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Field hearing to review U.S. agriculture policy in advance of the 2012 Farm Bill
U.S. House Committee on Agriculture
May 1, 2010

I. Introduction

Mr. Chairman, thank you for this opportunity to appear before the House Committee on Agriculture today and review U.S. agriculture policy as you prepare for the 2012 Farm Bill.

I am pleased to appear before you today as a private lands manager. I am the Manager of Wildlife and Forest Stewardship for Forest Capital Partners. Forest Capital Partners owns and manages 2.1 million acres across the United States and is the second largest private landowner in Idaho, managing 280,000 acres in the northern six counties of Idaho. Our lands are managed sustainably and are certified as such by the Sustainable Forestry Initiative[®]. Our primary management objectives on our lands are to (1) sustainably enhance forest productivity and health while creating environmental benefits and (2) provide economic benefits to the company, mills, and community based on long-term sustainability.

While we have 22 direct employees in Idaho earning a total of \$3.2 million per year, we contract with 40 contractors who employ over 150 people, generating contractor payments of approximately \$26 million per year. We pay \$1 million a year in state and local taxes in Idaho. We harvest between 60-100 million board feet of timber each year that supplies 20 mills, and we complete site preparation and reforestation on approximately 7,500 annually.

II. Working Forests

At Forest Capital Partners, we aspire to be a leader in creating and capturing the full range of values from our forests. We recognize that forests provide social and environmental values in addition to economic. In fact, much like farms and ranches, private, working forests are a vital part of America's natural resources infrastructure. In addition to products that improve our quality of life, whether two-by-fours for homes, household paper products or furniture, they provide clean air and water, wildlife habitat, open space, recreation opportunities, and an economic base for rural communities. They also offer solutions to some of our nation's most pressing issues: domestic, renewable energy; a natural means of removing carbon from the atmosphere; and stable jobs that support American families.

These benefits come primarily from America's private forests. The United State has 755 million acres of forests – an amount that is roughly the same today as it was 100 years ago – 57 percent, or 427 million acres, is owned by over 10 million private

landowners. America's private landowners are managing their land well and are consistently growing more than we harvest. Over the past 50 years, growing stock in our forests increased 49 percent.¹

These healthy, productive forests support American families. According to a recent study conducted by the National Alliance of Forest Owners, private forests in the U.S. support 2.5 million direct, indirect, and induced jobs and \$87 billion in payroll in the 29 states covered by the study. Here in Idaho, private, working forests support 30,412 jobs, \$891 million in payroll, \$9 million in state income taxes, \$2 billion in sales, and \$847 million towards Idaho's GDP.²

The contributions from private, working forests are noticed at the national level. A diverse cross-section of interests recognizing the value of working forests have come together to support policies to promote working forests at the national level. The platform of this group, which calls itself the "Working Forests Coalition," states that "Sustaining and enhancing the value of private working forests both to society and to forest owners is of vital national importance and essential to meet some of our nation's most pressing needs." I submit for the record the platform of the group as presented to USDA Secretary, Tom Vilsack, and urge to Committee to consider the elements of this platform when developing policies affecting working landscapes.

III. Markets Conserve Forests

Central to this coalition's message – and my message today – is that the most effective means to conserve private forests is to ensure viable markets for forest products exist. Working forests depend on strong and dependable existing and new markets for forest-derived products and services. Such markets benefit society, the environment and forest owners alike, because they put forest owners in an economic position that supports continued investment in sound forest management over the long term. Without these markets, economic pressures may force private forest lands into other, more economically competitive uses.

Markets supporting working forests change and evolve over time. We see that here in the Northwest as pulp and paper facilities have significantly declined in number. As the marketplace changes it is important that we foster new opportunities that will provide the markets of tomorrow. America now stands at the cusp of two such markets that may play an important role in conserving working forests: renewable energy and carbon.

IV. Energy from Renewable Forest Biomass is Beneficial and Sustainable

As the Committee develops the elements of the next Farm Bill, we urge the inclusion of an energy title that further supports the use of biomass energy from forests and croplands to produce new sources of renewable energy and derivative bio-based

¹ *State of America's Forests*. Society of American Foresters. 2007.

² *The Economic Impact of Privately-Owned Forests*. Forest2Market and the National Alliance of Forest Owners. 2009. Available online at www.nafoalliance.org/economic-impact-report/.

products as an important means of both meeting our nation's energy needs and conserving working landscapes.

Renewable energy from wood is domestic, renewable, sustainable, and does not increase carbon in the atmosphere. For decades, the forest product industry has produced electricity and heat from biomass. In fact, the forest products industry produces more energy from biomass than all the energy produced from solar, wind, and geothermal sources combined. Additionally, technology is being commercialized to produce low-carbon liquid transportation fuels and ultra-low-carbon synthetic natural gas that can be substituted for higher carbon sources of electricity and fuels.

The 2008 Farm Bill recognized the value and sustainability of energy from renewable forest biomass by enacting a broad definition for what qualifies as renewable forest biomass for energy. We thank this committee for its strong leadership in supporting this approach in last year's debates on the Waxman-Markey legislation. The U.S. Department of Agriculture also supports a broad biomass definition and joins this committee as an advocate for this approach in future renewable energy legislation. I would like to submit for the record an exchange of letters between a large coalition supporting a broad biomass definition and Secretary Vilsack from earlier this year. I would like to also submit for the record an April 20, 2010 letter from 98 organizations to Senators Kerry, Graham, and Lieberman supporting a broad renewable biomass definition.

As Congress debates new renewable energy policy, we urge the Committee to continue its leadership in providing new economic opportunities for working lands within the parameters of existing federal, state and local laws, programs and partnerships that support the sustainable management of working lands. Private forests operate within a framework of federal, state and local forest practices that has been tailored over the course of decades to local conditions and needs and has been central to helping the United States be a world leader in sustainable forest practices. To help increase awareness of this framework, I would like to provide the Committee a white paper on environmental regulation of private forests in the U.S.

V. Supporting Working Forests can Help Address Concerns about Climate Change

As the nation continues to wrestle with the issue of climate change, we wish to remind the Committee of the important role of working forests in addressing concerns about carbon in the atmosphere. The trees we grow absorb and store carbon naturally and turn it into a variety of public benefits. Currently our forests absorb 15 percent of our nation's annual emissions.³ Through proper management, increasing use of long-term wood products, and using wood for energy, U.S. forests can do even more. Work done by the Consortium for Research on Renewable Industrial Materials documented how managed forests can produce sustained, overall net emissions reductions when carbon

³ U.S. Environmental Protection Agency. 2009. Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2007.

is stored in wood products like fence posts and kitchen tables and when wood is substituted for building products that require significantly more energy to produce.⁴

As the U.S. looks for ways to establish a balanced approach to reducing carbon emissions, domestic, working forests offer a natural, sustainable, and economic solution that not only improves our carbon footprint, but helps the rest of the environment as well while providing jobs and greater security in rural communities.

VI. Private/public Partnerships can Further Conservation Goals

President Teddy Roosevelt said, “Conservation means development as much as it does protection.” He understood that while viable markets are the most critical component to conserving private forests, public and private investments can help meet public goals to maintain working landscapes. These investments can include both direct investments in forest management and conservation and investments in the infrastructure that supports forest stewardship and market development. Market-oriented private/public investments are frequently the most effective.

As Forest Capital Partners seeks to create and capture the full range of economic, social, and environmental values from forests, we recognize that sustainably managed working forests provide important wildlife habitat and support local communities with jobs and revenue at the same time. The Forest Legacy program also recognizes this, and it is an important source of funding to help conserve the economic, social, and environmental values of forests. In fact, we are currently working with the Nature Conservancy to utilize Forest Legacy funding to conserve an important wildlife migration corridor in North Idaho.

Forest Legacy, the Healthy Forest Reserve Program, and other private/public partnerships to conserve land are an important tool for landowners and the public in their conservation efforts. We urge the Committee to continue to support and strengthen these and other private/public programs to help conserve working forests.

Conclusion

Forest Capital Partners appreciates the Committee’s track record of supporting private, working forests, recognizing the conservation value of markets, and entrusting the existing framework of federal, state, local, and third-party laws, regulations, and agreements to sustain private forestry operations.

As the Committee looks ahead to the 2012 Farm Bill and other forest legislation and oversight, we look forward to working with you on how best to conserve working forests as forests.

⁴ See Bruce Lipke et al., CORRIM: Life-Cycle Environmental Performance of Renewable Building Materials, 54 Forest Prod. J. 8 (2004).