39,000	0.2%	1%	No data	No data	10-25%
Public Acquisition	344,137	1.3%	6%	No data	No data	No data

Note: Of the 344,147 acres acquired publicly, 151,297 acres were acquired through conservation easement purchases.

Source: Sewall Study, Market Decisions Study.

Impact of Conversion Activities on Traditional Forest Uses

8. Forest land conversion is most likely to occur in areas with significant recreational, scenic, and wildlife habitat values. As a result, these resources are more seriously affected by conversion activities than are lands without these attributes. Conversion of relatively small tracts can have a significant impact on these resource values because these resources are concentrated on a small percentage of the forest landscape. Source: Sewall Study, Irland Study.
9. Impacts of land conversion on timber availability across the region were not found to be significant. There were strong indications, however, that timber availability may be impacted on a localized basis. There are concerns that development in the midst of commercial timberlands could have substantial indirect impacts on the timber industry by creating a “shadow” influence on surrounding timber management and serving as a magnet for new development. Source: Sewall Study, Irland Study.
10. Land parcelization (i.e., dividing ownerships into smaller parcels owned by many owners) in most cases reduces the available timber base because of the varying objectives of new owners, and smaller timber management unit size. Source: Sewall Study, Irland Study, Birch - USDA Forest Service.
11. During the mid to late 1980s, as a result of public concerns about land conversion, public acquisition programs across the region expanded. Types of programs varied among the states. Most lands and easements acquired by public agencies continue to be managed for traditional uses including public recreation, wildlife habitat, and timber production. Some public acquisition may result in forest land being removed from timber production, the Adirondack Forest Preserve in New York, and possibly other areas as well. In recent years, conservation easements have been the primary acquisition tool used in the Adirondacks, keeping forest lands in timber production and providing for public recreation. Source: Sewall Study, Land Conversion Work Group, conservation entities.

Sellers of Land

- 12. Significant sales of large forest tracts occurred across the range of forest landowners, including corporate, family, and individual lands. Source: Sewall Study.**
- 13. Among all landowners, primary reasons for selling land were the lack of suitable return on investment and the need to raise cash for non-forest purposes. The increased demand for recreation development properties provided an attractive opportunity for some sellers to realize development value from their forest land investments. Source: Sewall Study.**
- 14. Among individual and family landowners, estate tax concerns are a driving force behind land sales. Source: Sewall Study.**
- 15. Increasing property tax burdens contribute to the sales of forest land for development, high-grading, and overcutting of timber before sales to maximize returns to sellers. This is exacerbated where current use tax programs (state programs designed to reduce property tax burden on forest and other open land) are not functioning well or are inadequately funded. Source: Sewall Study.**
- 16. Many landowners took advantage of state and federal land acquisition programs over the past decade. All programs operated on a willing seller/willing buyer basis. The primary landowner complaint about these programs is the length and complexity of the public acquisition process. However, many landowners would likely be willing to sell additional forest land, or rights on forest land, to public and private conservation agencies if sufficient funding were available. Source: Sewall Study, conservation entities .**
- 17. Current environmental and timber harvesting regulations were not singled out as a factor in land sales; however, concerns about an unpredictable regulatory environment and the potential costs of regulations may be having an increasing influence on forest landowner decisions. Source: Sewall Study.**

Buyers of Land

- 18. Sales of large acreages of forest land between established forest products companies typically did not result in major conversion activities. Approximately 92% of all acreage of land sales in the study remained in timber management, according to buyers surveyed. Source: Sewall Study.**
- 19. Subdivision and conversion of land largely was carried out by speculative/development interests seeking a short-term return on their acquisitions. Often this return was accomplished through intensive timber harvesting in conjunction with subdivision activity. These activities involved both national companies attracted to profit opportunities in the region and local interests. Source: Sewall Study.**

20. The ready availability of debt financing played a key role in many forest land sale and conversion projects. The excessive use of debt financing, or the borrowing of money to finance a purchase, is a concern in forest land purchases. This is because of the long time frame involved in timberland management and return on investment, versus the relatively short period of time to repay debt plus interest. It is not known how many transactions were financed in this manner, but the Great Northern, Diamond, and portions of the former Coburn Land Trust acquisitions (several of the larger of this type in the region) were. Extensive debt financing of forest land acquisition can force the rapid liquidation of assets either through subdivision or timber harvesting. Several companies involved in heavily financed forest land acquisitions went bankrupt because debt could not be financed in a declining real estate market. Source: Sewall Study, timber investor managers, Diamond/Coburn Forum.
21. By the end of the 1980s, tightening of the enforcement of subdivision regulations and adoption of new subdivision regulations slowed conversion activities in New York and Maine. Source: Sewall Study.
22. Over the past decade, federal, state, and local governments have taken increasingly active roles in the region to protect key public conservation values on lands through fee and less-than-fee acquisition. The state funding sources for acquisition have been reduced since the end of the decade. Source: Sewall Study, Land Conversion Work Group, conservation entities.

Future Outlook

NOTE: The points articulated in this section are derived from a forum of forest industry analysts held in September 1992. This forum was a component of the Sewall Study.

23. The major owner of forest land in the Northern Forest, the forest products industry, is viable (although in specific cases in tough economic situations), and will continue to need a major forest ownership base for its operations. Source: Sewall Study.
24. It is likely that development pressures from the vacation/second home market, while temporarily reduced, will continue to place significant conversion pressures on owners of certain lands with high amenities, particularly water frontage and scenic areas, especially for lands most accessible from major metropolitan areas. Source: Sewall Study, Irland Study.
25. Due to the profit opportunities presented by the vacation/second home market, particularly nearest population centers, it will be attractive for some forest landowners to sell land that is peripheral to their principal holdings and resource requirements. Improving profitability of forest management may reduce, but will not stop, the conversion of high value development lands. Source: Sewall Study.
26. Opportunities exist in the Northern Forest for new investment in forest land for long-term timber management through institutional investors who have recently invested heavily in forest land elsewhere in the United States, and recently in the Northern Forest area. Barriers to such investment in the region have included a perceived unstable tax and regulatory environment, and the relatively high price of some forest land compared to its long-term return when managed for timber production. Source: Sewall Study.

27. Land of non-industrial owners may be the most susceptible to forest land sales and conversion. These owners do not operate facilities that require timber products and therefore are more likely to take advantage of profitable land sale opportunities. Source: Sewall Study.

Information Needs

28. Across the region, collection of information about forest land sales and conversion has been poor. In order for states to keep track of forest land use trends, new information collection systems are required for tracts of all sizes—but particularly for tracts of less than 500 acres—in order to better understand the impact of forest land conversion on traditional land uses. This will also allow for better understanding of environmental and land use regulations and their effects on land sales and conversions. Source: Sewall Study.

Sources:

The “Sewall Study” refers to the Northern Forest Land Conversion Study prepared by the James W. Sewall Co. of Old Town, Maine, and Market Decisions, Inc. of South Portland, Maine during 1992. The study was contracted and funded by the NFLC.

The “Market Decisions Study” refers to a review of existing data and studies which was conducted on transactions and conversions of parcels less than 500 acres by Market Decisions of South Portland, Maine, from May through August 1993. The review was contracted and funded by the NFLC.

The “Irland Study” refers to the land conversion case-study analysis of selected counties in the Northern Forest prepared by The Irland Group of Augusta, Maine, in 1989. It was contracted and funded by the USDA Forest Service for the Northern Forest Lands Study.

The “Lindsay Study” refers to a study of the land transactions and land conversions in Vermont during the period of the late 1980s and early 1990s prepared by Jack Lindsay, et. al., of the University of Vermont.

The “Birch-USDA Forest Service” refers to various landowner studies prepared by Thomas Birch of the USDA Forest Service as part of each Forest Service Decennial Survey process.

The “Diamond-Coburn Forum” refers to a one-day forum sponsored by the NFLC in March 1992. The forum documented the details and outcome of the sale of forest lands owned by the former Diamond International Corporation and Coburn Lands Trust.

The “Land Conversion Work Group” refers to the panel of volunteer advisors who assisted the Land Conversion Subcommittee with its research and analysis.

Biological Resources

The biological resources of the Northern Forest—the forests, trees, plants, animals, insects, and numerous other organisms and how they interact with each other individually, as a whole, and with people—are fundamental considerations of the Northern Forest Lands Council. Without this basic living make-up, there would be little concern for possible future natural or economic changes in the region. This complex living forested landscape is what people depend on and are drawn to for many different reasons, including personal and economic.

The concern for the status of the diversity of the biological resources is based on these fundamental concepts. The issue is a relatively new one which is receiving much debate in the scientific community. The Council has sought to better understand this issue of “diversity” and why it is important to many people both within and outside the region. To do this, the Council’s Biological Resources Subcommittee convened a forum of scientific experts in December 1992 to seek understanding of the status of the biological resources of the region. It also requested and received from two of the forum panel members a report on one of the discussion themes of that forum—ecological reserves.

The subcommittee also commissioned three papers from Ash Cove Consulting of Yarmouth, Maine, to better understand the following: whether the natural community, or ecosystem, classification systems of the four Northern Forest states were compatible or could be made compatible; what federal, state, and private entities were doing to encourage the conservation of the diversity of biological resources in the United States; and what voluntary tools are available to landowners who want to learn about and implement management which maintains diversity on their lands.

From this work and other scientific papers and writings, the subcommittee draws its findings.

1. **Biological diversity or biodiversity:** “The diversity of life in all its forms, and at all levels of organization. ‘In all its forms’ reminds us that biodiversity includes plants, invertebrate animals, and microorganisms, as well as vertebrates that garner most of the attention. At ‘all levels of organization’ indicates that biodiversity refers to the diversity of genes and ecosystems, as well as species diversity.” Source: Fundamentals of Conservation Biology book in preparation by Dr. Malcolm L. Hunter, Jr.
2. **Biological diversity is an important issue for the Northern Forest Lands Council because the diversity of life is a basic property of nature that:**
 - sustains ecosystems;
 - sustains human populations;
 - provides an extensive array of food, fiber, health, recreational, aesthetic, economic, and other benefits.

The lands and waters of the Northern Forest are home to a wide range of plants, animals, and microorganisms that interact to form natural communities and ecosystems. Keeping these natural systems functioning helps maintain the benefits we derive from them, provides opportunities for research, and reduces the need for difficult and costly efforts to save individual species or re-create natural communities. Source: "Biodiversity on Private Lands," An Initiative of the Presidents' Commission on Environmental Quality, March, 1993, Hunter/Haines Paper.

3. The social and economic conditions which make up the region's quality of life are inextricably linked to the biological resources of the region. Therefore, maintaining the diversity of biological resources in the region is important in providing economic opportunity and social well-being. Source: Biological Resources Diversity Forum
4. Any action to conserve biological resources is likely to have economic and social effects. Therefore, to be widely accepted, initiatives to conserve biological resources must address the needs of people as an integral part of the environment. Source: Biological Resources Diversity Forum, Brocke "Recommendations".
5. The Northern Forest region encompasses a diversity of habitats influenced by topography, soils, hydrology, climate factors, natural biological agents, and natural disturbances, as well as past and present human uses of the land. Source: Biological Resources Diversity Forum
6. This diverse landscape supports a complex and dynamic array of flora and fauna. Maintaining biological diversity across this landscape is not simply maintaining species richness on a particular site. Rather, it is maintaining the diversity of naturally occurring species, their genetic make-up, and the ecosystems which they inhabit. Biological diversity should be viewed from a landscape perspective rather than from a narrow focus on specific sites. Source: Biological Resources Diversity Forum, Flatebo Study.
7. The Northern Forest region is characterized by a diverse land ownership and management pattern; therefore, a full range of techniques and mechanisms should be available to maintain and enhance the diversity of the region's biological resources. Source: Biological Resources Diversity Forum, Flatebo Study.
8. Human influence on the Northern Forest over the past several centuries has resulted in: fewer older forest stands, more roads, different disturbance patterns, and changes in species composition. Source: Biological Resources Diversity Forum.
9. Land conversion for housing and other relatively permanent non-forest uses results in less biological diversity, at least in the developed area. Poorly planned subdivision and development in the region will likely limit opportunities to maintain and enhance the Northern Forest's biological diversity. Source: Biological Resources Diversity Forum.
10. The impacts of forest management activities on biological diversity can either be positive or negative depending upon the species and diversity goals, agricultural practices, and landscape context. Source: Biological Resources Diversity Forum.

Subcommittee Research Findings: Land Conversion

11. The forest products industry, including large and small landowners, manufacturing companies, businesses, and others dependent on the forest resource, can continue to be compatible with maintaining the diversity of the region's biological resources on managed lands, especially when resource managers are successful in finding systems that integrate biological diversity conservation along with other factors such as timber, recreation, and wildlife. **Source: Biological Resources Diversity Forum.**
12. Information on forest management techniques to maintain biological diversity is difficult for landowners and land managers to obtain. Furthermore, there is no mechanism for several landowners to integrate and coordinate their management decisions on the landscape scale. **Source: Flatebo Study.**
13. While there is sufficient information to suggest biological diversity conservation strategies, the long-term implications of human activities on natural processes in the forest ecosystem are not fully understood, and may never be. **Source: Biological Resources Diversity Forum.**
14. There are many new concepts, techniques, initiatives, and programs that complement and build on existing programs for maintaining or enhancing biological diversity on public and private lands. The Northern Forest Lands Council recognizes that many of these are untried while others are ongoing. These include the following:

- For private lands- The President's Commission on Environmental Quality Initiative, the results of which are ongoing; World Wildlife Fund—Private Lands Initiative; American Forests Forest Policy Center ecosystem management initiative; the Collaborative Ecosystem Management concept as outlined by W. Eicknor; special natural areas registry programs; property tax incentives for conservation biodiversity; the Stewardship Incentive Program; the Forest Legacy program; fee and less-than-fee acquisition techniques; forest management principles; voluntary agreements; and others.
- For public lands or by public agencies Ecological reserve initiatives; management techniques resulting from the "Keystone Dialogue"; Partners in Flight program; Biodiversity Uncertainties and Research Needs Project; Man in Biosphere Program; National Biological Survey; Environmental Protection Agency's Environmental Monitoring and Research Program; state-based initiatives for state owned lands; California's Natural Community Conservation Planning Program; the USDA Forest Service's Ecological Classification and Mapping project; GAP Analysis; and others.

Source: Flatebo Study, Subcommittee investigations, Hunter/Haines Paper.

15. Much research is ongoing and further studies are necessary to better understand the current status of biological diversity in the Northern Forest region and the impact of the traditional ownership patterns and uses upon that diversity. Some unanswered research issues include:
 - species abundance
 - genetic diversity increase or decline
 - effects of natural and human disturbances
 - area requirements for maintaining viable species populations
 - fragmentation and penetration of forests by human influences such as development and roads

**Source: Biological Resources Diversity Forum, Hunter/Haines Paper, Brocke
“Recommendations” Flatebo Study.**

16. Presently there is no common natural community classification and nomenclature system among the four Northern Forest states **Source: Biological Resources Diversity Forum, Flatebo Study.**

Sources:

The “Flatebo Study” refers to three white papers produced by Flateboof Ash Cove Consulting of Yarmouth, Maine, on the issues of the compatibility of natural community classification systems, a survey of national, regional, state and local programs and projects on biological resources diversity in the U.S., and a review of voluntary techniques for maintaining biodiversity on private lands. The study was contracted and funded by the Northern Forest Lands Council in the first half of 1993.

The “Biological Resources Diversity Forum” refers to a forum sponsored by the Biological Resources Subcommittee of the NFLC on December 9, 1992 in Manchester, NH.

The “Hunter/Haines Paper” refers to an Ecological Reserve System for the Northern Forest Lands of New England and New York: A Briefing Paper for NFLC prepared by Drs. Malcolm L. Hunter, Jr., of the University of Maine and Sharon Haines of International Paper in January 1992.

The “Brocke Recommendations” refers to a June 23, 1993 letter to the Biological Resources Subcommittee of the NFLC from Dr. Rainer Brocke of the State University of New York, College of Environmental Science and Forestry outlining his recommendations to NFLC on the biological diversity issue and on the Hunter/Haines briefing paper.

Conservation Strategies

Land conservation is no longer seen as occurring behind publicly defined boundaries, in parks, refuges, and forests. The resource concerns are too complex, the public purse too limited, and the contribution of private landowners and business interests too essential.

The concepts of land conservation, private stewardship, working landscapes, and sustainable resource-based economies resonate across the country. All of the parties concerned—landowners, government, citizens, conservation groups, businesses, and others—recognize the shortcomings of the traditional approaches of acquisition and regulation, and see the need for new land conservation tools to meet the challenges of the future.

The land conservation movement is experiencing a paradigm shift, as the emphasis shifts to landscape approaches that transcend boundaries yet respect them; to partnerships between government and landowners that have their basis in common goals and mutual respect; and to a search for solutions that build upon past successes.

It is clear that existing government policies at all levels do not sufficiently encourage, reward, support long-term land conservation, neither on private land nor on public land. These policies need to change to realize the vision of a productive and sustainable working landscape in the Northern Forest. The Conservation Strategies Subcommittee was charged with identifying new tools for land conservation that will enhance and maintain the public and private values on the lands of the Northern Forest. These values include the long-term stewardship of the forest resource, including timber, wildlife, ecosystems, and recreation. While other Council subcommittees have examined certain techniques and mechanisms, such as tax incentives and forest-based economic development initiatives, this subcommittee examined land conservation tools that link the public and private sectors, such as voluntary public access agreements, conservation easements, and fee acquisitions.

The Council contracted with State Resource Strategies of Washington, D.C. to investigate the myriad of land conservation tools and mechanisms in use within the United States. The contractor examined both successes and failures as well as lessons learned. From this research and further investigations by the subcommittee through landowner interviews and other techniques, and with strong assistance from its work group and interested citizens, the subcommittee has drawn its findings for policy changes.

Overview

1. Core themes being discussed and debated throughout the United States with regard to land conservation issues include:
 - an emphasis on larger approaches that deal with ecosystems or landscapes, that cross boundaries but still respect them, and are concerned with both private and public lands;
 - a recognition of the shortcomings of both the market and government intervention in protecting natural resources;

- a groping for solutions that seem to call for new institutions and partners, and some risk-taking;
- a new respect by environmentalists of the critical role of healthy and profitable resource-based industries and activities in achieving broad natural resource protection goals, and by industry leaders and business interests for the economic relevance of concerns about resources at risk;
- a search for better science to provide a solid underpinning for proposed land conservation actions;
- a shift from regulatory top-down approaches to experimentation with market-driven techniques, voluntary arrangements in consultation with landowners and local residents, and flexible responses;
- an emphasis on partnerships and the increasing presence of private land conservation organizations, as well as states and local governments, as ongoing collaborators.

Source: Myers Study

2. Economic and other pressures continue to drive private forest landowners in the Northern Forest to consider sale or non-natural resource use of their property when many would prefer not to sell or convert use. Source: Sewall Study.
3. Opportunities exist to work closely with private landowners to further land conservation efforts; however, landowners' fears about the negative consequences of land conservation are impeding these efforts. These fears include current and potential land use regulations that may be inequitable, have no scientific basis and are ever changing, and the government's use of eminent domain and condemnation powers to create new public ownership. Source: Subcommittee investigations, Landowners interviews
4. A variety of private and public landownership structures is advantageous to the Northern Forest region. Differing management philosophies stimulate all management to adopt policies which serve the public interest. Source: Subcommittee investigations, Conservation Strategies Work Group.
5. Private land trusts have played an increasingly important land conservation role in the region. These efforts often do not require public funding and are based on local support. Many landowners are likely to be open to such home-grown opportunities and their property rights concerns may be addressed easily through these initiatives. Source: Landowner interviews, Conservation Strategies Work Group.

Program Funding

6. State-based programs play a crucial role in land conservation in the region; however, funding for public conservation and land management at all levels is often inadequate. Further, the increased need for additional management funding is rarely tied to new public land acquisitions. Recent trends in funding for management, repairs, and improvements on public ownerships are also down. Source: Myers study, Subcommittee investigations.
7. The federal Land and Water Conservation Fund historically has been an important funding mechanism for public acquisition and improving public recreational access in the Northern Forest region. However, the states in the Northeast have received less and less support from this program over time, as the emphasis has shifted to more federal acquisitions in other regions of the country. Source: Myers Study, Subcommittee investigations.
8. Some states collect user fees to compensate landowners for providing public recreational access to their lands. Similar private sector efforts also exist, such as the North Maine Woods gate fee system. In the past, government-collected user fees have not always been dedicated and in some areas have been used for non-conservation purposes. Source: Myers Study, Subcommittee investigations.
9. There is a lack of sufficient economic contributions by some recreational users, and by the public who demand or desire public recreational use of private lands. Some user groups have indicated their willingness to contribute funds to a recreational access program through a tax on recreational equipment, though no structure exists to undertake this. Source: Myers Study, Subcommittee investigations.

Existing State and Federal Land Conservation Programs

10. The existing delivery systems of some federal land conservation programs, both acquisition and non-acquisition, are often antiquated and not easily workable in the region because these programs are often national in design and are rarely tailored to the needs of landowners in a specific region and state. Source: Myers Study.
11. Numerous federal and state land conservation tools other than land acquisition are available to encourage the long-term conservation of the region's forest lands, and to protect public and private values of importance to the people of the region and beyond. Examples include the Stewardship Incentive Program and the new Partners in Wildlife program. Source: Myers Study.
12. Conservation easements are a tool which have come into increasing use in the Northern Forest region for protection of important public and private values. Fee acquisition is a past, present, and a future tool for land conservation in the Northern Forest. Source: Myers Study, Subcommittee investigations.
13. Over the last decade, many landowners took advantage of state and federal land acquisitions programs. Today, many landowners would likely be willing to sell additional forest land outright to the public or through conservation easements if sufficient funding were available. Source: Sewall study; Myers Study, Subcommittee investigations.

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14. Federal funding is needed to ensure the success of certain land conservation tools; however, significant state and local government involvement in these efforts is essential. Federal grants to states for acquisition and management are often the most effective and broadly accepted approach. Precedents exist for such state and local involvement, both within the region and elsewhere. Examples include local government approval of additions to National Forests in some states, and a linkage of federal land acquisition dollars with state or locally managed land conservation programs such as the Allagash Wilderness Waterway in Maine and the Pine Barrens in New Jersey. Source: Myers Study, Subcommittee investigations.
 15. Forest Legacy has the potential to be a key land conservation tool for the Northern Forest region, but administrative, legislative, and funding changes are necessary to make this an effective program. Source: Subcommittee investigations.
 16. Public timberlands are subject to political pressures which may limit them as dependable long-term sources of timber; this is a concern when evaluating potential new public fee acquisition of forest land. Source: Subcommittee investigations.
 17. In the past, existing and proposed public conservation strategies have not been completely evaluated with cost/benefit analysis. Source: Subcommittee investigations.
 18. The economic and property tax impacts of past and potential future public land acquisition in the region are not clearly understood. Source: Myers study.

Additional Conservation Tools and Priorities

19. High amenity land attributes, particularly water frontage, are important considerations when developing conservation strategies because lands with these attributes are more likely to be converted to non-forest use than lands without these attributes. Source: Sewall Study.
20. Some land on the market today may have important public and private values and is available from willing sellers. The amount of land actively for sale in the region is not fully known. It is also not fully understood how much of this land is of broad conservation interest. Where these lands are of conservation interest, public acquisition of fee or less-than-fee interest in the land can protect these values for the future and create opportunities for federal, state, local, and tripartite partnerships in land conservation. Source: Subcommittee investigations.
21. Public land conservation programs and funding are attractive to landowners when administered at the most local level of government. This local participation in the process is often essential for long-term success because it encourages local institutionalization, an important attribute for successful local initiatives. For example, local planning tools such as local land use regulation and creative development options (including open space zoning) have been appropriate and cost effective tools for achieving conservation goals in the Northern Forest region. In addition, opportunities exist to merge or leverage property tax relief programs with direct compensatory land conservation strategies. For example, Chapter 121A, a property tax abatement program in Massachusetts for farmland/open space, provides a right of first refusal to the local government assignable to the state and/or a land trust when property enrolled in the program comes onto the market. A similar initiative exists for farmland in Vermont. Source: Subcommittee investigations, Conservation Strategies Work Group.

22. Motivations of small, non-industrial landowners for owning and managing forest land in the Northern Forest are often different than those of larger owners; therefore, different conservation options may be appropriate for these two groups. Source: Subcommittee investigations.

Public Awareness and Educational Resources

23. Hundreds of existing public and private conservation strategies programs and initiatives are available in the Northern Forest region, and the dollars associated with these programs number in the hundreds of millions annually. A comprehensive listing of these programs and initiatives, their applicability and current status, does not currently exist. There is a general lack of public information and understanding of the use of these various programs, initiatives, and tools. The lack of a single-source listing of public and private land conservation options available to private landowners has affected their decisions on land conservation in the region. Source: Myers Study, Council investigations, Northern Forest Lands Study.

Sources:

The “Myers Study” refers to a research project on conservation strategies conducted by Phyllis Myers, president of State Resource Strategies of Washington, D.C. The study was contracted and funded by the Northern Forest Lands Council in 1993.

The “Sewall Study” refers to a research project undertaken under the auspices of the Land Conversion Subcommittee of the Council. See that section of this report for more information on the report and study.

The “Conservation Strategies Work Group” refers to the panel of volunteer advisors who assisted the Conservation Strategies Subcommittee with its research and analysis.

Local Forest-Based Economy

Among the many values provided by the Northern Forest is the forest's economic contribution. It provides high quality wood, abundant fiber, open space, clean water, fish and wildlife, and recreational opportunities, most of which support jobs. Recognizing this, the Council seeks to stimulate the local forest-based economy within the region and to improve its competitiveness in the global economy. To this end, the Council investigated three major areas. The first was an assessment of what is already happening in the region to strengthen local economies through the forest resource. This was accomplished through a forum of economic development practitioners in April 1992. The second was an assessment of the economic impact of the forest to the regional economy. It was prepared in conjunction with the Northeastern Forest Alliance (an association of state foresters in Maine, New Hampshire, New York and Vermont). The third project was identification of how the region is being affected by global economic trends in wood products and forest amenities through a study by C.T. Donovan Associates of Burlington, Vermont. The results of both studies and a host of expert panelists contributed to a June 1993 forum with a diversity of interests from across the region. Both the studies and the forum proceedings form the basis for the findings.

Economic Impact of Forest Industry

1. In the Northern Forest states, forest-based economic activity is very important to each state's overall economy. The table below identifies total payroll for forest-based manufacturing and recreation for each state, percent of forest-based manufacturing and recreation employment in state's total employment, and total economic contribution of forest-based manufacturing and recreation payroll, stumpage sales, firewood sales, manufacturing sales, wood fuel sales, tourism and recreation expenditures, and sale of other specialty forest products. (Data from 1987 to 1989.)

Value of Forest-Based Manufacturing and Recreation	Annual Total Payroll	% of State Employment	Annual Total Economic contribution
Maine	\$888,300,000	12 %	\$7,418,500,000
New Hampshire	\$383,800,000	7 %	\$3,200,600,000
New York	\$1,788,700,000	2 %	\$13,302,700,000
Vermont	\$251,500,000	11 %	\$2,027,900,000

Source: NEFA Reports

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2. Factors affecting employment levels in traditional forest products businesses include:
 - a. Increased productivity, greater efficiency, improvements in production processes, and mechanization.
 - b. Escalating costs of insurance, particularly workers' compensation and health.
 - c. Certain traditional woods jobs are unappealing to local residents and are being filled by imported labor. (Examples are timber stand improvements and timber harvesting.)
 - d. Economic cycles.

Source: Forum '93, Subcommittee investigations.

Global Trade

3. The global economy is having an increasing and significant impact on forest-based economies in the Northern Forest region. Source: Donovan Study.
4. Global demand for raw logs and wood chips is expected to increase through the 1990s. This will be largely in response to the continued demand for wood fiber by countries and regions that do not have the forest resources to supply their demand. Source: Donovan Study
5. Major importers of raw logs and wood chips will continue to be Japan, Finland, Sweden, Taiwan, and Korea. Source: Donovan Study.
6. Major exporters of raw logs and wood chips will continue to be the United States, Australia, Canada, and Chile. Source: Donovan Study.
7. The export of raw logs from the region has increased in recent years. There is concern within the region that this will negatively impact the resource base and employment opportunities. To date, there is no published data documenting negative impact, nor identifying the implications of increased export. Source: Subcommittee investigations.
8. United States demand for all major timber products is expected to increase through 2040. Source: Donovan Study.
9. Exports of wood products from the United States are expected to continue in the future. Projections for increases are unreliable due to uncertainties about making trade projections (from changing currency exchange rates, product restrictions, foreign trade, labelling requirements). Source: Donovan Study.
10. Canadian provinces may have a competitive advantage over Northern Forest product manufacturing industries. While not documented, the following perceived to contribute to this competitive advantage.
 - a. Government policy of full employment.
 - b. Government policies on health care and workers' compensation.
 - c. Government incentives for full loads on return trip for trucking.
 - d. Presence of modern manufacturing facilities.
 - e. Presence of low electric power costs.

- f. Historically, non-competitive arrangements between some Canadian public (crown) lands and some private corporations.
- g. Provision of low cost start-up loans.

Source: Local Forest-Based Economy Work Group.

Financing

- 11. Consolidation of the banking industry, prompted in part by government deregulation, has reduced local financing opportunities. Concerns include:
 - a. Increasing detachment from local communities by banks.
 - b. Lack of understanding of recreation and wood products industries, and rural economic needs.
 - c. Tightened availability of capital.

Source: Local Forest-Based Economy Work Group.

Marketing

- 12. Some forest product businesses are not keeping up with changes in public demand for goods and services. Among certain forest products businesses, there is:
 - a. Little entrepreneurship in new product lines and market opportunities.
 - b. Lack of application of research and development in new products and technologies to the region's forest resource.
 - (1) Reprocessing of recycled paper.
 - (2) Harvesting and use of special forest products (tannicals, mushrooms).
 - c. Unwillingness or inability to diversify product lines.
 - d. Under-utilization of total wood resource in manufacturing.

Source: Forum '93, Local Forest-Based Economy Work Group.

- 13. Marketing of forest-based products and services by businesses is not sophisticated. Reasons include:
 - a. Little long-range planning.
 - b. Not responsive to market trend changes.
 - c. Regional coordination of marketing lacking.
 - d. Unresponsive to rapidly changing consumer tastes.

Source: Forum '93, Local Forest-Based Economy Work Group

- 14. The Northern Forest rural area has opportunities to create memorable experiences. Furthermore, the Northern Forest has strong tourism market potential.

- a. Tourists want to learn about people, and their past and present activities. Historical opportunities abound in the Northern Forest.
- b. Tourists seek uncrowded, natural settings in which to relax and recreate.
- c. The region's accessible rivers and woods provide opportunities for meeting market niches for "soft" adventure and "safe" fantasy.

Source: Forum `93

15. Sustainable forestry is critical to the forest economy, as well as to other forest values, such as biodiversity. Consumers of forest products are showing a willingness to support sustainable forestry through their purchasing behavior. Source: Forum `93.

Regulatory Climate

16. While many in the regulated community do not find regulations negative per se, they believe that the administrative process for existing regulations may at times hamper economic development.
- a. Variable transportation regulations across states can impede the flow of goods and increase their prices.
 - b. Some regulations are not user-friendly.
 - c. The administration of regulations can be confusing and difficult.
 - d. Generally, with few exceptions, regulations are inflexible in their application.
 - e. The lack of regulatory stability discourages some businesses from expanding or changing their processes because they are unsure what "the rules of the game" will be in the future.

Source: Forum `93.

Federal, State, and Local Government Roles

17. Rural communities need to better articulate their development needs and desires.
- a. Rural economies are small and dispersed.
 - b. Rural communities lack organized, grassroots political base.
 - c. The natural resource base can be better promoted and utilized as a resource for community economic development.

Source: Forum `93, Local Forest-Based Economy Work Group.

18. State legislators and government officials need to better understand and respond to rural economies.
- a. Rural economic problems and opportunities often are not high priorities for state governments.
 - b. State level decision-making is often controlled by urban voting blocks.
 - c. State forest promotion/management agencies are not a high priority in state government.
 - d. Importance of the natural resource base to rural economies is not well understood.

Source: Forum `93, Local Forest-Based Economy Work Group.

19. There are many federally funded programs within the region promoting economic development through use of the forest resource. Some gaps and overlaps exist among various programs.

Source: Forum `92.

20. There is a lack of adequate infrastructure to support rural economic development in the region. Quality infrastructure is a cornerstone for economic development and rural economies have limited ability to pay for infrastructure. The quality of the infrastructure largely dictates ~~miono~~ development options. (Examples of infrastructure needs are transportation, water, sewer, and solid waste.) Rural communities often lack the tax base to support infrastructure and depend upon state and federal funds to develop their infrastructure.

Source: Forum `93, Local Forest-Based Economy Work Group.

21. New policies in federal land management across the country will affect the region. They will change where wood comes from, how it is manufactured, and where it is redistributed in the markets. Timber harvests from federal lands are likely to decrease over time.

Source: Forum `93, Donovan Study.

22. Upgrading existing mills is an important tool for improving the region's forest-based economy. There are opportunities to improve the viability of the region's existing mills.

- a. Siting new mills is extremely difficult.
- b. Existing mills have the potential to be upgraded to meet future demands for wood products, and environmental quality.

Source: Forum `93, Local Forest-Based Economy Work Group.

Sources:

The "Donovan Study" refers to a research project entitled "Global Economic Trends that Affect the Forest-Based Economy in the Northern Forest Lands" which was produced in July 1993 under contract for the Northern Forest Lands Council by C.T. Donovan and Associates, Inc. of Burlington, Vermont.

The "Forum `92" refers to the April 4, 1992 forum with economic development practitioners in White River Junction, Vermont.

The "Forum `93" refers to the June 14-16, 1993 "Forum: Building Local Economies With Wood Products and Forest-Based Recreation and Tourism," sponsored by the Local Forest-Based Economy Subcommittee in Montpelier, Vermont.

The "NEFA Reports" refers to a series of four reports prepared by the Northeastern Forest Alliance and the Council in 1993, entitled "The Economic Importance Of Maine's (New Hampshire's, New York's, and Vermont's) Forest." The Northeastern Forest Alliance is an association of state foresters for Maine, New Hampshire, New York, and Vermont.

The "Local Forest-Based Economy Work Group" refers to the panel of volunteer advisors who assisted the Local Forest-Based Economy Subcommittee with its research and analysis.

Property Taxes

As identified in the work of the Northern Forest Lands Study and the Governors' Task Force on Northern Forest Lands in their April 1990 reports, property tax policy affects the ability of forest landowners to hold and manage their lands long-term. The Northern Forest Lands Council investigated this issue from two major perspectives. First, an analysis was completed which looks at the economics of timberland ownership and property taxes in the region. A contractor completed this study for the Council. A second project, a comprehensive review of existing "current use" or use value property tax assessment programs within and outside the region, and an investigation of alternatives to the current system, was accomplished through an outside contractor as well.

These studies have found that in a significant portion of the Northern Forest region the ad valorem property valuation method for property taxes is an impediment to the long-term conservation of forest land for its multiple benefits, and is a threat to the traditional patterns of ownership in the region.

The following findings were drawn primarily from these studies.

Existing Situation

1. The four Northern Forest states of Maine, New Hampshire, New York, and Vermont rely heavily on property tax revenue for local government services. All four states rely more heavily on this source of tax revenue than the national average, which is 30%. Maine's reliance is 45%; New Hampshire's is almost 70%; New York's is 40%; and Vermont's is nearly 60%. Property tax policy is a state policy issue. Source: RSG et al Study.
2. Ad valorem, or fair market value property valuation, is the statutorily mandated valuation method used in the Northern Forest states and elsewhere in the United States to determine property valuation for the purpose of property tax assessment. State mandates in the Northern Forest states require 100% valuation, or current fair market valuation, to be the basis for valuation. Prior to the 1970s, undeveloped forest and agricultural land assessments under ad valorem methods in the Northern Forest states were traditionally low because these lands often had little development value. As development pressures increased the market value of some of these lands, Maine, New Hampshire, and Vermont instituted some form of preferential tax treatment or "current use" program which based property valuation on the income producing capability of the land as timberland and farmland. In New York, the 480A program was initiated to allow forest land to be taxed at a percentage of its fair market value. Source: RSG et al Study; Canham et al Study.

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3. Although an impediment to the long-term conservation of forest land in the Northern Forest, ad valorem based property tax valuation is not, at present, as significant an issue in the sparsely populated 10.8 million acres of unorganized townships in Maine, New Hampshire, and Vermont, because the ad valorem valuation is often close to current use valuation. In certain instances, however, valuation of waterfront properties and other high development value lands in these unorganized areas, and the effective tax rates experienced in certain townships, are important property tax considerations today. These considerations are likely to be more important issues in the future. Source: RSG et al Study; Canham et al Study.
 4. As originally envisioned in colonial times, property was an acceptable measure of wealth. Although this premise rarely holds true today in the Northern Forest region, the property tax system is still based on that historical assumption. Source: RSG et al Study.
 5. Fair and reasonable taxation of forest land is an important component of a strategy to protect the Northern Forest. In each of the Northern Forest states, maintenance of the forest is an important public goal for many reasons—economic, environmental, and social—and basing the property tax on ad valorem valuation is a deterrent to achieving that goal. Source: RSG et al Study, Canham et al Study
 6. Generally, ad valorem property taxes on forest land in the Northern Forest states rose during the 1980-1990 decade. In Maine and New York, these taxes doubled during the period. Increases in New Hampshire and Vermont were somewhat less. Source: Canham et al Study.
 7. The major cause of the significant property tax increases has been the need of local governments to raise revenues for public services, especially education. This trend has been caused, in part, by state and federal mandates not fully funded by these levels of government. This increased revenue need has caused increased pressure on forest landowners through property tax burdens. Source: RSG et al Study, Canham et al Study.
 8. Annual property taxes on forest lands range from lows of less than \$1 per acre to highs of \$10 and \$15 per acre in parts of the region. Source: Canham et al Study, Subcommittee investigations.
 9. On average, timber management as the sole source of income in the Northern Forest region is only profitable at low property taxes, less than \$2 per acre per year in some areas and less than \$1 per acre per year in others, depending on the productivity and accessibility of the site. It is important to remember that these are average numbers and there are cases where these numbers are less than \$1 or greater than \$2. Source: Canham et al Study.
 10. In the Northern Forest region, the potential for development is a major factor which drives the market value of forest land. In areas where the market values are low, it is expected that development pressures will increasingly become a factor encouraging development in the future. The current use value, which includes the land's value for producing timber or agricultural products, is often significantly less than the market value. In many areas, because there is such a large difference between the market value and the current use value of forest land, the annual tax based on market value exceeds the annualized income that could be derived from timber. Source: RSG et al Study, Canham et al Study .

11. In the long-term, current use programs, if successful, encourage conservation of forest, farm, and open space lands. It is often believed that, because development increases the tax base, property taxes will drop. For this reason, some people have linked forest land conservation efforts with higher tax bills. However, the actual relationship between taxes and development shows the opposite is true: in each of the Northern Forest states, the more population growth, the higher the tax bill on the median-value house. This relationship does not necessarily mean that towns will be better off conserving forest land for the purpose of reducing property taxes. It simply shows that the common perception that growth will lower taxes is usually wrong. Source: RSG et al Study.
12. The current Northern Forest area ad valorem property tax system for land and residential property results is a regressive tax structure (where the ability to pay property taxes has little bearing on taxes levied). Source: RSG et al Study.
13. Other countries have property tax/local revenue raising systems which are fundamentally different from the system in the Northern Forest states and the U.S. These systems also recognize that open space land in agricultural or forest production cannot generate income to allow owners to pay excessive taxes if the intention is to keep the land in those current open space uses. Source: RSG et al Study.

Current Use Programs

14. Given the existing tax structure, current use programs are particularly important to the continued viability of the working landscape for two reasons: property taxes based on fair market value often represent such a high percentage of annual income from the land that rational owners would make alternate investments and not keep the land in natural resource use; and, because most other states in the U.S. have preferential taxation programs, forest landowners and the forest industry in the Northern Forest states would not be competitive without similar treatments. Source: RSG et al Study.
15. Current use programs are often viewed as subsidies, but in fact, they are public policies designed to provide equity for owners of open space in a property tax system which has become inequitable over the past two decades. Source: RSG et al Study.
16. The political instability of the current use programs in the Northern Forest states undermines the long-term conservation of forest land. In order to make forest management an attractive alternative to current and future owners, long-term stability in public policy is essential. Source: RSG et al Study.
17. Current use property tax programs have worked to maintain annual taxes at levels that permit long-term timber management in the Northern Forest. Although they are not able to ensure long-term management and ownership, these programs are a safety net that allows such activity to continue in the region where landowners desire to manage land in productive natural resource uses. Source: Canham et al Study.

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18. There have been very few historical studies designed to determine the effectiveness of current use programs, i.e., to determine whether current use programs are effective in discouraging conversions and subdivision of land enrolled in these programs. Based on the results from the studies which are available, the current use programs of the Northern Forest states are, in fact, successful in these goals. These historical studies (done primarily on farm land) have shown that a very small percentage of owners' lands (1-2%) depend on these programs to maintain their current ownership. Based on a recent current use landowner survey in the Northern Forest region, over 12% of the enrolled parcels (this represents 1,146,000 acres) would be at risk of subdivision and conversion in the near future were it not for the availability of these programs. Source: RSG et al Study
19. Minimum eligible parcel size for current use in the Northern Forest states ranges between 10 acres in Maine and New Hampshire to 25 acres in Vermont and 50 acres in New York. Some states outside the region require parcels to be larger (50 to 80 acres) for eligibility in forestland taxation programs and set up separate "open space" programs for smaller parcels. These states recognize differences in the public benefits received from different size parcels and differences in the costs of securing those benefits. They tailor eligibility and management requirements and penalties to suit the different program objectives and land characteristics. The management requirements of these programs vary and they may or may not have an effect on whether owners enroll in these programs. Source: RSG et al Study.
20. If the break-even period for current use programs (the number of years a parcel must be enrolled before the accumulated tax savings plus interest equal the conversion penalty) is short, owners may use the program as a means of saving money before converting the property and the program may actually make any conversion of use more profitable. If the break-even period is long, it may discourage people from enrolling their land, and, without the tax reduction, the land would be more likely to be converted to another use sooner. More than ten years is considered a long period for this purpose. Source: RSG et al Study.
21. Given market forces, the decision of current use landowners to convert enrolled land to non-forestry uses is, at least in part, dependent on the penalties within the programs designed to discourage conversion. Some programs within and outside the Northern Forest region offer greater penalties, and thus deterrents to conversion, than others. Source: RSG et al Study.
22. The strength of current use programs is their ability to help landowners interested in maintaining their land in forestry uses by allowing owners to pay a reasonable tax commensurate with potential returns from the land as forest. (New York's program is different because it bases exemptions not on the ability of the land to produce income but on a percentage of market value.) Without current use programs, landowners who are able to keep their land in forestry use are those who can afford to do so due to another income source and other ownership objectives, or those who are looking to eventually convert their land for the income it would generate. Source: RSG et al Study.
23. Current use programs in three of the four Northern Forest states have forest management requirements as a condition of enrollment and participation (Maine, New York, and Vermont). New Hampshire's program has a strong incentive to encourage forest management, but not a requirement. Source: RSG et al Study.

Enrollments

24. The Northern Forest region of the states of Maine, New Hampshire, New York and Vermont collectively have 11,651,093 acres (45% of the Northern Forest 26 million-acre region) enrolled in the states' current use programs. An additional 767,126 acres are enrolled in New York's so-called "Fisher" program, which has been closed to additional enrollment since 1974. Maine has the greatest amount of acreage enrolled with over 10.5 million acres. New York's 480-a program represents the lowest amount of the four states, with 130,898 acres enrolled. Source: RSG et al Study.
25. Forest land parcels enrolled in current use programs range in size from 10 acres to over 30,000 acres. For the Northern Forest region as a whole, enrolled parcels average about 700 acres. Average parcel sizes vary across the region: incorporated townships of Maine - 333 acres; unincorporated townships of Maine - 3,018 acres; incorporated townships of New Hampshire - 359 acres; New York - 213 acres; and Vermont - 173 acres. Source: RSG et al Study.

Problems

26. Most current use programs value forest land according to its potential to produce income from timber. Programs which base the valuation of enrolled land on a percentage of fair market value offer no assurance that the valuation will be supportable given timber income. Source: RSG et al Study.
27. Landowners and others involved with the administration of the programs in Maine and Vermont cite instability of the current use programs as a problem for the future success of the programs. Some key issues include:
- a. States in the region which have a current use program reimbursement fund to provide local communities with revenue not collected when lands are valued at current use, recently have underfunded these reimbursements, causing significant uncertainties and problems for communities and landowners.
 - b. In states in the region which have no formal reimbursement program (New Hampshire and New York), other problems exist due to the tax shift which results.
 - c. Current use programs in the Northern Forest region are often not administered consistently among individual communities. Problems which result from these inconsistencies, among others, include lack of fairness and lack of trust in the programs by landowners.
 - d. Given program design, it is often not possible to fulfill legislative goals for current use programs in the region. This leads to further instability, as opponents cite this lack of program goal fulfillment as a reason to change or eliminate the programs.
- Source: RSG et al Study.
28. There is a lack of appreciation and/or understanding by some public officials, assessors, and some non-current use property owners about the purpose and public benefits of these current use programs. Source: RSG et al Study.

Costs/Benefits

29. The costs and benefits of the Northern Forest states' current use programs can be categorized in a matrix which identifies costs and priced and non-priced benefits for both individuals and society:

	Costs	Benefits	
Individual	Administrative Costs Land Management Costs (ME, NY, VT) Yield Taxes (NY) Withdrawal Penalties Deferral of Development Rights	Property Tax Savings Higher Quality Timber Conservation of Soil, Water, and Wildlife Resources	
Society	Administrative Costs Tax Shift (Distributional Effects)	Priced Benefits: Yield Taxes (NY) Withdrawal Penalties Higher Quality Timber LandMngt. Expenditures	Non-priced Benefits: Public Access Reduced Fragmentation Avoid. of Municipal Costs Conservation of Soil, Water and Wildlife Resources Availability of Timber in Economy

Source:RSGet al Study.

Subcommittee Research Findings: Land Conversion

30. For the Northern Forest region, certain societal priced benefits of the current use programs are substantial. As required by these programs (Maine, New York, and Vermont), forest management occurs where it otherwise might not if landowners were not required to develop and implement a management plan on enrolled forest acres. This results in improved quality of timber, the value of which can be calculated. From a survey of current use landowners across the region, a subset of owners falls in this category. Among just these owners, the Net Present Value of Forestry Benefits is estimated to be at least \$ 46,000,000. (The Net Present Value of Forestry Benefits calculates the forestry benefits derived from improvements in quality and value of growing stock timber, which results from increased forest management.) Public access is also required on some land (as a special election in the New Hampshire program) and encouraged on all others. Public access benefits are estimated to be \$ 900,000 annually based on the subset of lands that would not be left open for access had the current use programs not been available. This amount is exclusive of benefits derived as a result of hunting and fishing revenues. Source: RSG et al Study

31. Distributional costs of current use programs are outlined below for the Northern Forest region:

Distributional Costs for States and Regions	Current Use Acreage	Tax Shift	Tax Shift per Acre	Tax Shift Borne Locally	Tax Shift Borne Directly by State
Maine, incorporated (1991)	2,948,169	\$ 3,386,798	\$ 1.15	\$ 1,527,446	\$ 1,859,352
Maine, incorporated (1991) if fully funded	2,948,169	\$ 3,386,798	\$ 1.15	\$ 338,680	\$ 3,048,118
Maine, unincorporated (1992)	7,629,047	\$ 1,422,834	\$ 0.19	\$ 1,422,834	\$ 0
New Hampshire, incorporated (1991)	481,873	\$ 2,266,912	\$ 4.70	\$ 2,266,912	\$ 0
New Hampshire, unincorporated	199,656	\$ 47,218	\$ 0.24	\$ 47,218	\$ 0
New York (1991)	124,711	\$ 453,864	\$ 3.64	\$ 453,864	\$ 0
Vermont (1992)	461,107	\$ 2,152,858	\$ 4.67	\$ 0	\$ 2,152,858
Vermont (1992) if fully funded	461,107	\$ 2,795,920	\$ 6.06	\$ 0	\$ 2,795,920

Totals 11,844,563 \$12,526,404

Note: This table does not include "Fisher Act" lands in New York (767,126 acres). This program is no longer available for landowners to enter and the tax shift is not easily quantifiable though it exists.

Source: RSG et al Study.

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32. Several studies indicate that about one third of the ad valorem taxes paid on open land must be used to pay for services required by that land; the remaining two-thirds goes into the general fund to offset costs of government which are not directly attributable to the demands of the land. These studies have been criticized because they are based on assumptions with which certain people disagree and because in the United States we do not have a “pay as you go” system of taxation where the taxes are paid by only those who would benefit from the services. However, contrary to some popular opinion, few people dispute the basic pattern which is shown: open land pays more in taxes than it costs the town to service. Residences, in contrast, pay less in taxes than they cost the town to service. Source: RSG et al Study.
33. According to a survey of current use landowners in the Northern Forest region, public use of private lands for recreation is allowed on 70% of the enrolled parcels, or about 90% of the enrolled acreage. Across the region, landowners of 8% of the enrolled parcels, or approximately 650,000 acres, would not have allowed this recreational use without the benefits of the current use programs. Public use of private lands for recreation varies across the region due to social custom and tax burden. Source: RSG et al Study.
34. New Hampshire’s current use program provides an incentive for landowners to allow public recreational access to enrolled land. This incentive—20% further reduction in current use valuation—appears to be highly successful because many owners have enrolled in this option. Source: RSG et al Study.
35. A forest taxation program can encourage land conservation but it cannot prevent conversion. Because it only applies to land which is enrolled, these programs may not encourage the conservation of the land which is most important to protect from conversion. Source: RSG et al Study.
36. Current use programs elsewhere in the U.S., where the tax benefits are linked to strict current use zoning (California), appear to be the most effective in discouraging conversion. However, the zoning requirements (rather than the tax program) are mostly responsible. Source: RSG et al Study.

Sources:

The “RSG et al Study” refers to the “Forest Property Taxation Programs: A Report to the Northern Forest Lands Council,” conducted under contract by Resource Systems Group, Inc. of Norwich, Vermont; Ad-Hoc Associates of Salisbury, Vermont; and Professor Douglas Morris, Durham, New Hampshire.

The “Canham et al Study” refers to a white paper entitled “Property Taxes and the Economics of Timberland Management in the Northern Forest Lands Region,” which was produced by Dr. Hugh O. Canham of the State University of New York at Syracuse, New York, with cooperation from: Dr. David Field, University of Maine at Orono; Dr. Theodore Howard, University of New Hampshire at Durham; Dr. Jack Lindsey, University of Vermont at Burlington; and Dr. Paulak, USDA Forest Service, Burlington, Vermont.

The “Sewall Study” was part of the Land Conversion Subcommittee’s work. See that section for details.

Recreation and Tourism

Sustainable, outdoor, forest-based recreation and tourism are traditional uses of the Northern Forest. For well over a century, the forests have offered a place to camp, canoe, fish, hike, hunt, read, and a sightsee. More recently, the forests have offered skiing, snowmobiling, and mountain biking. Throughout the four-state region, these and other activities have contributed to the quality of life for residents and visitors alike. Each state has developed its own tradition, however, for how these activities are pursued and access is managed.

The Council seeks to maintain and enhance forest-based recreation and tourism activities in the Northern Forest. To this end, the Council investigated two primary issues. The first is identifying the opportunities for and barriers to retaining and enhancing recreation and tourism. The second is exploration of the compatibility and inter-relationships among forest-based recreation and tourism, the forest products industry, and forest land conservation. A single contractor completed both investigations. The following findings draw from these studies and from extensive input by some of the region's recreation and tourism planners and practitioners.

Existing Situation

1. Forest-based recreation and tourism are inextricably linked to the region's natural resources. The mountains, trails, rivers, streams, lakes, wildlife, open space, and scenic vistas serve as very strong attractions to the region. Source: Subcommittee investigations.
2. In general, the Northern Forest states are similar as destinations for travel. They draw heavily on the same geographic markets for recreation and tourism. Source: Brown Study, part 1.
3. There are also notable differences between the Northern Forest states, which include fees for public use of private land for recreation, costs of owning and managing land, attractions, availability of capital, and dissemination of information to visitors and markets. Source: Brown Study, part 1.

Northeastern Market Trends

4. In 1988, domestic travelers made 35.9 million trips of 100 miles or more from home to or from New England. Tourists spent over \$16 billion, which generated \$750 million in state and local tax receipts and the equivalent of 250,000 jobs. Foreign travel (3% of total travel revenues in New England) represents a growing segment of the travel market, increasing at nearly double the national rate. Source: Brown Study, part 1.
5. "Spur of the moment" travel decisions are highly influenced by the weather in a person's immediate vicinity (i.e., outside his/her window). It is less influenced by the weather in the desired destination. Source: Recreation/Tourism Work Group.

6. Hunting, fishing, boating, trapping, hiking, canoeing, and active winter recreation travel will continue to have their niches in the travel market. Participation in hunting and trapping will like decline because of increased average age, more urbanized lifestyles, and changing cultural backgrounds. Source: Brown Study, part 1.

National Market Trends

7. The majority of Americans (upwards of 90%) participate in some form of outdoor recreation. While economic and social factors (leisure time, etc.) do not strongly influence whether Americans participate in outdoor recreation and tourism, these factors do influence where they participate, what they do, the length of their trips, and the type of equipment they use. Source: Brown Study, part 1.
8. National recreation and tourism trends are toward fewer vacations of two weeks or longer, and more frequent day-trip excursions and shorter trips. (52% of all 1992 trips were one to three days.) Thus, total trips taken continue to increase and average trip distance decreases. Other important trends are as follows:
- a. Increases in demand for package tours.
 - b. Increases in trips by auto, truck, and recreation vehicle.
 - c. Increases in combining business and personal travel, including taking children on such trips.
 - d. Increases in tourist interest in gambling.
 - e. Declines in American travel to Canada (which Ontario is attempting to counter via legalization of gambling).
 - f. Continued increases in annual visits to national parks.
 - g. Increases in interest in ecotourism and being educated during trips.
- Source: Brown Study, part 1.
9. Activities projected to have the greatest growth rates through 2040 are downhill and cross-country skiing, day hiking, pool swimming, backpacking, visiting prehistoric sites, and running/jogging. Source: Brown Study, part 1.
10. There is increasing tourist interest in understanding the history, current attractions, and traditional industries of local communities. Source: Brown Study, part 1.

Public Use of Private Lands for Recreation

11. Nationally, leasing land for recreational use is increasing. Reasons for the increase are demand for quality hunting experience, reduction in land available to the public, loss of wildlife quality open lands, and interest of landowners in income to offset property taxes, income taxes, and land management costs. Source: Myers Study, RSG et al Study.
12. Exclusive leasing is a tradition in New York. Landowners find it important economically, allowing for continued ownership. The leases represent a limited public use of private lands for those lessees. Source: Subcommittee investigations.
13. The public has concerns about public use of private lands for recreation. These concerns differ across the region. Source: Brown report, part 1.
14. Leading reasons why landowners post some or all of their property are as follows: income generation, liability concerns, abuse of property, and damage to property (dumping, timber theft). Source: Brown report, part 1.
15. There is a correlation between smaller parcel sizes and increased restricting of public use of private lands for recreation. Also, the nearer the residence to the parcel in question, the more likely the parcel was to be posted. Source: Brown Study, part 1.
16. Small lot parcelization and conversion of forest land often runs counter to open space recreation and tourism needs.
 - a. Small lot parcelization and conversion increases the number of landowners and decreases sizes of parcels/ownerships.
 - b. Smaller ownerships are more likely to be posted to limit public use of private land for recreation.
 - c. Lands with high amenity values are important to recreation and tourism, as well as development. This makes it more difficult to maintain these lands as open space.Source: Brown Study, part 1, Subcommittee investigations.
17. Providing current landowners with compensation for public use of their lands could help to reduce economic pressure to sell or convert land, and therefore enhance opportunities for recreation and tourism. Compensation needs to be flexible. Source: Sewall Study.
18. All four states have limited liability recreation use statutes, with which landowners are generally unfamiliar. Despite immunity against judgment within the statutes, it is necessary for landowners to defend themselves in case of suit. Source: Brown Study, part 1.

19. Communication and cooperation between landowners and land users is essential to meet recreation and tourism goals. There is a need for better sharing of information and discussion of issues concerning the compatibility between recreation and tourism, and the wood products industry. There is a specific need for land users to better understand the costs of owning and managing land to facilitate safe, public use of private lands. Good examples of effective communications are found in North Maine Woods Inc. (a cooperative of large forest landowners in northern Maine), the Maine Snowmobile Association, the New Hampshire Snowmobile Association, the Vermont Association of Snow Travelers, and the New York Snowmobile Owners Association. Source: Recreation/Tourism Work Group.

Funding for Public and Private Facilities and Land

20. Capital and financial assistance are difficult for outdoor, forest-based recreation and tourism providers to obtain.
- a. Operating capital is more important to recreation and tourism businesses than many other industries.
 - b. There is a lack of credible market information for business planning.
 - c. There is a lack of reliable information for local decision-makers about community economic benefit from recreation and tourism. Information that is available is not disseminated well.

Source: Recreation/Tourism Work Group.

21. In general, federal and state budgets for park and recreation facilities have been cut substantially in recent years. In New Hampshire and Vermont, the state parks system is operated solely on facility fees and is free from general fund budgeting. Maintenance of buildings, comfort facilities and trails in public parks and forests is often lacking. Poor upkeep and maintenance of facilities affects one's recreational experience. Source: Recreation/Tourism Work Group.

22. Land acquisition funds have diminished as a result of decreases in appropriations to the state side of the Land and Water Conservation Fund. Source: Myers Study.

Education and Information

23. There is a lack of information about the following, which discourages the enhancement of recreation and tourism opportunities in the Northern Forest.
- a. Forest land ownership and management (costs, objectives, renewable nature of forest) among land users, recreation and tourism providers, and the public.
 - b. Appropriate user behavior on private and public lands among land users, recreation and tourism providers, and the public.
 - c. Landowner liability laws among landowners, land users, and state legislators.
 - d. The economic importance of recreation and tourism for the region among bankers, local officials, state legislators, government agencies (state and federal), and the public.
 - e. Regulatory and permitting processes among recreation and tourism providers.
 - f. Existing recreation and tourism opportunities among visitors to the region.

- g. Demand for forest-based recreation, such as participation rates, changes in activity mixes, and user profiles and attitudes.

Source: Recreation/Tourism Work Group.

24. A diversified economy is a strong economy. It is more likely to supply local products and services needed by a business or household. Recreation and tourism are important activities for economic diversification. Source: Brown Study, part 1.

Sources:

The “Brown Study, part 1” refers to a literature review and analysis entitled **Outdoor Recreation and Tourism Studies Applied to the Northern Forest Lands: Literature Review and Analysis** conducted under contract for the Council in 1993 by Tommy L. Brown of Cornell University, Ithaca, New York.

The “Myers Study” was produced under the work of the Conservation Strategies Subcommittee of the Council. See that subcommittee section for details.

The “RSG et al Study” was produced under the work of the Property Taxes Subcommittee of the Council. See that subcommittee section for details.

The “Sewall Study” was produced under the work of the Land Conversion Subcommittee of the Council. See that subcommittee section for details.

State and Federal Taxes

State and federal tax policy in the United States affects the life of every person in this country. Compared to most countries, the federal and state tax codes are very complex, with exemptions, deductions, variable rates and terms, and a host of other technical approaches to address the many needs of a large and complex society such as ours. As a result of this complexity, changes in one portion of the tax code often affect other areas, and not always in ways envisioned or anticipated.

This tax law premise also holds true for the relationship between the federal code and state codes. Most state tax systems are heavily based on federal tax law. When changes are made on the federal level in tax code, many times the states follow suit, or have built in mechanisms, to change their tax law accordingly. This is not necessarily true for every tax area at the state level, most notably corporate tax law, excise taxes, and fees. It is, however, an important concept to keep in mind.

Though some tax experts would argue a tax system should be for the sole purpose of raising revenue, tax policy in the Northern Forest states and at the federal level is also designed to affect citizen decision making—in practically every sector of society and for a myriad of reasons. This approach to affecting private decision making is broad brush. It inevitably results in reaching some people whose decisions the policy is designed to affect, but many times it only affects a subset of the targeted population. Even for those individuals and entities it ultimately affects, the results are often not trackable, quantifiable, or provable. This is simply the nature of broad incentives and deterrents in tax policy.

An example of this phenomenon is when individual income tax rates are lowered to put more money in the pockets of individuals with the desired result of increasing private spending to stimulate the economy (the so-called trickle down effect). Even if the economy improves following this tax code change, it is nearly impossible to prove cause and effect which shows that the improved economy resulted from the code change though, from common sense, most people can probably agree it is a likely factor. This broad brush nature of tax policy also impacts timberland owners and their decision making.

The Northern Forest Lands Study and Report of the Governors' Task Force on Northern Forest Lands both cited tax policy at the state and federal level as pervasive in affecting landowner and potential landowner decisions on whether to own land, and how to manage forest land. The Land Conversion Subcommittee of the Council (see Land Conversion section) found that the most important factor driving forest land sales in the region, and more importantly land conversion, is lack of a suitable return on the investment in forest land. Tax policy at the state and federal level, the subcommittee related, is one component of the mix of costs contributing to this phenomenon. The Land Conversion Subcommittee also discussed the importance of estate tax policy in landowners' decisions as well as the second home mortgage deduction currently provided in the federal code. The need to include these policies in the Council discussions is clear.

The review of federal tax law by the State and Federal Taxes Subcommittee has been comprehensive. An early paper produced under contract for the Council by forest economist

Theodore Howard set the stage for a more intensive review of the entire federal tax code and its effects on the private timberland owners of the region, through a paper authored by Howard and a tax attorney. A final paper on the environmental and societal benefits of certain federal tax provisions and changes was produced by the DeCoster Group.

Due to the intertwined nature of the state and federal tax codes, and lack of sufficient time and resources, the subcommittee did not address many state tax code policies, except for those clearly piggy-backed on the federal code. An exception is property tax policy, which is addressed by the Property Taxes Subcommittee and found elsewhere in this document.

The following findings are synthesized from these reports and other subcommittee investigations.

1. Changes in federal tax laws under the 1986 tax reform act impacted the ability of many forest landowners in the Northern Forest to manage, own, and conserve their lands for the long term. Source: Howard Paper panel; Sewall Study, Urbach, Kahn & Werlin Study.
2. Current federal tax policy discourages the ownership of and investment in forest land in the Northern Forest for conservation purposes. Federal tax policy is overly complex, reduces the rate of return on investment in forest land relative to other investments, and creates tax burdens which negatively affect the ability and interest of landowners to manage their forest holdings for the long term. The areas of greatest concern are: passive losses, cost recovery, estate and gift taxes, the Alternative Minimum Tax, and property disposition (capital gains treatment of timber). Source: Sewall Study, Northern Forest Lands Study interviews, Howard Paper panel.
3. Family ownerships in the Northern Forest are particularly affected by current federal tax policy under the estate and gift tax sections. The estate tax burden imposed on an illiquid asset, and the very short time frame in which these taxes are due to the Treasury, encourage the realization and conversion of forest land to non-forest uses. This is caused, in large part, by the Internal Revenue Service's "highest and best use" methodology for valuing property, which results in excessive valuation and tax burden. This policy is one of the greatest direct tax policy disincentives to long-term family land conservation. Source: Sewall study; Howard Paper panel, Urbach, Kahn & Werlin Study, Subcommittee investigations.
4. The Alternative Minimum Tax negates many land conservation benefits which are provided under the section of the tax code that encourages donations of land and interest in land to charity and to conservation non-profit organizations. (Note: This tax policy issue was addressed in the Clinton tax package as passed by the Congress in 1993.) Source: Howard Paper panel; Urbach, Kahn & Werlin Study.
5. Federal tax policy has the potential to provide an incentive for people and companies to invest in and conserve forest land. Source: Urbach, Kahn & Werlin Study.
6. Federal tax rules designed to encourage long-term forest stewardship often have the very opposite effect and discourage these stewardship objectives because the rules are confusing and difficult to use. Source: DeCoster Group Paper.
7. Based on research documenting how people make decisions, tax policy simplification and time savings should be as important as economic rewards in influencing landowner behavior. Source: DeCoster Group Paper.

8. Forest landowners are people; even with corporate and organizational land ownership, the deciding agents are people. People are more likely to take advantage of tax law incentives if they are profitable, simpler, quicker, and more satisfying than taking advantage of the alternative. Source: DeCoster Group Paper.
9. Landowners in the Northern Forest—small, non-industrial private; large, non-industrial private; U.S. corporate; and multi-national corporate—are affected by federal tax policy in different ways. The Northern Forest Lands Council recognizes these differences in identifying the tax policy changes which will yield the greatest land conservation benefit. For forest tax policy, it is important to remember the differences among landowner types and priorities:
- Small non-industrial owners tend to put personal amenities first but can be excellent wildlife stewards and wood producers if they choose.
 - Large non-industrial owners tend to hold land for income but can have wildlife and other priorities first.
 - Corporations and industrial owners generally hold land for wood and income but can provide amenity and wildlife values when social or other incentives are positive.
 - Conservation groups hold land for various conservation purposes, but are subject to economic pressures as are all categories of landowners.

Source: DeCoster Group Paper, Urbach, Kahn & Werlin Study.

10. Tax policy, if properly designed, can successfully encourage a desired action if: it is attached to familiar positive patterns; it is simple, brief, and direct (as presented in tax rules); it ~~is~~ ^{changes} status quo (which people like) yet is seen as a new benefit; it allows for choices. A good example of a relatively new tax policy that follows these simple rules and which has resulted in the intended decision making by a significant tax payer population is the Individual Retirement Account. Source: DeCoster Group Paper.
11. Based on national surveys, the general public prefers forests over development and would likely respond to tax policy incentives which encourage forest conservation. Source: DeCoster Group Paper.

Sources:

The “Howard Paper panel” refers to the results from an expert panel held April 14, 1992 in Watertown, New York, which critiqued a white paper produced for the Council on federal taxation policy affecting private forest landowners by Dr. Theodore Howard, University of New Hampshire at Durham.

The “Sewall Study” was produced under the work of the Land Conversion Subcommittee of the Council. See that subcommittee section for details.

The “Urbach, Kahn & Werlin Study” refers to a research project conducted under contract for the Council in 1993 on the effects of federal taxation policy on private forest landowners written by Harold Dubroff, a tax attorney with that firm and a Professor of Law at the Albany Law School in Albany, New York.

The “DeCoster Group Paper” refers to a report conducted under contract by the Reston, Virginia firm The DeCoster Group for the Council in 1993 on the environmental and societal benefits of certain federal tax policies affecting private timberland owners.

The “Northern Forest Lands Study interviews” refers to selected major landowner interviews done in the Northern Forest region by Stephen Harper in completing the Northern Forest Lands Study.

In Maine, the 790,000 acres were not deemed marketable as a single unit and were sold piecemeal. Some of the larger sales included the following: in 1988, 230,000 acres to Fraser Paper Company and 9,400 acres to The Nature Conservancy (later resold to the U.S. Fish and Wildlife Service for a refuge), and; in 1989, 40,000 acres to the State of Maine. Other properties have been sold. In 1993, James River Corporation acquired the remaining interest in the balance of the lands retained by CGE.

Many subsequent re-sales resulted from the public concern over the eventual fate of the lands. In 1988, the State of New York purchased 15,000 acres and a conservation easement on 40,000 acres of the Lassiter ownership for \$10.4 million. In late 1988, with the help of the Society for the Protection of New Hampshire Forests and The Nature Conservancy, the State of New Hampshire eventually purchased about 40,000 acres (the so-called Nash Stream tract) from Rancourt. The federal government purchased an additional 5,000 acres of in-holdings within the White Mountain National Forest and a conservation easement on the State of New Hampshire's Nash Stream parcel. The State of Vermont purchased approximately 9,000 acres. The remaining acres were put up for auction in September 1988, with approximately 12,500 acres reportedly sold in many tracts.

It is important to note that both Lassiter Properties and Rancourt Associates went bankrupt after the purchase and re-sale of these lands.

The final disposition of these lands (as of 1992) indicates that approximately 707,000 acres are held by forest industry, 62,000 acres are owned by private investors, 34,000 acres are owned by private individuals, and 160,000 acres are owned by government (with at least partial or less-than-interest). The remaining 7,000 acres have been developed to some degree. Some lands owned by private investors and individuals also may have been developed, but only to a very small degree.

Northern Forest Chronology

The sale of the Diamond lands raised public concern for several reasons:

- (1) Concern for the break-up of large private ownerships and the subsequent loss of these lands as forest land, which fuel the largely forest-based economy of the region; and
- (2) Concern for the potential loss of the lands as traditional open space for the public to hunt, fish, and recreate on.

In 1988, Congress acted on these public concerns by setting up the Northern Forest Lands Study, to be accomplished by the USDA Forest Service with the help of the Governors' Task Force on Northern Forest Lands. The governors of Maine, New Hampshire, New York, and Vermont appointed three people from each of their states to serve on the Governors' Task Force.

Congress asked the Forest Service, with the Governors' Task Force, to assess the current land ownership situation and the historical patterns of ownership, to identify the threats to this unique situation, and to come up with a series of strategies—not recommendations—from which the states and Congress might draw if they decided to move forward on any action to address the threats to these lands.

Senators Patrick Leahy and Warren Rudman, from Vermont and New Hampshire respectively, further articulated the purpose of the Study when they wrote to the Chief of the Forest Service in October of 1988: "The current land ownership and management patterns have served the people and

forests of the region well. We are seeking reinforcement rather than replacement of the patterns of ownership and use that have characterized these lands.”

The Forest Service and the Governors’ Task Force on Northern Forest Lands spent over a year and a half gathering information, hearing the views of various public on the issue, and coming out with a rather lengthy report in May 1990. The Congress did not ask the Forest Service to recommend anything, but instead to simply list a series of potential strategies for dealing with the threat to the Northern Forest. The Governors’ Task Force, however, went one step further and published its own report at the same time.

The Study listed 28 potential strategies for dealing with the threat to these lands, ranging from changing capital gains treatment of timber and estate tax policy to government acquisition of affected timberlands in fee or less-than-fee interests.

The Governors’ Task Force report drew on the work of the Study, articulating to the Congress and state governors a series of recommendations. The most significant was to continue the process begun by the Study, because many of the recommendations needed more work before they would be ready for consideration as changes to public policy affecting these lands.

In this light, the Governors’ Task Force recommended the creation of a four-state advisory, non-regulatory/non-acquisition body, the Northern Forest Lands Council, to continue the work begun by the Study. The Congress and governors agreed. In the fall of 1990, the Congress added language to the Forestry Title of the 1990 Farm Bill to continue the process begun by the Study in 1988. The Congress also funded the Council, a non-profit organization, and related research and inventory work at \$1.075 million for the federal fiscal year beginning October 1, 1990.

The governors of the four states each appointed four members to the Council, one each representing landowners, the state conservation agency, local interests, and the environmental community. A seventeenth member represented the USDA Forest Service.

The Council met for the first time in June 1991 in Concord, N.H. They hired their staff, an executive director and administrative assistant, in May of 1991. (Later, in April 1992, a resource specialist was added to the staff.)

Parallel to the creation of the Council, the United States senators from the four states began working on a piece of legislation which, though not technically needed, would more fully clarify the charge of the Council and the related work through the states. Two hearings on the draft legislation Northern Forest Lands Act of 1991, were held in Vermont and Maine on July 15, 1991. The senators from Maine held another hearing on October 5. The senators received a great deal of input on the draft bill from people either opposed to the entire effort, or supporting the effort and the bill in form. They eventually decided in late 1991 to authorize the Council through the appropriations process, as it often does for limited term programs like this. The Northern Forest Lands Act of 1991 was never introduced in Congress.

The Council, in the meantime, began its work to gather more information about the issues affecting ownership of these lands and information on the lands themselves. For the latter, the state began the development of a Northern Forest Resource Inventory project, compiling both natural and economic information. The inventory was accomplished by the states under the coordination of the Council. Research on the issues occurred through a series of contracted research projects.

The Council released its Interim Status Report in February 1993; Findings and Options in September 1993; and its draft recommendations, Finding Common Ground, in March 1994. This report, Finding Common Ground: Conserving the Northern Forest, was released in September 1994.

Sequence of Events

- 1980s - Economic boom and extension of the highway system result in the development of many vacation homes and rising land values in the Northern Forest.
- 1983 - Sir James Goldsmith purchases Diamond International Corporation in a hostile takeover.
- 1987 - Cie Generale Electricite (CGE), a French utility and telecommunications firm, purchases most of the former Diamond assets, including all the land (976,000 acres in Maine, New Hampshire, New York, and Vermont).
- 1988 - CGE decides to sell the timberland. Some (186,000 acres) are purchased by developers in New Hampshire, New York, and Vermont. Some are purchased by forest products companies. Not all the lands are sold in this year, with approximately 500,000 acres still remaining in Maine.
- 1988 - Late in the year, the Northern Forest Lands Study is created by the Congress. Simultaneously, the governors of Maine, New Hampshire, New York, and Vermont appoint twelve individuals to the Governors' Task Force on Northern Forest Lands. The members represent the interests of each state, private landowners, and the environmental community. The charge of the Study and Task Force is to evaluate the changes occurring in the region.
- 1988 - In October, Senators Leahy and Rudman send the Chief of the Forest Service a letter clarifying the intent of the Study.
- 1989 - The USDA Forest Service collects data, conducts public hearings, and interviews landowners, including all the major forest products companies. Stephen Harper of the Forest Service leads the project.
- 1989 - The Governors' Task Force meets monthly to evaluate the progress and findings of the study with the Forest Service.
- 1989 - In October, the Forest Service releases the draft Northern Forest Lands Study for public review and comment.
- 1990 - In May, the final Northern Forest Lands Study and the Report of the Governors' Task Force are released.

The Northern Forest Lands Study finds that there is a significant threat to the traditional uses of the lands from subdivisions and increasing land values. The report also strongly supports timber harvesting and the "working forest" as a traditional and important land use. The report includes numerous potential strategies for protecting the lands, including tax laws, education, zoning, regulation, incentives, conservation easements, land use planning, greenlining and acquisition.

The Governors' Task Force report evaluates all the strategies in the Northern Forest Lands Study, identifies those most appropriate for the region, and recommends an Action Plan. At the state level, the Task Force recommends the creation of a Northern Forest Lands Council, changes in tax laws, modifications to liability laws, and state acquisition in fee or

less-than-fee interests of the most critical lands threatened with conversion. At the federal level, the Task Force recommends funding, technical support, and restoration of equitable capital gains taxes. The Action Plan calls for:

- The establishment of a Northern Forest Lands Council to continue the work of the Governors' Task Force for an additional four years to further research the issues and develop specific policy recommendations.
- Federal matching grants to support research projects.
- Federal grants through the Land and Water Conservation Fund for the states to acquire lands or easements on high priority lands threatened with uses incompatible with the objectives of the Northern Forest Lands Study.
- Additional financial incentives—including economic development grants, tax law changes, and liability law changes—to keep lands open and productive.

- 1990 - The Farm Bill authorizes continuing the Northern Forest Lands Study and funds are appropriated through the USDA Forest Service-State and Private Forestry to the Northern Forest Lands Council and the four states.
- 1990 - As a completely separate program, the Farm Bill authorizes the Forest Legacy Program, allowing the federal government to purchase conservation easements. The legislation directs that a pilot program be established in the Northern Forest.
- 1990 - On December 14, the Governors' Task Force meets to begin organizing the Northern Forest Lands Council.
- 1991 - From January through March, the Northern Forest Lands Council meets to hire an executive director and to set up an office.
- 1991 - In May, an executive director and administrative assistant are hired as Council staff. (Later, in April 1992, a resource specialist is added to the staff.)
- 1991 - In June, the Council meets for the first time in Concord, NH. Bi-monthly meetings begin.
- 1991 - In May, the draft Northern Forest Lands Act of 1991 is released by senators from the four states.
- 1991 - In July, Congressional hearings are held in Maine and Vermont on the Northern Forest Lands Act of 1991, a draft bill designed to give multi-year authorization to the Council. Another hearing is held in Maine in October.
- 1991 - On October 5, Maine's senators hold another hearing on the Northern Forest Lands issue, including the draft Act.
- 1991 - In October, Congress approves continued funding for the Council and related work for fiscal year 1992 (beginning October 1991).
- 1991 - On October 23, the Council meets in Bangor, Maine, and adopts a Mission Statement and Operating Principles and lays out major issue areas in a Work Plan.
- 1991-1992 - The Council organizes subcommittees and citizen advisory committees in each state, hires research contractors, and holds public meetings. Information gathering is the focus of the Council's work.

- 1993 - In February, the Council releases an Interim Status Report after receiving public input on a draft.**
- 1993 - Over the summer, the Council drafts a series of findings from its extensive research and reviews them with the state citizen advisory committees and the public.**
- 1993 - In September, the Council releases its Findings and Options and seeks public comment on the best approach for its recommendations.**
- 1993 - In November and December, the Council meets to develop its draft recommendations.**
- 1994 - In February, the Council releases its Technical Appendix , a compilation of all its research and forum proceedings.**
- 1994 - In March, the Council releases Finding Common Ground, its draft recommendations report, and begins over two months of meeting with the public for their comments.**
- 1994 In March, April, and May, the Council holds twenty listening sessions and twelve open houses to hear public comment on the draft recommendations. Over 800 people speak at these public meetings and another 800 submit written testimony.**
- 1994 - In September, the Council releases Finding Common Ground: Conserving the Northern Forest, its final recommendations report, to Congress, governors, state and local elected officials, and the public.**
- 1994 - In September, the Council disbands.**

Northern Forest Lands Council Finding Common Ground

Exceptional lands: Such lands include places offering outstanding recreational opportunities including hunting, fishing, trapping, hiking, camping, and other forms of back-country recreation; recreational access to river and lake shorelines; land supporting vital ecological or conservation functions and values; habitats for, threatened, or endangered natural communities, plants, or wildlife; areas of outstanding scenic value and significant geological features; and working private forest lands of significance or threatened by conversion.

Fair market value: The highest price that a property will bring in a competitive and open market within a reasonable time to find a purchaser who buys the property with knowledge of all the uses for which it is capable of being used.

Fee interest acquisition: The acquisition of full ownership of property, including all rights to own and manage it. By contrast, "less-than-fee" acquisition means acquisition of only certain rights in a property, for example, a conservation easement.

Forest: An area of land with trees and other vegetation, as well as other biota growing on it.

Forester: One who is trained in the science and art of practicing forestry. In some states, these individuals are licensed to practice the profession.

Forestry: The practice of growing and managing trees and forests for an array of public and private benefits and values.

Forest management: Manipulation of the forest to achieve certain objectives, such as timber production, wildlife habitat enhancement, maintaining forest health, or conserving biodiversity. Techniques of active forest management include, for example, harvesting, planting, engaging in pest and weed control to promote certain types of forest communities.

Fragmentation: The division of land ownerships into smaller parcels (parceled).

Governors' Task Force on Northern Forest Lands: Set up in 1988 by the Governors of Maine, New Hampshire, New York, and Vermont to work with the USDA Forest Service in carrying out the Northern Forest Lands Study.

High amenity lands: Lands possessing characteristics that make them more valuable for development, such as waterfront, road access, and views.

Highest and best use: The most profitable use to which a property is adapted and that is likely in demand in the near future. The highest and best use gives property its greatest fair market value.

Land and Water Conservation Fund: A federally funded program that provides funds to state and local agencies for land conservation and public recreation projects.

Long-term forest land ownership: Ownership that bases forest management decisions on the potential of the forest's resources over many decades in the future, rather than making management decisions anticipating a high sale for non-forest uses.

Multiple use forest management: The management of all the various forest resources, including timber and services, so that they are utilized in the combination that will best meet the needs of forest landowners and the public; making the most judicious use of the land for some or all of these resources or related services over areas large enough to provide sufficient latitude for periodic adjustments in use to conform to changing needs and conditions; use in which the land will be used for less than all of the resources; and harmonious and coordinated management of all the various resources, each with the other, without impairment of the productivity of the land, with consideration being given to the relative values of the various resources, and not necessarily the combination of uses that will give the greatest dollar return or the greatest unity output. (Adapted from Sec 4(a) of the Multiple Use Sustained Yield Act of 1960.)

Natural community: Same as ecosystem. The complex of plants, animals, and physical environment, (soil, water, atmosphere) that exists in a location or region. Ecosystems are usually grouped and classified according to their characteristic plants, animals, and environmental features.

Northeastern Forest Alliance: A cooperative of the state foresters in Maine, New Hampshire, New York, and Vermont, serving as an advisory group on forest, timber, and marketing issues.

Northern Forest Lands Study: The April 1990 report to the US Congress, prepared by the USDA Forest Service in cooperation with the Governors' Task Force on Northern Forest Lands, on the changes in land ownership and land use in the Northern Forest of Maine, New Hampshire, New York, and Vermont.

Open space: Land retained in non-development uses, including forest land, farmland, wetland, and other types of unbuilt landscapes.

Parcelized: Describes land for which a single parcel of ownership has been divided into two or more parcels of ownership. (See fragmentation)

Private values: Features of privately-owned land resources that most landowners and the general public consider to be important, such as landowner rights for economic use of property and other private property rights, as well as enjoyment and use of property for recreation, wildlife habitat conservation, and the like.

Public values (or public benefits): Features of land resources that the general public considers important, including opportunities for outdoor recreation, wildlife habitat, clean water, and wilderness experiences. Also include economic values that evolve from the land, such as jobs and community income from timber harvesting, tourism, or similar activity.

Public resources: Those natural resources in which the general public has an ownership interest, in whole or in part, such as air, certain water bodies, and public lands.

“Qualified forest lands” and conservation easements: Those lands which have been identified through a state-based open space and public acquisition planning process, as outlined in the Federal and State Tax Policy Foundations.

Sustainability: The use of resources today in such a way to allow for a full range of options for utilization by future generations.

Sustainable forestry: Forest management practices for which the outcome will be sustained yield.

Sustained yield: The achievement and maintenance in perpetuity of a regular periodic output of various renewable resources, amenities, and services from forest lands without degradation of the productivity of the land. (Derived from Multiple Use Sustained Yield Act of 1960.)

Study area: The 26 million-acre area of forest land in northern Maine, New Hampshire, New York, and Vermont as defined for study by the Northern Forest Lands Study under Congressional direction.

Traditional forest land uses: Those uses in the Northern Forest that have characterized the region in the past and present, including: an integrated mix of timber and forest products harvesting, low intensity outdoor recreation, sports camps, and limited, intensive recreational and residential development around core areas.

Transfer tax: A tax levied on the sale price of land when it changes hands.

Unmanageable parcel: A parcel of forest land so small in size that the cost of management for a resource, amenity, or service exceeds the reasonable return from the land over any reasonable period of time.

Use value: The value of land based on its ability to produce income in its present condition and economic use; for example, forest land use value reflects the land’s economic capability to produce forest products, not additional value for potential residential development.

Willing seller: One who freely enters into a transaction with another party, with the intent of exchanging an asset for something of equal or greater value, or in return for the fair market value of the asset. Willing seller implies the absence of coercion on the part of either party.

Yield tax: A tax levied on the value of forest harvest at the time of harvesting.

**Northern Forest Lands Council
Finding Common Ground**

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