

Landowner News

Washington
FARM FORESTRY
ASSOCIATION



“Stewards of the Land for Generations to Come”

December 2006

Landowner News is the official newsletter of the Washington Farm Forestry Association.

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Edited by Martin Flynn Public Affairs, Inc.,
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Message From the President

The hard work of many individuals – officers, staff, consultants and dedicated volunteers – has helped put our Farm Forestry Association on the path to some major accomplishments.

As we look forward to the New Year, we hope for: a 15-year permit – what Governor Gregoire recently called “regulatory certainty for family forest landowners.” We hope for substantial funding for: the Forest Riparian Easement Program, the Family Forest Fish Passage Program, the Forest Stewardship Program, and the Small Forest Landowner Office. We also hope for beneficial changes to the B&O tax on small harvesters, changes to the 6-year moratorium law, and state efforts to ease the pressure on small landowners to convert their lands to other uses.

All of these issues are on state government’s agenda because of YOUR association, the only statewide association dedicated solely to the interests of family forest landowners.

It takes a lot of money to support our work for these beneficial changes

Membership and Patron renewal forms arrived in your mailbox recently. I hope you will renew your membership promptly.

When you do, you will continue receive publications of interest, notification of tours, seminars and events and our monthly association newsletter with information you need to stay current on issues affecting you and your land.

I hope we can count on you to stand up and be counted once again as a member of the only organization dedicated to the future of small woodland owners in Washington State.

Florence and I wish you a very happy New Year.

**Bob and Margaret Kintigh
Named 2006 National Outstanding Tree
Farmers of the Year**

**Congratulations Also to
Oregon Small Woodlands Association**

The American Tree Farm System is proud to announce Bob and Margaret Kintigh as the 2006 National Outstanding Tree Farmers of the Year. The Kintighs received their award Saturday, October 21, during the National Tree Farmer Convention held in Mobile, Alabama. This annual ATFS award recognizes outstanding sustainable forest management on privately owned forestland.

The Kintighs have put years of hard work and dedication into their Tree Farm located in Oregon. It is known as "Stump Rock" and, upon purchase, consisted of open fields, brush and swamp land. They have turned it into a viable and income-producing Tree Farm. The production of Christmas trees and nursery stock served as the main source of income for the family for many years until the timber reached merchantable size. Harvesting began small scale in 1962 and has taken place most years since that time.

Bob Kintigh has been dubbed the "Logging Legislator," He served more than a decade in the Oregon Legislature, completing three terms in the senate. His motivation for running was truly his stewardship of woodlands. He was instrumental in passing a number of pieces of legislation beneficial to forestry and especially to small woodland owners.

In 1995, as part of Bob and Margaret's plans to transfer their woodland business to the next generation, the timber on the tree farm was transferred to the Kintigh Family Limited Partnership. The tree nursery and Christmas tree business remain under Kintigh's Mountain Home Ranch with their sons Mark and Dan; with all family members having a part interest in the Kintigh Family Limited Partnership managed by another son Bob, who is a certified forester.



It's that commitment and foresight to the next generation that has earned Bob and Margaret Kintigh the title of 2006 National Tree Farmers of the Year.

Calendar

- | | |
|------------------|--|
| Jan. 15 | Annual Family Forester's Workshop, Couer d'Alene. To Register, Contact Chris Schnepf at (208) 446-1680 or Emily Burt at (509) 775-5235 |
| Feb. 5 – Apr. 2 | Coached Planning – Forest Stewardship Shortcourse for Eastern Washington Absentee Landowner's. Course will be taught at the WSU/ King County Extension office. To Register, Contact Andy Perleberg at (509) 667-6658 |
| Feb. 8 – Mar. 22 | Coached Planning - Forest Stewardship Shortcourse, Deer Park. To Register, Contact Emily Burt at (509)775-5235 |
| Feb. 10 | Educational Seminar - Topic: vegetation management - in Olympia. Details TBA
Donald Hanley,
206-685-4960
dhanley@u.washington.edu |
| Feb. 24 | Managing Your Forest for Health and Vigor: Practical Advice for Identification and Management of Insects and Disease. To Register, Contact Andy Perleberg at (509) 667-6658 |
| Mar. 3 | Managing Your Forest for Wood and Wildlife: Practical Advice to Grow Productive and Biologically Rich Forests. To Register, Contact Andy Perleberg at (509) 667-6658 |
| April 27-28 | WFFA Annual Meeting, Contact Lewis Chapter President Steve Pedersen at 360.748.0717 |

WFFA Legislative Priorities 2007

The Washington Farm Forestry Association has identified five (5) major policy goals for 2007, four legislative and one regulatory.

- 1) Creation of a Long-Term Permit for small forest landowners.
- 2) Simplification of the B&O Tax on Small Harvesters.
- 3) Reform of the Open Space Timber/ Designated Forest Land Designations.
- 4) Elimination of State-Imposed Forest Land Use Restrictions on County Government.
- 5) Adequate Funding for Programs that Benefit Small Forest Landowners.

Long-Term Permits

In order to facilitate flexibility for small forest landowners in the timing of their forest practices activities, the department will receive, and approve or disapprove, long-term forest practices applications. Small forest landowners as defined in WAC 222-21-010(13) are eligible to submit long-term applications. Once approved, these applications will be effective for terms of 3 to 15 years at the discretion of the landowner. These applications may contain alternate plans for all or portions of the forest land area include and noted in the long-term application. Alternate plan portions of long-term applications will be reviewed according to the alternate plan process described in WAC 222-12-0401.

Development of a Long term Plan for small landowners have been in negotiations for over two years. Where we are today:

September of 2005—Forest Practice Board held their Retreat in Clark County where they toured three small landowners' tree farms to look at the incentive of a 15-year application, and agreed to put it on their work plan.

August of 2006- Forest Practice Board filed the CR 101 which tells the public the Board will be scoping a rule.

December 2006- Draft rulemaking going to Forest and Fish Policy for their recommendation to the Board.

February 2007- The Forest Practice Board could file the CR102 for rulemaking. This would start the public process. Hearings would be held on the draft rule

August 2007- The Forest Practice Board could file CR 103 which would change the rule to allow for a 15-year forest practice application.

Simplification of the B&O Tax on Small Harvesters

Under current law, small forest harvesters are exempt from taxes on the first \$100,000 in gross receipts on the value of their harvested timber. This law is designed to allow small forest landowners to make a reasonable return on their timber investment so they will be more likely to keep their land in timber instead of converting it to other uses.

But as the law now stands, if the value of their timber sale exceeds \$100,000 the landowner is required to pay taxes not just on the value *above* \$100,000 but on the entire amount of the gross sale.

Legislative changes are under consideration that would grant small harvesters a credit on their B&O tax liability to continue the incentive for small harvesters to keep their land in timber.

Open Space Timber/Designated Forest Land

All property in this state is subject to the property tax each year based on its value unless a specific exemption is provided by law. The State Constitution authorizes agricultural, timber, and open space lands to be valued on the basis of their current use rather than fair market value. Two programs currently implement this constitutional exception to fair market value: the "open space" program and the "forest land" program. There are three categories of land under the open space program: 1) open space lands, 2) farm and agricultural lands, and 3) timber lands. There is only one category of land under the forest land program: designated forest land. There are 6.6 million acres enrolled in DFL and only 100,000 acres enrolled in OST statewide.

Under legislation being sought by county assessors, the open space timber land classification would be eliminated. Forest land would be redefined as five or more acres devoted primarily to growing and harvesting timber for commercial purposes. A commercial purpose would be defined as the use of the forest land on a continuous and regular basis that demonstrates the owner intends to obtain a monetary profit by growing and harvesting timber. This would both simplify and save costs for government

County assessors may require a timber management plan when they have reason to believe the land is no longer being used as designated forest land.

Elimination of State-Imposed Forest Land Use Restrictions on County Government

Under current law, landowners with permission to conduct a forest practice must, if their intent is not to convert the land into a non-forestry use, complete a statement of intent not to convert. Once this statement is made, the appropriate local government is prohibited, with a few exceptions, from approving a building permit or subdivision application for six years after the forest practices application was filed. The statement of intent must be filed with the county, and the applicant must pay a recording fee to the county to cover the cost of filing.

Under legislation being considered by both the House and Senate, the state-imposed prohibition would be eliminated in favor of a tough new law that would require landowners to follow all county land use regulations if they seek to convert their timber land to other uses. This change would require landowners to meet the standards of their own local governments, not state agencies in Olympia.

Adequate Funding for Programs that Benefit Small Forest Landowners

Small forest landowners often require technical, educational, and financial assistance to manage their lands effectively and comply with Washington State's complex regulatory requirements. Several state agencies coordinate programs to provide assistance through a variety of programs and services.

As with most state programs in the last several years, funding for programs for small landowners have fallen short of statewide needs. The Washington Farm Forestry Association strongly supports the funding requests proposed by the Department of Natural Resources.



Long Term FPA update

by **Phil Hess**, President
Kittitas County Chapter
Member, Small Forest Landowner
Advisory Committee

The Small Forest Landowner Advisory Committee together with the DNR Small Landowner Office has recently made good progress towards the objective of a 15 year FPA (Forest Practices Application) for small forest landowner's (SFLO's)

Following are key points:

- 1) This will be a rule change that can be acted upon by the Forest Practices Board without having to go to the legislature.
- 2) The idea is to give SFLO's the flexibility to plan and implement their forest management activities over a 15 year period rather than the existing 2 year and 5 year FPA's.
- 3) A unique feature will be the ability to submit an Alternate Plan together with your 15 year application. An Alternate Plan can be used minimize Forest Practices rule constraints to your management and still provide protection to public resources. For example, a common AP situation is to provide SFLO flexibility in their management of stream buffers and still provide protection of riparian function based on specific field conditions or stream conditions on the SFLO's property.
- 4) There will be provisions for a short notification to DNR to begin a particular operation.
- 5) There will be provisions for post-approval modification.
- 6) Rule development, such as this, takes a long time.
- 7) The current best case time frame for a rule adoption is by Oct, 2007.

You will continue to receive periodic updates in the *Landowner News*.

Northwest Woodland Owners Council

The Northwest Woodland Owners Council, a 5 state organization of woodlot owner associations from the Pacific Northwest recently met in Spokane for their annual meeting. The council agreed to reach out to association members, mills, and mid-sized forestland owners for funds to maintain our D. C. lobbyist to promote a work plan of: Estate tax deferral legislation, Regionalization of Rural Technology Initiative, Biomass energy programs, Ecosystem service payments, Carbon credit payments for family forestland owners and inclusion and funding of forestry titles into the Farm Bill. Developing our 5 state congressional efforts to support forestry is also a goal. Board members for Washington State are Steve Stinson of the Family Forest Foundation and Rick Dunning of the Washington Farm Forestry Association.

Twenty-one years ago the small landowner associations of Idaho, Oregon and Washington collaborated with the World Forestry Center to jointly launch a quarterly publication, Northwest Woodlands. The first issue came out in April 1985.

The success of this joint venture led the participants to explore better ways to influence events in Washington, D.C. The loss of Capital gains gave the subject increased urgency. Out of these explorations, the Northwest Woodland Owners' Council (NWOC) was formed.

NWOC was formally launched on May 30, 1986 at a meeting in Yakima. The three association presidents - Kirk David, Idaho Forest Owners Association; Phil Kuhl, Oregon Small Woodlands Association; and Nels Hanson, Washington Farm Forestry Association agreed to put up \$50 each to get NWOC started.

The word "council" was a very deliberate choice of words. It did not sound autocratic and the intent was to preserve the independence of the state associations by avoiding any appearance they were subsidiaries of a regional organization.

NWOC's purpose at that time was to deal with such regional and/or national non-industrial timber issues as capital gains, log exports, federal incentive programs and research. Based on decisions reached within NWOC, the three states would unify their message, and their timing, so as to speak with a "collective voice" rather than randomly as individuals.

One or more leaders from each state association formed NWOC's Steering Committee and decisions were made by consensus.

In 1988 the Steering Committee decided that a lobbyist was needed to more effectively influence events in D.C. Raising money for such a commitment meant choosing an issue which members would support. From our list of issues, restoring Capital Gains seemed most likely to generate the needed support, so the Fair Forest Taxes Project was launched and Jim Beall of Ball Janik and Novack was chosen from among several applicants to represent NWOC.

The decision was made that NWOC's lobbying costs should be paid from voluntary donations, rather than organizational dues. NWOC was to be a vehicle through which forestland owners could financially support those forestry related issues about which they felt strongly. The State associations agreed that they would take the lead to raise money from their members, as well as non-members in their respective states. NWOC leaders were to invite mid-size and/or regional landowners with an interest in our issues, to join in supporting and financing NWOC. Jim Warjone of Port Blakely and Bond Starker of Starker Forests played a major role in bringing others into NWOC, and this financial support has been crucial to NWOC playing a significant role in Washington D.C. Most mid-size owners believed that if small landowners were funded to play an effective role in DC, all landowners would benefit. Donated funds have been primarily used for only three purposes; namely to pay for administrative services, some travel to DC and 1989 and 1990, and to pay for our lobbyist.

Typically, issues have fallen into two categories: 1) Taxation and 2) Private Property Rights. Taxation included Capital Gains and Estate Taxes, while Private Property Rights encompassed Log Exports and Clean Air and Water issues.

Raising funds has always been a struggle, but NWOC has remained committed to the representation of Family Forestland Owners in the Pacific Northwest. NWOC's record is one of stability and persistence, and has given the Northwest's small landowners a highly visible and independent voice in Washington D.C. Our lobbyists have distinguished themselves and NWOC by taking the lead in drafting Capital Gains for timber (RTA) and estate tax reform (Dole-Pryor) legislation, which other organizations later joined in supporting.

Northwest Environmental Forum

The Northwest Environmental Forum is designed as a collaborative meeting and work space to bring together decision makers and stakeholders to apply scientific and policy information to address critical environmental and natural resource management issues.

Potential users will include resource and environmental agencies; energy, forest, agriculture, and real estate interests; and land conservancies, environmental groups, tribes, and NGOs.

WFFA Executive Director Rick Dunning attended a recent forum, "Future of Washington's Working Forest Land Base." **What follows is a summary of a work group on "Urban Fringe Land Alternatives and Forest Lost."**

Group agreement:

- We need to keep resource lands in working land status
- *To do this...*

– 6 recommendations

The Forum needs to...

1. Support recommendations to the legislature for a tool box that should include:

- Bringing forward a demonstration program for TDRs
- Developing an ecosystem services matrix
- Supporting the Small Forest Landowner budget proposal

2. Fund what is already in place

- Enhance existing funding, for example...
 - WWRP should be funded at the \$100 million level
 - Forest Riparian Easement Program
 - Forest Fish Passage Program
 - At least 10 other programs

The Forum needs to...

4. Streamline regulations

- Explore development of long-term forest permits
- Support collaborative moratorium legislation

5. Need GIS analysis to prioritize and understand land base, the Forum should review and analyze:

- Forest assets
- Public benefits
- Best HBU

• Support the recommendation of funding for the Family Forest Landowners Database and other organizations that are consolidating similar information
The Forum needs to...

6. Study and explore flexibility of adjusting the GMA

- What are the strengths and obstacles that current GMA has in respect to the goal of conserving working forest lands?
- Encourage more dialogue between counties and state regarding tools
- Further exploration of the rural village concept and other related tools.

Suggested Reading

"Saddle and Canoe, an early 19th Century ride through the Pacific Northwest" by Theodore Winthrop.



"He was 25 years old when he spent three months of the summer of 1853 in Oregon, and Washington Territory. He met such frontier celebrities as Captian Bonneville, Peter Skene Ogden, and Dr. William Fraser Tolmie but the man who make the greatest impression upon him was Jesse

Applegate of Yoncalla. He was a humorist but as is offer the case with that jocund breed he had rather a melancholy countenance". **Suggested by Mike Salisbury, North Central Chapter.**

"Last Child in the Woods, saving our children from Nature-Deficit disorder" by Richard Louv.



This well researched and well written book discusses the divide between children and the outdoors and the link of an absence of nature to today's "wired generation". Makes you want to take the kids to the tree farm. **Suggested by Vicki Christiansen, Washington State Forester.**



Weyerhaeuser Sees More Cutbacks as Housing Slumps

Weyerhaeuser Co. which has been reducing production amid a U.S. housing downturn, says it expects to further reduce North American production capacity because of weak demand for wood.

Downtime and restricted operating postures have already been undertaken at about 70 percent of Weyerhaeuser residential wood products facilities. These curtailments have led to significant fourth quarter production decreases across all product lines.

Weyerhaeuser, one of the world's largest forest products companies, said these cutbacks have already led to "significant" fourth-quarter production decreases across all product lines.

It said further actions might include plant closures or other cutbacks at softwood lumber, engineered lumber and structural panels operations across North America.

"Demand for wood products is very weak," said Steven R. Rogel, chairman, president and chief executive officer. "We continue to analyze our operating postures and portfolio and expect additional capacity adjustments in the near term.

"We want to be clear that these actions are not related to the performance of employees. We recognize the hard work and dedication by our team this year," Rogel said. "Weyerhaeuser's employees work diligently to make our mills competitive and today's announcement is only a reflection of the challenging business environment we face."

Spokesman Frank Mendizabal declined to elaborate on possible cutbacks, or the number of jobs that may be affected. He said he wasn't immediately aware of any curtailments announced so far in operating Washington mills.

"We wanted to issue this warning to the market that as we go forward, there are going to be continued challenges in market conditions on the wood products side," Mendizabal said. "Market conditions remain very difficult."

China's Wood Products Flood Market

China's emergence as a major exporter of plywood, furniture, and other wood products, is cranking up the competition for Canadian manufacturers, University of B.C. professor David Cohen said.

"In many cases, China is eating our lunch," said Cohen, a professor at the university's forestry department. Cohen said China is becoming the largest log importer in the world, with neighboring Russia as its biggest source of softwood.

China imported some 25 million cubic meters of logs per year from Russia to produce plywood, wood flooring and furniture-making, he said.

Besides the advantage of having significantly lower labor costs, some Chinese mills can offer cut-rate prices because they operate using loans that they don't have to pay back, Cohen said.

China has also surpassed Italy as the world's largest wood furniture manufacturer, while Canada's furniture production is stable or declining, Cohen said.

New Members

(Continued from back page)

KITTITAS

R.J. Williams

LEWIS

Wayne & Joan Olson

PACIFIC

Phil & Brian Davis

PIERCE

Christine Newman Garve
Gregory Mahoney & Doreen
Jones-Mahoney

SOUTH SOUND

Don Middendorf
Steve & Margie Teel

WHATCOM

Jerry Schuster & Virginia
Malmquist



Welcome New WFFA Members!

Membership Chair **Donna Loucks** reports the following new members. Best wishes that joining WFFA makes your tree farm an enjoyable part of your life.

COWLITZ

Catherine Beck
Philip & Jennifer Cappalonga
Regina Choi
Aaron & April Fleming
James & Kathleen Gorton
David & Donna Helmers
James Hodgeboom & Cheryl Hovda
Mary Jaeger-Berreth
Phil & Donna Johnson
Gulamabbas Juma
Robert & Sandra Kruse
John Kruse
Nak Joon & Sun Sook Lee
Donald Lerdahl
Ross Newsom & Lacey Hawk
Phillip Prutsman
Joseph Pype
John & Leah Rave
Pamela Reed
Edward Sheckard & Jerry Volker
Robert Sluman
Robon Stoddard
Edwin & Irene Vetter
John & Judith Wright

Continued Inside

From the Executive Director's Desk



Having recently attended the **Saving our Working Forests Forum** and a 5-state **Northwest Woodland Owners Council** meeting, I would like to report that your tree farm issues continue to be high on the policy and legislation agenda at both the state and federal levels of government. As you will read in this issue of **'Landowner News,'** keeping working forest land on the landscape is now a priority of government. The WFFA

remains committed to being your voice by providing education and integrity to the process.

Now that Association membership renewals and Patron pledges are in the mail, I ask myself: **Why do members belong and give to the WFFA?** I receive calls from some members with constructive criticism and receive notes of thanks from others for the work we do and I am thankful for both.

But all of you continue to show your support for the course that we have charted for our Association by your willingness to continue to belong and even increase your membership to sustaining levels or giving through Additional Contributions. And we are thankful for that support. As I search for the reason of your support I am reminded of a statement that I recently read about **"being our brothers (and sisters) keeper."**

We have slowly built the WFFA back up to near 1500 memberships and it is estimated that our state has over 50,000 Small Forest Landowners. So you are your brother's keeper for over 48,500 others, as well as our many urban brothers and sisters. The membership dues paid by a few are supporting the voice, protecting the liberty, and providing the public values of many. And even though you do this for many reasons, we at the WFFA want to take this time to say **Thank You**. And not just for our Associations livelihood, but for the future of Washington State and its Generations to Come.

Wishing you a blessed holiday season,

Rice Dunning

Washington Farm Forestry Membership Application

Name _____

Renewal New Member

If this is a family membership:

Spouse's Name _____

Address _____

Local Chapter _____

City, State and Zip _____

Telephone (_____) _____

E-Mail Address _____

Dues Level (Please check One)

- General \$50
 Sustaining \$100
 Benefactor \$250
 Lifetime \$1200 (onetime payment)
 Associate \$50 (non-land owning)
 Additional Chapter(s) @ \$10

Name of Additional Chapters(s) _____

Additional Voluntary Contribution to Support WFFA .
Amount \$ _____

Please cut off this form and mail with a check made payable to "WFFA" to:

Washington Farm Forestry Association
P.O. Box 7663
Olympia, WA 98507

Please use this form to encourage new members to join.
Current members are invoiced annually in December.