

Recommendations to Maintain and Enhance Maine's Forests

Report to the Legislature's Joint Standing Committee on Agriculture, Conservation, and Forestry

As Required by 12 MRSA §8879

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January, 2006

INTRODUCTION

12 MRSA §8879 requires the Maine Forest Service to report periodically to the Legislature and make recommendations for legislative action to maintain or improve the condition of Maine's forests. A number of recommendations have already been forwarded to the Legislature through separate reports and requests for legislative action on specific issues. This report contains a distillation of these recommendations. This report supplements the recent State of the Forest report submitted to the Legislature and grows out of the information contained in that report as well as the analyses involved in producing it. It also draws on other work underway at the Maine Forest Service on specific issues.

This report includes not only a distillation of recommendations to the 122nd session of the Maine Legislature but also, for context, includes a summary of the work the Maine Forest Service has underway to address a number of these issues in considerable depth. The full text for the reports referenced herein are available if they are needed.

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Distillation of Recommendations to the 122nd Session of the Maine Legislature

- ✓ Repeal the Personal Property Tax on business equipment.
- ✓ Fully fund the BETR Program.
- ✓ Support implementation of the full suite of recommendations included in the Future Forest Economy Report and the Report of the Governor's Council on the Sustainability of the Forest Products Industry.
- ✓ Support efforts to increase the amount of certified land in Maine, including but not limited to, support for LD 1872 (incentives for forester and small landowner certification).
- ✓ Support improvements in the enforcement of Maine's laws on forestry:
 - Support LD 1863, which allows part of the financial penalties for violations of the Forest Practices Act and other forest practices laws to be used for educational and other activities to increase future compliance and avoid violations.
 - Support L.D. 1759, which will improve the enforcement of Maine's timber theft laws.
- ✓ Engage with other interests to identify innovative approaches that could be taken to maintain Maine's productive forest land base.
- ✓ Support efforts to rebuild the capacity of the Maine Forest Service as opportunities arise, e.g., supports efforts like the recent approval to purchase a used helicopter to diversify and upgrade our fire fighting fleet.
- Review the results of the online outdoor burning permit program, and after the pilot project, consider expanding it statewide.
- ✓ As opportunities arise, support efforts to model the future growth of Maine's forests over the next several decades.
- ✓ Support Maine Forest Service efforts on topics such as:
 - Making long term silviculture pay; and,
 - Developing markets for ecosystem services (e.g. carbon offset projects) to increase returns to Maine landowners from sustainable forest management.

The Big Picture

What we need to do to maintain or improve the values of Maine's forests

(Note – The Maine Forest Service has the lead responsibility on many, but not all, of these efforts)

- ✓ Increase funding for conservation easement acquisition.
- ✓ Encourage more efficient land use patterns.
- \checkmark Increase returns to forest landowners from long term forest management.
- ✓ Maintain and diversify the forest products industry.
- \checkmark Develop new tools and incentives for maintaining our forest land base.
- ✓ Encourage stewardship.
- ✓ Maintain and enhance our institutional capacity.
- Engage with other state and national interests to provide a regional and national focus on forestry issues.

What is going on in each of these areas?

- ✓ Increase funding for acquisition of easements:
 - Land for Maine's Future program 12 million
 - In 1998, the Forest Legacy Program was funded at \$4,000,000. In 2005, the appropriation was \$57,129,000.
- ✓ Encourage efficient land use patterns:
 - Growth management efforts by the Maine State Planning Office
 - LURC planning, zoning, and development review
 - MFS Urban and Community Forestry program
- ✓ Increase returns to forest landowners:
 - Maine capital gains tax amendment last year
 - How to make long-term silviculture pay a proposed policy analysis (this is follow-up to the recommendations contained in the report on complimentary solutions prepared as part of the effort on liquidation harvesting)
 - Investigation into the potential for carbon sequestration payments to Maine landowners
 - Participation in national efforts to encourage payments for ecosystem services beyond carbon

✓ Maintain and diversify the forest products industry:

• Future Forest Economy project – six major areas of recommendations

- Governor's Sustainability Council
- Certification Advisory Committee
- Implementation of these efforts are underway, but needs to be broadened and deepened:
 - Campaign to eliminate the personal property tax on business equipment
 - Program to assist Maine loggers become more profitable through better business practices
 - Collaborative effort on media attention
 - Certification
 - Support for efforts to develop new uses for wood, e.g., University of Maine EPSCOR proposal on biorefineries
- \checkmark Develop new tools and incentives for maintaining the forest land base:
 - Follow-up on Senator Cowger's bill on low cost financing for persons willing to commit to donating a no development and public access easement
 - Increase the incentives for donating no development easements?
 - New institutions to acquire and develop conserve forest land?
 - Make local governments eligible for tax free bonding for acquisition of working forest lands?
 - Etc.
- ✓ Encourage stewardship:
 - MFS programs:
 - Be Woods Wise
 - Plans
 - Project assistance
 - Project Canopy
 - BMP implementation
 - Education
 - Agreement with Natural Resources Conservation Service on coordinating on Environmental Quality Incentive Program funding for forestry projects.
- Maintain and enhance the capacity of our forestry institutions (protection, research, monitoring, policy analysis, education)
 - Functions
 - Maintain and enhance our base of accurate and timely information
 - Forest Inventory and Analysis program
 - Information on harvests
 - Information on insects and disease
 - Research
 - Silviculture
 - Environment
 - Products

- Insects & disease
- Policy
- Protection
 - Fire
 - Insects & disease
- Policy
- Education
- Institutions that provide these services
 - Maine Forest Service
 - USDA Forest Service
 - Research
 - State & Private forestry
 - Universities
 - University of Maine
 - 1. School of Forestry
 - 2. Cooperative Forestry Research Unit
 - 3. Advanced Engineered Wood Composites Center
 - 4. Chemical engineering, Pulp and Paper Foundations
 - Other University programs
- Engage with other state and national interests
 - USDA Forest Service
 - Research
 - Programs
 - Funding
 - National Association of State Foresters has a focus on these issues Maine is an active participant
 - Chair of NASF committee on efforts to support the forest products industry
 - Engage in efforts to reauthorize the Farm Bill
 - Multi-state regional efforts
 - North East State Foresters Association
 - Northern Forest Lands Council 10th Anniversary Forum
 - Northern Forest Center economic development strategy
 - Congressional interests, e.g., Representative Michaud's bill to establish a Northern Forest Commission

Improving Implementation of Maine's Forestry Laws and Programs

Open Burning

The Maine Forest Service implemented a new program in July of 2005 that allowed the purchase of burning permits online at a cost of \$7.00 each. This program is being tested in Southern Maine only. Since the inception of this program there have been 1,305 permits issued online. To date there have been no escaped fires from permits that were issued online. The Maine Forest Service continues to solicit input from Maine citizens and cooperators and is continually improving the program to better serve the people of Maine. The system has proven to be a safe, reliable way for some people in Southern Maine to acquire open burning permits. The online program allows users to comment on the service. The most frequent comment is that people outside the test area want to have this service available in their area as well.

Timber Theft and Trespass

Timber theft and trespass complaints account for approximately 25% of the total number of complaints handled by Forest Rangers annually. Approximately 1,300 Inspections conducted annually are specific to timber theft and trespass issues. In 2004 nearly \$60,000.00 was recovered for landowners through court ordered restitution or by out of court settlements.

In 2002, a timber theft and trespass committee was formed to address law enforcement issues statewide and to provide annual training for Forest Rangers to ensure fair and consistent enforcement of timber theft and trespass laws. This committee is also involved in identifying gaps in current laws and providing recommendations for future legislation that will provide for more effective enforcement. LD 1759 is one new bill proposed by the Department that will greatly enhance the ability of rangers to not only provide an immediate and direct consequence for violations of timber theft, but will provide quicker restitution to victims of timber theft as well. This proposed legislation follows several successful proposals over the last few years that have specifically targeted those individuals that deprive landowners of the value in their timber. A significant statewide effort to work with local Assistant District Attorneys to facilitate prosecution of timber theft and trespass laws has proven successful in many areas of the State.

Improvements in Forest Fire Suppression Capabilities

The Maine Forest Service relies heavily upon its fleet of helicopters to provide a fast and effective initial attack on forest fires reported statewide. The backbone of this fleet is several federally owned Huey helicopters on loan to the Maine Forest Service. Unfortunately these helicopters are approximately 40 years old and in need of replacement. In 2000, a committee was formed to provide a recommendation to the Maine Forest Service on replacement options for the Huey as well as addressing the need for diversification in the fleet composition. In 2002, the committee finalized its report and recommended that MFS stay with its decision to operate helicopters, fly the Hueys as long as possible, and begin to diversify and upgrade the fleet of helicopters over time.

Late in 2002, MFS acquired a Bell Jet Ranger and began saving for a Bell 407. Due to very prudent spending and several slow fire seasons, MFS has saved enough money to purchase a used 407. MFS found a suitable 407, and has entered into a purchase and sales contract for that helicopter.

Implementation of the Liquidation Harvesting Rule

- The rule took effect on 02 January 2005.
- Staff developed a protocol for implementing the rule in late 2004, including a triage card for field staff to use during inspections.
- All Foresters and Forest Ranger districts were trained on the rule and given a LQH Policy & Procedures Manual in early 2005.
- MFS held two public information sessions in mid-April, one in Lewiston (6 people), one in Brewer (30 people).
- District Foresters and Regional Enforcement Coordinators organized several additional workshops at the request of logging contractors. The total ownership involved is several million acres. These sessions have been very well attended.
- MFS has made presentations to at least a couple of regional planning commissions about the subdivision law change. We circulated the presentation to planners via email as well. We get occasional calls about this issue.
- MFS handles several calls per month from people with questions about compliance. Many callers learn they are exempt from the rule (parcel too small, parcel purchased before the effective date, etc.)
- A tracking system for parcels bought and harvested after the effective date was created in the existing FPM Harvest Site Reporting System. Field staff are using this system to track harvesting investigations statewide. Liquidation harvesting is one component of this system.
- Liquidation harvesting inspections indicate that the rule is effective at reducing Liquidation Harvesting. Of 555 inspections to date, only 2 have been identified as requiring further monitoring.
- We have experienced minimal interest in the accredited logger training program and are unlikely to pursue this absent a critical mass to make it worthwhile.
- Anecdotal information indicates an increased interest in loggers seeking Master Logger Certification.
- We provided an interpretation to two parties regarding whether their formation of a LLC that owned less than 100 acres statewide (although both parties own much more acreage) would be exempt from the rule. We developed a response based on advice from the AG's office that they should comply with the rule, and that this LLC violated the spirit, if not the letter of the law.
- Our first test of the harvest plan option will come sometime this year.

Stewardship Program

• MFS has revised its Forest Stewardship Plan requirements so that all management plans costshared by MFS meet the requirements of all major certification programs available to small woodland owners.

Improving Implementation and Monitoring of BMPs

• MFS continues its regular monitoring of the implementation and effectiveness of Best Management Practices to protect water quality. Timber harvest operations continue to demonstrate regular, modest improvement and now perform at a much higher level than in the mid-1990's. MFS was the lead agency in a regional effort to develop a BMP monitoring protocol. MFS also published a major update of its BMP manual. The new manual has been well-received by the forestry community and has been emulated by other states.

Adopted Statewide Standards for Timber Harvesting in Shoreland Areas

• MFS has adopted statewide standards for timber harvesting in shoreland areas. Full implementation of the standards is still a few years away as we wait for DEP to adopt its revised shoreland zoning guidelines and assess when a critical mass of adopting towns has been reached. Once DEP has adopted its revised guidelines, we will work with them to get the word out to towns about the new standard.

Recommendations from the Future Forest Economy Project

The Maine Future Forest Economy Project report made 6 major recommendations and 19 sub-recommendations. The full text of this report is available at: http://www.state.me.us/doc/mfs/fpm/ffe/.

Encourage Capital Investment

1. Improve Maine's investment climate through prospective elimination of the personal property tax on business equipment.

Work Collaboratively to Create Predictability and Policy Stability

- 2. Improve the relationship between Maine's forest products industry and state government and other stakeholders, and work toward a common goal of a vibrant, sustainable forest industry in Maine.
- 3. Provide for a high-level state staff member who has credibility and relationships with all state agencies and is responsible for coordination of efforts to address issues within the forest products manufacturing sector.

INRS recommends that Maine state government invest in a new position of "Forest Products Manufacturing Specialist", whose responsibilities would include:

- Tracking the global, national, regional and local markets that exist for Maine forest products, so that Maine can be aware of the changing market forces and anticipate how they might impact forest industries;
- Serve as an information source on forest products manufacturing within state government;
- Serve as a primary point of contact with state government for forest products manufacturers, help direct companies to state resources, and help state agencies identify companies that may be facing challenges;
- Help business-assistance program in Maine state government reach out to forest industries, and when appropriate help business assistance programs design products that meet the forest industry's needs; and,
- Provide outreach to Maine forest industries to let them know about changing market conditions, emerging opportunities, existing assistance programs, and other items of interest.
- 4. Conduct a collaborative effort spearheaded by the forest products industry, state government and the University of Maine to help Maine citizens, legislators, opinion leaders and others understand the current state of the forest products industry, the challenges it faces, and the actions that might best improve the long-term prospects of the industry.

5. Create both the perception and reality of public policy consistency and predictability¹.

The perception of a stable policy climate is an important part of securing investment in Maine's forest products manufacturing facilities. In their interviews with bankers and investors as part of this project, *Pan Atlantic Consultants* identified a stable policy climate as a way to encourage greater investment in Maine facilities. Similarly, INRS spoke with firms who had delayed investment in facilities because of concerns about potential or pending policy development.

Concrete steps can be taken that will send a message that Maine is interested in a stable policy environment while not sacrificing environmental quality, worker safety, or other legitimate public concerns:

- Regulators can share with the forest industry a multi-year "roadmap" that shows issues of growing concerns, and provide the industry an opportunity to provide suggestions and reactions to this roadmap – a measured and constructive reaction from the industry to this roadmap will be critical to its success;
- Forest products manufacturers can identify issues of concern to the public or regulators and work to implement non-regulatory solutions;
- Before initiating voluntary actions, all parties can clearly state what they view as success in quantifiable terms;
- Forest industry can identify specific regulations (or parts of regulations) that are in its view overly burdensome or do not meet the desired outcome as efficiently as possible, and suggest ways that the desired outcome can be better reached;
- Regulators and forest industry can prepare credible analyses of the economic impact of new regulations or regulatory changes, so that the impact on industries in a globally competitive marketplace can be anticipated.

Common to all of these steps is an effort to clearly communicate issues of concern and desired outcomes before there is a significant demand for regulatory action. All parties bear the responsibility of working together toward addressing issues in a collaborative manner.

Invest in Technology

- 6. Increase efforts to move work conducted at Maine's world-class research and development facilities to commercial application in Maine.
- 7. Promote research, development and commercialization of bio-based products, particularly those that are compatible with Maine's existing forest products manufacturing infrastructure.

¹ This is also a recommendation of the Legislative Task Force to Increase Primary and Secondary Forest Product Manufacturing, May 1999.

- 8. Expose Maine forest product manufacturers to the latest technologies
- 9. If Maine pursues an aggressive renewable portfolio standard to encourage development of renewable energy, biomass power that meets certain emissions standards should be included.

Develop Entrepreneurial Talent in the Industry

- 10. Form a public private partnership to encourage shared training, creative thinking, business development and improved operations management for sawmills and wood product manufacturers.
- 11. Forest product manufacturers or industry sectors should work together to develop entrepreneurial networks, share information, and learn about emerging opportunities.
- 12. Develop a one-day annual meeting and trade show for micro-businesses engaged in forest product manufacturing.

Distinguish Maine Products in the Marketplace

13. Develop a marketing campaign that highlights the environmental and other benefits of Maine forest products, and use this to help distinguish Maine products in a global marketplace.

Improve the Ability of Maine Forest Product Manufacturers to Compete

- 14. Improve the connections of existing state business assistance and business development programs to forest product manufacturers, and have the forest industry evaluate existing programs and offer suggestions on how existing programs might better meet the needs of forest product manufacturers.²
- 15. Create a "Maine Manufacturing Competitiveness Fund", a revolving fund that provides manufacturers with capital to make capital investments in energy efficiency.
- 16. Adopt a "Manufacturing Energy Policy"
- 17. Continue to support the Maine Congressional Delegation's effort to obtain a Congressional federal weight limit exemption for Maine's currently non-exempt Interstate highways.
- 18. Work with the Maine Department of Transportation to implement recommendations in their Integrated Freight Plan.
- 19. Continue state efforts to address challenges in Maine's business climate.

² This is similar to a recommendation of the Legislative Task Force to Increase Primary and Secondary Forest Product Manufacturing, May 1999.

Recommendations from the Governor's Council on the Sustainability of the Forest Products Industry

The following summarizes the recommendations of the Governor's Council on the Sustainability of the Forest Products Industry, which issued its report in March 2005. The full text of this report is available at: http://www.econdevmaine.com/resources/default.asp.

http://www.econdevmaine.com/resources/delault.asp.

- 1. Examine the state's tax policy and regulatory framework to identify factors that impede capital investment in new equipment and technology, including financing programs, environmental regulations and tax policies.
 - a. Repeal the personal property tax on business equipment.
 - b. Improve regulatory stability by enhancing communication and planning between industry and regulators.
 - c. Continually evaluate existing regulatory programs to assure that they meet the public health and safety need in the least burdensome manner practical.
 - d. The Department of Environmental Protection will continue efforts to work with industries on regulatory compliance.
 - e. Improve the connections of existing state business assistance and business development programs to forest product manufacturers.
- 2. Consider strategies to improve the quality, productivity and accessibility of Maine's timber supply, including the capacity to assess the character and extent of Maine's forest resources; efficient and cost effective transportation; and protection from new exotic pests.
 - a. Continue efforts to provide timely forest inventory and analysis information.
 - b. Increase truck weight limits on Maine highways.
 - c. Inventory issues related to rail service and work collaboratively to address these issues.
- 3. Identify the major vulnerabilities facing the industry, together with the obstacles to continued growth.
 - a. Enhance communication on crosscutting issues.
- 4. Examine opportunities to brand Maine's forest products through promotion of sustainable forest management, such as green certification. This effort should include recommendations to expand the market for Maine's certified forest products, nationally and internationally, in order to demonstrate Maine's leadership role in sustainable forest management.
- 5. Identify strategies to increase the use of research and technology, focusing on the competitive advantages of Maine tree species to expand the development of forest products, including: commercialization of new technologies like wood

composites; increased development of value-added wood products; and investigating the use of new by-product technologies.

- a. Increase knowledge, coordination and use of the Pulp and Paper Institute resources at the University of Maine.
- b. Promote the research, development and commercialization of bio-based products, particularly those that are compatible with Maine's existing forest products infrastructure.
- c. Focus Research & Development (R&D) expenditures in the natural resources sector on efforts to bring new products to commercialization.
- 6. Identify strategies to support the workforce infrastructure needed to maintain a vibrant forest products industry. This should include an examination of issues relating to the recruitment and retention of loggers, as well as other labor force needs.
 - a. Establish a logger loan program in coordination with existing programs provide a loan program structured to the specific needs of loggers and especially targeted to encourage long term contracts for wood.
 - b. Establish a transition plan to Reduce, and potentially eliminate, the need for foreign H2B workers.
 - c. Develop an apprenticeship program for loggers, encouraging on-the job training of new entrants to the field.
 - d. Support Northern Maine Community College's training program for "Mechanical Tree Length Forestry Operations."
- 7. Examine ways to develop creative partnerships between managed forests and outdoor recreation/tourism.
- 8. Examine ways to reduce energy costs, including utilizing existing energy resources, and investigating options for self-generation of power.
 - a. Grow Maine's electricity market and diversify fuel sources available to Maine.
 - b. Adopt electricity and conservation delivery policies which promote manufacturing in Maine.

Recommendations from the Forest Certification Advisory Committee

Recommendations for Achieving Maine's Certification Goals

This summarizes the Certification Advisory Committee's recommendations for actions that Maine and private forest management interests might take to achieve Governor Baldacci's goals for significantly increasing the volume of wood coming from certified sources. These recommendations also address the broader aim of establishing and supporting a vibrant, broad-based, and long-term certification program that will maintain Maine's national leadership in certification and sustainable management of forestlands. The recommendations that follow address three questions:

- 1. What can be done to increase the amount of land and wood products that is certified in Maine?
- 2. What can be done to increase the number of businesses producing certified wood products in Maine?
- 3. What can be done to enhance the markets for certified forest products from Maine and distinguish Maine in the global marketplace for certified products?

The approach recommended involves three strategic, interrelated efforts: 1) work with landowners, land managers, loggers, foresters and others to increase the number of acres certified and to establish a "harvest practices certification" system to certify wood volume; (2) work with a variety of constituencies to develop market based incentives for forest certification, including increasing market demand for certified forest products; and, 3) work to position Maine's marketplace "brand" at the forefront of consumer awareness for sustainably produced forest products. Collectively, these efforts are aimed at increasing opportunities and market-based incentives for additional landowners to engage in certification. This, in turn, should help to bring about better-managed forests and strengthen the various sectors of the forest products industry.

Recommendation 1: Create a Maine Forest Certification Information System

Action Item 1A: Develop an Internet-based forest certification information system.

The system should provide landowners and managers, foresters, loggers, and certification evaluators with ready access to state-managed information that is critical to certification evaluations.

Action Item 1b: Create a strategy for using the forest certification information system to assist in certifying forestlands.

Recommendation 2: Expand Harvest Practices Certification

Action Item 2a: Expand opportunities to certify harvest practices.

Maine certification interests should expand certification programs that focus on wood harvested by loggers or overseen by foresters who subscribe to a recognized set of environmentally sensitive harvest practices and subject their practices to third-party inspection.

Action Item 2b: Incorporate harvest practices certification into forestland certification.

As a collaborative effort with one or more forest certification systems, Maine certification interests should conduct an analysis of the relationship between Master Logger's harvest practices certification standards and procedures and those of the various forest certification systems to determine the extent to which implementation of Master Logger standards could contribute toward meeting any of the system's requirements for forest certification, especially for family forests.³ Based on this, certification interests should work with the certification systems to integrate appropriate harvest practices provisions into their forest certification programs.

Recommendation 3: Motivate Owners of Private Forests to Certify Their Lands

Action Item 3a: Produce and distribute information on certification.

Maine certification interests should provide educational materials and opportunities for foresters, loggers, forest advocacy organizations, and landowners (and especially owners of family forests) regarding certification. At least initially, the focus should be on foresters, loggers, and forest advocacy organizations as they often provide critical on-the-ground links to landowners.

Action Item 3b: Increase opportunities to become involved with group certification.

Maine certification interests should seek to increase significantly the number of family forests and possibly larger parcels involved with group certification by taking the following actions:

• The state should seek grant funding that would allow qualified organizations to promote, coordinate, and facilitate group certification by family forests through the Tree Farm Group Certification Program, FSC SLIMFs, and/or other group certification systems.

Action Item 3c: Increase the potential that landowners will get involved with certification by increasing the number of foresters and loggers actively involved in certification.

If the forester and logger hired to advise a landowner is involved with certification this significantly increases the possibility that the landowner also will get involved.

³ A preliminary "gap analysis" has been conducted comparing Master Logger and FSC standards and procedures, but a more thorough review is recommended.

To help facilitate forester and logger involvement the Maine Forest Service should reinvigorate the state's Certified Resource Manager grant program.

Action Item 3d: Expand the use of forest management plans as a component of certification.

Forest certification interests should encourage owners, and especially owners of family forests, to engage foresters to prepare forest management plans that meet certification system standards.

Action Item 3e: Provide financial incentives to owners of family forests.

The state should encourage owners of family forests to participate in certification by providing modest financial incentives, including:

 The Legislature should consider modifying the Forest Management Plan Tax Credit Program to encourage participation in forest certification by providing tax credits to family forest landowners for expenses related to certification, including the cost of annual certification fees and periodic certification audits.⁴

Recommendation 4: Motivate Owners of Public Forests and Private Conservation Areas to Certify Their Lands

Action Item 4a: Increase certification of state-owned forestlands.

Action Item 4b: Increase certification of private conservation forestlands.

Recommendation 5: Track Wood from Certified Sources

Action Item 5: Collect critical information related to forest and harvest practices certification and integrate this information with the Maine Forest Service's existing forest information programs.

The Maine Forest Service, in consultation with the forest industry, should develop a strategy for compiling information that will help track progress toward meeting certification goals.

Recommendation 6: Market Maine's Certified Wood Products

Action Item 6a: Initiate public sector promotion of certification.

The state should publicize Maine's leadership in forest certification.

Action Item 6b: Strengthen private sector marketing.

Action Item 6c: Develop a marketing information system.

The state and Maine's forest industry should collaborate in an effort to position Maine's marketplace presence at the forefront of consumer awareness for sustainably produced forest products by developing and implementing an

⁴ The Tax Credit Program provides owners of small forest parcels a credit of \$200 every 10 years to offset the cost of developing qualifying forest management plans. This amount has not changed since its initiation in 1989. The cost to prepare a forest management plan has increased significantly in the past fifteen years. Further, in 1989, there was no certification and therefore no certification costs. As a result, a \$200 tax credit is not near the incentive that it was in 1989.

integrated, Internet-based information system. This system should provide potential consumers of Maine forest products with information on: 1) the status of Maine's forests, 2) factors that distinguish Maine in the global forest products market, 3) the characteristics and certification efforts of individual forest products producers and suppliers within the state, 4) sources within the state to secure specific types and volumes of certified products, including links to applicable producers and suppliers, and 5) due to the fact that different consumers have different needs, information on the distinctions between the sources of wood, including the volume available from the various forest certification systems and from certified harvest practices.

Action Item 6d: Promote certified wood products in state purchasing practices.

An Additional Recommendation for Strengthening Treatment of Biological Resources

Recognizing the importance of biological resources and water quality to the forest environment, and the relative complexity – and expense -- of addressing biological and water quality issues in certification, the committee recommends that the state provide biological and water quality technical support to landowners

More specifically, the state should seek funds to allow the state to provide technical assistance to landowners concerning certification-related issues related to sensitive plants, animals, ecological communities, and water quality.

Recommendations to Certification Systems

Governor Baldacci's requested that the committee "review the certification systems in use in Maine and recommend changes to make them more effective in achieving sustainable forestry." The committee recommended that the various certification systems consider incorporating a number of considerations into their standards and procedures if they have not already done so.

A Final Recommendation for the Public

To the extent that customers – both high volume purchasers of wood products and end consumers – demand and seek out wood products that come from wellmanaged forests, and are willing to pay an appropriate price for these products, forest landowners and the forest products industry will respond.

Late Successional and Old Growth Forest Stands – Refining Our Understanding of the Issue

Late successional and old growth (LSOG) forest stands are seen as an ecologically valuable component of Maine's forests, contributing critically to the maintenance of forest biodiversity. The Manomet Center for Conservation Sciences has spearheaded initial work to develop usable, stand-level survey techniques. These techniques are currently under scientific review, but appear very promising.

MFS has been working with Manomet, investigating use of FIA data to generate similar criteria and benchmarks, and to refine our understanding of this issue for the state as a whole. The goal is to develop an analytical tool that could use existing (or augmented) Forest Inventory and Analysis data to assess LSOG levels and trends for the major forest types and regions of the state. Analyses of current data have so far proven inconclusive, suggesting the need for additional spatial attributes to enable development of a state-level monitoring tool.

MFS also is working with Manomet and the USDA Forest Service to explore the use of remote sensing imagery to provide a cost effective spatial filter. Further, MFS has encouraged discussions between the forest industry and the conservation community on how to maintain the late successional old growth values in Maine's forests.