

Appendix G

Additional Ideas for Future Consideration

During its work, the Council identified many options it could have recommended for public policy change, but recognized that it could not include every good idea in its recommendation package. Therefore, it focused on those options with the greatest potential for long-term, positive impacts. Those options became the recommendations constituting the body of this report.

The winnowing process required some hard choices. Time constraints did not permit the Council to adequately examine some options. Others, while strongly supported by the public, did not gain the Council consensus required for inclusion. Several were not relevant to one or more states.

Listed below are options that the Council considers worthy of more study or increased educational effort by the states, universities, or some other local or state-based entity. They are recommendations.

The final section lists options related solely to data collection and information management that would assist the states in monitoring land use, economic, and other trends. Funding sources are not identified; however, improved communications and cooperation among current programs across the region could result in significant cost savings that would largely obviate the need for additional funds.

Options Needing Further Research

1. State agencies and universities should further examine the impact of various forest management practices on biological diversity, the economic return on forest land investment, and site productivity.
2. State agencies and universities should set up a framework to examine the predicted versus the actual performance of ecological reserves in maintaining biological resource diversity.
3. Universities and the business community should examine the potential impacts of changing Federal Accounting Standards Board rules to encourage long-term investment strategies over those that favor short-term gains.
4. Universities, state agencies, conservation groups, and landowners should examine the relative costs and benefits of term and rolling easements.
5. State and federal agencies should examine the potential conservation benefits and treasury impacts of extending the carry forward and carry backward provisions for income tax deduction of charitable donations and bargain sales of land or interest in land.
6. State and federal agencies should examine the potential for allowing donations of conservation property in lieu of state and/or federal taxes and identify the treasury impacts, the additional cost of management, and possible costs to municipalities.

Appendix H

Research Contractors to the Northern Forest Lands Council

Northern Forest Resource Inventory Coordination

Associates in Rural Development, Inc.
P.O. Box 1397
Burlington, VT 05402

Cost: \$29,177.49

Project Description: Working closely with the four Northern Forest states' Geographic Information System offices, the company facilitated the development of a consistent set of technical standards under which the states accomplished this project.

Forest Conservation, Forest Recreation and Tourism, and the Forest Industry: Interrelationships and Compatibility

Outdoor Recreation and Tourism Studies Applied to the Northern Forest Lands: Literature Review and Analysis

Tommy Brown
c/o Department of Natural Resources
Cornell University
Fernow Hall
Ithaca, NY 14853

Cost: \$9,543.57

Project Description: Brown looked at recreation and tourism information for the four states and compiled how they help and hinder the Northern Forest.

Appendix I
Total Northern Forest Congressional Funding

Fiscal Years 1991 to 1994

Activity / Fiscal Year ¹	1991	1992	1993	1994
Northern Forest Lands Council	\$ 200,000	\$ 246,850	\$ 250,000	\$ 250,000
Research ²	\$ 0	\$ 139,670	\$ 30,000	\$ 135,000
State Planner Grants ³	\$ 200,000	\$ 197,480	\$ 200,000	\$ 200,000
Northern Forest Resource Inventory ⁴	\$ 500,000	\$ 650,000	\$ 650,000	\$ 410,000
USDA - FS Administrative	\$ 175,000	\$ 0	\$ 35,000	\$ 25,000
Total	\$ 1,075,000	\$ 1,234,000	\$ 1,165,000	\$ 1,020,000

¹ Congressional appropriations from annual Interior and Related Agencies Appropriations bills are listed based on federal fiscal years (October 1 - September 30). All funds were provided to the Northern Forest Lands Council or states via grants from the State and Private branch of the USDA Forest Service.

² The research item reflects additional funds granted to the Northern Forest Lands Council for technical research and public outreach.

³ Planner grants are divided equally among the four Northern Forest states to fund the Northern Forest state coordinator positions and public outreach assistance.

⁴ Northern Forest Resource Inventory grants were provided directly to the states through a formula. See Appendix F for a detailed description of the Northern Forest Resource Inventory.

Appendix J

Land Ownership in the Northern Forest Region*

Ownership / State	Maine	New Hampshire	New York	Vermont	Total
Private Land					
Industrial	7,700,000	500,000	1,200,000	300,000	9,700,000
Large Non-industrial	3,100,000	50,000	500,000	50,000	3,600,000
Other Private	3,400,000	350,000	3,100,000	1,550,000	8,400,000
Total Private	14,200,000	900,000	4,800,000	1,900,000	21,800,000
Public Land					
State	700,000	50,000	2,800,000	90,000	3,640,000
Federal	80,000	200,000	0	6,000	286,000
Total Public	780,000	250,000	2,800,000	96,000	3,926,000
Total Area	14,980,000	1,150,000	7,600,000	2,000,000	25,726,000

Source: USDA Forest Service, Northern Forest Lands Study April 1990 (1987 and 1988 data)

* Acreage figures are only for those lands in the Northern Forest region. They do not represent total acreages for the full states.

Appendix K

Bibliography

All reports noted with an asterisk(*) are compiled in the Council's Technical Appendix. This appendix is available at state and selected university libraries across the country.

- *Brocke, Rainer, Written Correspondence Outlining Recommendations to the Northern Forest Lands Council with Comments on a Briefing Paper, June 23, 1993.
- *Brown, Tommy, Forest Conservation, Forest Recreation and Tourism, and the Forest Industry: Relationships and Compatibility, October 7, 1993.
- *Brown, Tommy, Outdoor Recreation and Tourism Studies Applied to the Northern Forest Lands: Literature Review and Analysis, October 7, 1993.
- *Canham, Hugh O., Property Taxes and the Economics Of Timberland Management in the Northern Forest Lands Region, February 1992.
- *Cooksey, Richard, Executive summaries of selected writings, published and unpublished, from the speaker at the New England Society of American Foresters' Meeting of Forests of New England; A Conference on Integrating Biodiversity and Land Management, March 11-13, 1992.
- *C.T. Donovan and Associates, Inc., Global Economic Trends that Affect the Forest-Based Economy in Northern Forest Lands, October 1993.
- *DeCoster Group, Environmental and Societal Benefits of Certain Federal Taxation Policies Affecting Private Timberland Owners, October 12, 1993.
- *Dubroff, Harold and Al Geske, A Report to the Northern Forest Lands Council on Federal Taxation Issues Affecting Private Timberland Owners, November 15, 1993.
- Good, Thomas F., The Cost of Community Services in Bethel, Maine, June 1994.
- *Gro Flatebo, Comparison of Ecological Classification Systems in the States of Maine, New Hampshire, New York and Vermont, May 19, 1993.
- *Gro Flatebo, Federal, State and Private Initiatives for Preserving Biological Diversity, July 12, 1993.
- *Gro Flatebo, Maintaining Biological Diversity on Private Forest Lands: Voluntary Techniques, August 24, 1993.
- *Haines, Sharon and Malcolm Hunter, An Ecological Reserve System for the Northern Forest Lands of England and New York, January 21, 1993.
- *Howard, Theodore, Federal Taxation and the Northern Forest Lands: A Discussion Paper Prepared for the Northern Forest Lands Council, May 20, 1992.
- *James W. Sewall Company and Market Decisions, Northern Forest Lands Council: Land Conversion Study, April 9, 1993.
- *Lind, Brenda, Costs of Doing Business: Case Studies of Northern Forest Companies, October 22, 1993.

Appendix L

Mission Statement and Operating Principles

Mission Statement:

The mission of the Northern Forest Lands Council is to reinforce the traditional patterns of land ownership and uses of large forest areas in the Northern Forest of Maine, New Hampshire, New York and Vermont, which have characterized these lands for decades. This mission is to be achieved by:

- Enhancing the quality of life for local residents through the promotion of economic stability for the people and communities of the area and through the maintenance of large forest areas;
- Encouraging the production of a sustainable yield of forest products, and;
- Protecting recreational, wildlife, scenic and wildland resources.

Operating Principles:

The Northern Forest Lands Council finds:

The Northern Forests are of national significance and are facing a number of ever-increasing pressures from development, division of land into unmanageable parcels, recreation use, land taxes and other factors. These have significant adverse impact on commercial forestry, wildlife habitat and other important biological features; recreation, wildland and scenic values; and the quality of life of local residents.

In the past land conservation efforts have tended to focus on planning, zoning and acquisition. The Northern Forest Lands Council presents an opportunity to explore other ideas for land conservation that can help local people while protecting natural resource values.

A strategy to maintain the resources and character of the area must combine innovative means of maintaining large private ownerships and their public values, promotion of economic stability, and land acquisition and protection.

The Northern Forest Lands Council will be guided in its work by the following Operating Principles:

- (1) The Council will be advisory only. States shall retain all existing authorities. The Council will have no regulatory power. Responsibility for land use planning and regulation will remain with state and local governments.

To encourage the conservation of important tracts of timber and recreation lands, the states and federal government should support tax policies which reinforce traditional land uses and open space conservation. Encouragement should also be given to a variety of voluntary public-private partnerships that exchange incentives for long-term commitments by landowners to keep their land intact, productive and open for appropriate public use.

- (3) The Northern Forest Lands Council cannot and will not acquire land. The Council recognizes that public acquisition, from willing landowners, is one of many tools in the protection of critical lands within the Northern Forest area. The Council also recognizes that wholesale public land acquisition is not the total solution to the problems of the Northern Forest. When acquisition is appropriate:
- it should be selective and for the purpose of maintaining critical public values that are best protected by full or less-than-fee purchases, and
 - consideration should be given to the benefits of conservation easements over fee purchases.
- (4) There is a need for gathering natural and economic resource information which can contribute to rational decision-making to conserve natural resources and to enhance the social and economic condition of the region's communities.
- (5) In all of the work of the Northern Forest Lands Council landowners will be consulted and treated openly and fairly.
- (6) The Northern Forest Lands Council will build on the work of the Northern Forest Lands Study and the Report of the Governors' Task Force on Northern Forest Lands.
- (7) The Council will seek public input at all stages of its process.

In Summary:

The Northern Forest Lands Council will develop recommended strategies which recognize the dynamic biological and economic forces affecting the region while seeking to sustain the forest resources and communities of the region which depend on these vast resources.

Recognizing the contribution which private forest landownership has made to the Northern Forest Region over the generations, the Council believes that continued ownership and management of large forest areas of the region are necessary in order to strive toward the Mission of the Council. ~~First~~ the Council also recognizes that public acquisition of forest land or interest in land for ~~the~~ ~~protection~~ of certain public values and important resources is consistent with its Mission and Operating Principles. The Council believes that both private and public landownership have a vital and complementary role to play in sustaining the Northern Forest for future generations.

The Council adopted the Mission Statement and Operating Principles in this final form on October 21, 1992.

**Northern Forest Lands Council
Finding Common Ground**

- *Market Decisions, Analysis of the Transfer and Conversion of Forest Land of Less than 500 Acres, Northern Forest Lands Study Area, August 1993.
- *Market Decisions, Summary of Proceedings: Forum on National and International Influences on Land Use in the Northern Forest, September 1992.
- McMahon, Janet, An Ecological Reserve System for Maine: Benchmarks in a Changing Landscape, Report to the 116th Maine Legislature, Natural Resources Policy Division, Maine State Planning Office, May 1993.
- *Northeastern Forest Alliance, Northeast: The Economic Importance of the Northeast Forest, June 1992.
- *Northern Forest Lands Council, Findings and Options, September 1993.
- *Northern Forest Lands Council, Listening Log of Public Comments on the Findings and Options, November 1993.
- *Northern Forest Lands Council, Summary of Proceedings: Biological Resources Diversity Forum, December 1992.
- *Northern Forest Lands Council, Summary of Proceedings: Forum on Building Local Economies with Wood Products and Forest-Based Recreation and Tourism, June 14-15, 1993.
- *Northern Forest Lands Council, Summary of Proceedings: Forum on Forest-Based Economic Development in the Northern Forest, April 4, 1992.
- *Northern Forest Lands Council, Summary of Proceedings: Forum on Lands Sales of Northern Forest Lands Trust and Former Diamond International Corporation, March 13, 1992.
- Northern Forest Lands Council, Summary of Public Comment on the Draft Recommendations, August 1994.
- *Northern Forest Lands Council, Summary of State Land Conservation Activities for the States of Maine, New Hampshire, New York and Vermont, July 1992.
- *Northern Forest Lands Council and USDA Forest Service, Operating Procedures, Standards and Guidelines for the Northern Forest Resource Inventory, October 1992.
- President's Commission on Environmental Quality, Biodiversity on Private Lands, Washington, DC, March, 1993.
- *Resource Systems Group, Inc., Ad Hoc Associates and Doug Morris, Forest Property Taxation Program Report to the Northern Forest Lands Council, November 1993.
- Society of American Foresters, Task Force Report on Sustaining Long-term Forest Health and Productivity, 1993.
- *State Resource Strategies, New Directions in Conservation Strategies: A Reconnaissance of Recent Experimentation and Experience, October 28, 1993.
- USDA Forest Service, Northern Forest Lands Study, April 1990.
- *Watson, Julia, Wildlife Inventory Compendium Project, August 1, 1992.

Property Taxes and the Economics of Timberland Management in the Northern Forest Lands Region

Professor Hugh OCanham

Forestry Economics

SUNY-ESF

Syracuse, NY 13210

(with assistance from colleagues: David Field, University of Maine; Theodore Howard, University of New Hampshire; Paul Bendak, USDA Forest Service, Burlington, VT; and Jack Lindsay, University of Vermont)

Cost: \$1,500.00

Project Description Canham et al looked carefully at the economics of timberland ownership and management in the Northern Forest and the effects of property taxes on these economics.

Environmental and Societal Benefits of Certain Federal Taxation Policies Affecting Private Timberland Owners

Lester DeCoster

The DeCoster Group, Inc.

11322 French Horn Lane

Reston, VA 22091

Cost: \$4,000.00

Project Description: As a companion piece to the Federal Taxation report produced by Harold Dubroff (see next page), DeCoster closely reviewed the societal and environmental benefits of implementing certain federal tax law changes.

Global Economic Trends that Affect the Forest-Based Economy in the Northern Forest Lands

Christine Donovan

C.T. Donovan Associates, Inc.

22 Church Street, P.O. Box 5665

Burlington, VT 05402

Cost: \$11,250.00

Project Description: Donovan researched how the Northern Forest region “sells” its forest-based economy products on a global scale, and how the world infiltrates the area as well.

Research Contractors to the Northern Forest Lands Council

A Report to the Northern Forest Lands Council on Federal Taxation Issues Affecting Private Timberland Owners

**Professor Harold Dubroff
Urbach Kahn and Werlin, P.C.
66 State Street
Albany, NY 12207**

**Alvin Geske
Sills, Brodsky, P.C.
Sixth Floor
1016 Sixteenth Street, N.W.
Washington, DC 20036**

Cost: \$46,095.45

Project Description: Dubroff and Geske reviewed the entire federal tax code and described areas and proposed changes which would positively affect the landowners to own and manage land for the long-term.

Comparison of Ecological Classification Systems in the States of Maine, New Hampshire, New York and Vermont**Federal, State and Private Initiatives for Preserving Biological Diversity****Maintaining Biological Diversity on Private Forest Lands: Voluntary Techniques**

**Gro Flatebo
Ash Cove Consulting
4 Seabury Lane
Yarmouth, ME 04096**

Cost: \$5,500.00

Project Description: In order for the Council to better comprehend how the four Northern Forest states and the country are addressing the needs of biological resources conservation, Flatebo researched the activities in the field at the local, regional, and national level.

A Look at Economic Multipliers

Larry Goss
Northern Economic Planners
214 South Main Street
Concord, NH 03301

Cost: \$300.00

Project Description Goss reviewed the current state of use of economic multipliers which are commonly used in macro-economic analysis.

The Societal and Environmental Benefits of Federal Forest Taxation Changes

Perry Hagenstein
Resource Issues, Inc.
Box 44
Wayland, MA 01778

Cost: \$4,500.00

Project Description Hagenstein began work which was later completed by The DeCoster Group on the societal and environmental benefits of making certain changes to the federal tax code which affect ownership and management of private forest land.

An Ecological Reserve System for the Northern Forest Lands of New England and New York

Sharon Haines
International Paper
Southlands Experiment Forest
Bainbridge, GA 31717

Professor Malcolm Hunter
Wildlife Department
University of Maine
Orono ME 04469

No cost

Project Description: Following a December 1992 Council-sponsored forum on biological resources diversity, at which the two authors spoke as panel members, the Council requested they draft a paper describing one of the concepts discussed at the forum, that of ecological reserves, in order to understand this potential tool.

Federal Taxation and the Northern Forest Lands: A Discussion Paper Prepared for the Northern Forest Lands Council

**Dr. Theodore Howard
Salmon Falls Research Associates, Inc.
P.O. Box 462
Durham, NH 03824**

Cost: \$5,950.00

<M%-1>Project Description: Howard examined work accomplished in the field of federal forest taxation during the Northern Forest Lands Study and developed an in-depth analysis for the effects of various alternative changes to the laws affecting forest landowners. This report preceded the Dabroff/Geske study (see page A-67).

Analysis of the Transfer and Conversion of Forest Land of Less than 500 Acres in the Northern Forest Lands Study Area

**Market Decisions
P.O. Box 2414
South Portland, ME 04116**

Cost: \$9,717.00

Project Description: As a follow-up to the land conversion study (Sewall/Market Decisions below), Market Decisions searched intensively for existing data and analysis on land transfers and conversion of parcels of less than 500 acres in the Northern Forest between 1980-91.

New Directions in Conservation Strategies: A Reconnaissance of Recent Experimentation and Experience

**Phyllis Myers, President
State Resource Strategies
1400 16th Street, NW, Suite 300
Washington, DC 20036**

Cost: \$23,270.29

Project Description: Myers did an intensive nationwide search for successful land conservation strategies which have been implemented in a setting similar to the Northern Forest.

Northeast: The Economic Importance Of The Northeast Forest

Northeastern Forest Alliance

P.O. Box 932

SaranacLake, NY 12983

Cost: \$2,360.71

Project Description: The Council worked with the Northeastern Forest Alliance (a consortium of the state foresters from Maine, New Hampshire, New York, and Vermont) to complete a project begun by the Alliance on the economic impact of the forest-based industries in the four states.

Forest Property Taxation Programs: Report to the Northern Forest Lands Council

Resource Systems Group, Inc.

P.O. Box 1499

Route 5, South

Norwich, VT 05055

Ad Hoc Associates

RD 1, Box 319

Salisbury, VT 05769

Professor Doug Morris

Department of Natural Resources and Economic Development

318 James Hall

University of New Hampshire

Durham, NH 03824

Cost: \$63,634.00

Project Description: Resource Systems Group et al researched existing current use-based property tax systems in the United States and abroad, developed an analysis of the costs and benefits of systems in the Northern Forest states, and described alternatives to (and changes to) the existing systems to facilitate and encourage the long-term ownership and management of the Northern Forest by private landowners.

Northern Forest Lands Council: Land Conversion Study

James W.Sewall Company
147 Center Street
Old Town, ME 04468

Market Decisions
P.O. Box 2414
South Portland, ME 04116

Cost: \$74,995.00

Project Description: The Sewall/Market Decisions team searched for and compiled data on large parcel land sales and conversion (parcels greater than 500 acres) for the Northern Forest area for the period 1980-91. They also determined seller/converter motivation through several direct landowner surveys.

Regional Product Development: Northern Forest Resource Inventory

UNH Complex Systems
Science and Engineering Research Building
University of New Hampshire
Durham, NH 03824

Cost: \$3,250.00

Project Description: Taking the data layers of the Northern Forest Resource Inventory by the four states, Complex Systems developed draft regional map display products for review and analysis.

Wildlife Inventory Compendium Project

Julia Watson
Box 156
Barnard, VT 05031

Cost: \$1,175.00

Project Description: Watson researched and compiled a listing and description of the various public and private wildlife inventories which are completed or ongoing in the Northern Forest states.

7. Universities and the business community should conduct research to quantify and compare the total environmental and economic impacts associated with the use of wood versus alternative construction materials, and wood pulp versus alternative paper-making materials.
8. Universities, and state and federal agencies should closely examine global trade issues, including domestic impacts of “hidden” subsidies to selected industries in other countries, and impacts on domestic consumers of business and trade supports in the U.S.
9. Universities and federal agencies should monitor and analyze the correlation between conservation-related federal tax code changes and forest landowner and investor behavior.
10. State agencies and universities should continue research on present and future demand for recreation and tourism opportunities, and on the relative costs and benefits to communities of providing those opportunities.
11. State agencies, landowners, and user groups should collaborate on research to identify policy alternatives that reduce the cost to landowners who provide free or low-cost public recreation opportunities.
12. State and federal agencies should examine the conservation and treasury impacts of the second home mortgage deduction, and quantify the contribution and distributional effects of this deduction.
13. State agencies and universities should examine Vermont’s land gains tax, comparing the predicted and actual outcomes on land use, impacts on the state treasury, and distributional effects.

Options Meriting Education and Information Efforts

The following options depend upon an appropriate group taking responsibility or securing funding for implementation. The Council believes that collaborative efforts among a broad range of interest would ensure successful implementation of these options.

14. Legislators and regulators need more information on the importance of stability in land use regulations for long-term investments in forest land.
15. The general public, particularly visitors to the region, needs better information about the connection between natural resource conservation and the health of rural communities.
16. Apprenticeship programs that reinforce connections between young people, their communities, and the land should be created and, where already in place, strengthened.
17. Assessors, municipal officials, and legislators require more information about the importance of current use programs and the value of working landscapes and open space to communities.
18. Recreation user groups and individuals need more information about land use ethics.
19. The general public needs more information about the compatibility of forest management with recreation and tourism activities.
20. Small landowners need more widely disseminated information on estate planning and land conservation.

21. Attorneys and other personal advisors need more widely disseminated information on conservation-related estate and tax planning tools.

Information Gathering and Management

22. State agencies or conservation groups should establish a “one-stop shop” for landowners and others to access a conservation tools database.
23. Universities should continue research to identify opportunities for additional value-added manufacturing in the region and coordinate those activities with each other.
24. Universities and state forestry agencies should continue cooperative efforts to identify local, regional, national, and international trade in forest products.
25. Universities and state forestry agencies should continue cooperative efforts to identify new forest products and services marketing opportunities for landowners.
26. Local communities and chambers of commerce should inventory existing business opportunities, and identify ways to keep local money circulating within the region.
27. Universities and state agencies should expand efforts to track participation in current use taxatio programs.
28. Universities and state agencies should continue efforts to track participation and trends in variou recreation and tourism-related activities.
29. State agencies should conduct a one-time, GIS-based inventory of public recreation and tourism opportunities to improve facilities management.

