

Rule 13-023  
Senate Committee on Workforce Development, Forestry, Mining, and Revenue

Department of Natural Resources Testimony  
Division of Forestry  
Sept 25, 2013

Mr. Chairman and Committee Members:

Good morning. My name is Bob Mather and I am Director of Forest Management for the Department of Natural Resources' Division of Forestry. I appreciate this opportunity to appear before you to discuss clearing house rule 13-023, relating to Regenerating Harvested Areas on Department of Natural Resource owned lands.

The Department is very appreciative of rule 13-023 both in its language and its intent and also appreciates the Committee's interests regarding the rule.

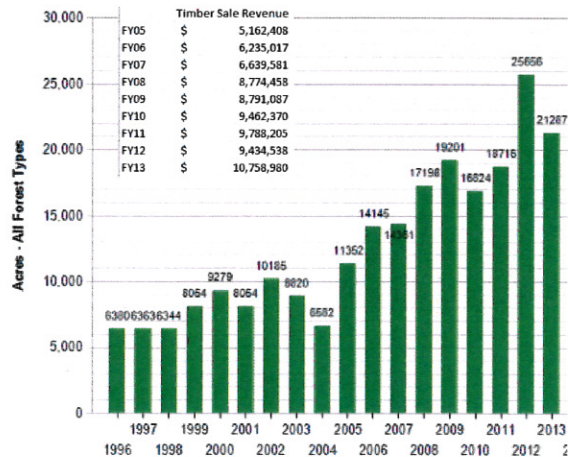
The purpose of the rule is to provide a mechanism and resources to ensure Department owned lands that are harvested for timber are adequately regenerated using cooperating foresters and private contractors utilizing a portion of timber sale proceeds.

The rule is in response to 2011 Act 32 and was driven by a number of Legislative changes, particularly 2005 Act 166 which directed the Department to inventory all forested lands, specifically identifying lands available for timber management, and develop annual allowable harvest levels and ensure harvest levels are within 90% and 110% of specified levels.

Since that time, the Department has made significant progress updating forest inventory on 1.56 million acres, of which 970,000 acres (62 percent) are forested. Timber harvest establishment has seen a significant increase from approximately 8,100 acres (annual average 1996-2005) to approximately 25,000 acres in 2012 and 21,000 acres in 2013, a 208% and 160% percent increase, respectively.

In anticipation of increased harvest levels, the Division of Forestry went through a property level analysis of what the projected annual regeneration needs would be to meet future annual allowable harvest levels. Historically the Department has relied on gifts, grants, and limited operations funds to implement regeneration activities on approximately 8,000 acres harvested per year. The existing funding sources were projected to fall short and gift money was expended to meet future needs. In addition, land managers are apprehensive to manage forests where regeneration is required and no funds exist to ensure regeneration occurs, further inhibiting the ability to meet harvest levels.

The rule provides a predictable funding mechanism to provide assurance that regeneration will occur on harvested lands and does so in a manner that utilizes private sector cooperating foresters and contractors to complete the work. In addition, given the funding utilizes proceeds from timbers sales, there is no overage or shortage in funds as the actual regeneration needs are based on annual timber sales and actual costs. The estimated regeneration costs directly related to timber harvests, and eligible for funding under the rule, is approximately \$250,000 to \$350,000 per year. There are additional regeneration costs that are not eligible under the rule including tree planting on barren or open lands and DNR staff time and expenses to administer regeneration contracts. Funding provided in the FY'11-13 budget item that authorized this rule will continue to be used to cover these regeneration needs.



Thank you for the opportunity to provide testimony on the rule language and the associated economic and ecological impacts to support a \$10 million timber revenue program on State lands. I welcome any questions that you may have about this rule.