

Private Lands Issue Paper

Throughout most of America's history, the West's privately-owned forests and ranchlands have been vital components of a large, working landscape supporting rural economies and providing wildlife habitat and other valuable ecosystem services. Today, however, the values derived from these lands increasingly diminish as land is subdivided, sold for real estate development, and criss-crossed by infrastructure corridors. Western rural communities are quickly losing the many public benefits that private lands have long provided, including wood and agricultural products, recreational access, wildlife habitat, and watershed protection. When these values disappear, our rural heritage and local knowledge is consequently in danger of being lost.

RVCC believes that the long-term health of our western landscapes and communities depends upon the conservation and productivity of private working lands. We believe that federal assistance should be available to support the health of the land and the well-being of its stewards through a variety of policy tools. The private working lands of the western United States are primarily comprised of a mix of non-industrial private forestlands (NIPF), industrial private forestlands (IPF), and range and agricultural ownerships. The tools used to enhance the conservation and productivity of these lands will differ depending upon geographic region, scale and ownership patterns. In addition to existing conservation tools, the encouragement of new and emerging models in private and communal (county, community, cooperative) ownership will help to safeguard essential working landscapes and the public assets of the rural West.

THE IMPORTANCE OF PRIVATELY-OWNED WORKING LANDS

Western forests are 31% privately owned, constituting 113 million acres. Almost half of western grazing lands are in private hands, much of these supporting livestock production. Many of these private forests and ranchlands are adjacent to or intermixed with public lands and are critical to the overall health of western ecosystems and communities.¹

Public and Private Lands are Interdependent

In the western United States land management challenges are inherently cross-jurisdictional. Invasive species, forest pests, and wildfires frequently cross between public and private boundaries, particularly in areas characterized by a checkerboard of privately owned lands and publicly held lands. Cross-boundary stewardship and cooperation is essential for addressing these geographically complex issues.

¹ Smith, Brad and David Darr. 2004. "U.S. Forest Resource Facts and Historical Trends." USDA Forest Service.

KEY RECOMENDATIONS:

1. Provide incentives and prioritize funding for new and existing programs that convey technical assistance and financial incentives to non-industrial private landowners.
2. Collaborate and engage with private forest and ranch landowners on the development of ecosystem service market opportunities.
3. Swiftly carry out rulemaking and implementation of the Community Forest and Open Space Conservation Program.
4. Pass the Community Forestry Conservation Act to create tax-exempt revenue bonds to acquire working forest or agricultural land.

Working Private Lands are Vital to the Economic Well-being of Sustainable Rural Communities

Western private working lands are an economic anchor – sustaining local mills, livestock, and agricultural processing infrastructure. This infrastructure is critical for private and public land management, food and fiber processing, livestock markets, value-added wood products enterprise development, and viable local workforce creation and maintenance. NIPFs and ranchlands represent some of the nation's best examples of sustainable land use. Industrial forestlands also include examples of long-term stewardship, and the managers of these lands frequently serve as an important source of professional forestry expertise and knowledge to the communities in which they work.

Private Lands Provide Important Ecosystem Services

Western private lands provide key public benefits, such as the protection of clean water supplies and carbon sequestration for climate change mitigation. In addition, working lands can be an ideal arena to explore renewable energy through opportunities such as woody biomass, and staging for wind, solar, geothermal and small-scale hydro-power.

Private Lands are Vital for Wildlife Habitat

Certain critical habitat types are found largely on private lands. For example, 94% of the remaining redwood forests are privately owned.² Additionally, in the arid West, private lands tend to occupy lower elevation areas that supply water for irrigation and forage and wintering grounds for livestock. Private lands are also home to river, lake, riparian and wetland habitat that support the lifecycle stages of many terrestrial species.

² Best C. and L. Wayburn, 2001. *America's Private Forests: Status and Stewardship*. Covelo, CA: Island Press.

WHO WE ARE

The Rural Voices for Conservation Coalition is comprised of western rural and local, regional, and national organizations that have joined together to promote balanced conservation-based approaches to the ecological and economic problems facing the West. We are committed to finding and promoting solutions through collaborative, place-based work that recognizes the inextricable link between the long-term health of the land and well being of rural communities. We come from California, Oregon, Washington, Idaho, New Mexico, Montana, Arizona and Colorado.

Private Lands Provide Open Spaces, Scenic Views, and Recreational Access

Private working lands serve as buffers between towns or cities and nearby public lands. Open spaces and the rural character afforded by working farms, ranches, and forests are important to maintaining a locally diversified and stable economy. Rural economic activities such as tourism, guiding, and outfitting businesses are directly tied to the contiguous landscapes that sustain wildlife populations, intact ecosystems, and healthy people.

LAND CONVERSION FACTS

- Every day, America loses more than 4,000 acres of open space to development. That means we lose around three acres of open space per minute.¹
- Over the past decade there has been a 1.6 million acre decrease in ranchlands each year.² Roughly 1.5 million acres of private forests are lost each year to development and other non-forest uses.
- According to the U.S. Forest Service, more than 40 million acres of rural land could be converted to urban/developed uses by 2050.³
- Between 1995 and 2004 half of the nearly 70 million acres of private industrial timberland ownership in the U.S. changed hands.⁴

1 Bosworth, Dale. 2003. Speech at Izaak Walton League, 81st Annual Convention, Pierre, SD, 2003. "We Need a New National Debate". September 17. (<http://www.fs.fed.us/news/2003/speeches/07/bosworth.shtml>)

2 Sullins, Martha J., et al. 2008. "Without clear vision and support, ranches turn into subdivisions." *Headwaters News*, January 8. (<http://www.headwatersnews.org/p.010803.html>)

3 Stein, Susan, et al. 2005. "Forests on the Edge: Housing Development on America's Private Forests." U.S.D.A. Forest Service.

4 Collins, Sally. 2007. Speech by Sally Collins, Associate Chief of the U.S.D.A. Forest Service, June 21. (<http://www.fs.fed.us/news/2007/speeches/06/ecosystem.shtml>)

THREATS TO RURAL WESTERN PRIVATE LANDS

Private forests, ranch, and agricultural lands are facing enormous development pressure in communities across the West. This pressure is creating unprecedented challenges for those working to safeguard the diverse amenities derived from rural western lands.

Development of Private Lands Fragments Landscapes and Compromises the Ecological Integrity of Adjacent Public Lands

In many parts of the West, intact forests, ranches, and agricultural lands are being broken up into smaller parcels and sold for development or speculation. Nearly 2 million acres of forestland—an area the size of Yellowstone National Park—are broken into smaller properties each year.³ The associated network of roads, fences, cleared areas, and human traffic threaten wildlife, watershed integrity, and rural livelihoods. Fragmentation increases the number of landowners and land managers, making it difficult to implement consistent conservation measures at a landscape scale. This trend has prompted the U.S. Forest Service to list the loss of open space as one of the "Four Threats" in the agency's strategic agenda for

3 Best C. and L. Wayburn. 2001. *America's Private Forests: Status and Stewardship*. Covelo, CA: Island Press.

dealing with threats to healthy forests and grasslands. According to the U.S. Forest Service, "Development of open space affects the Forest Service's ability to manage the National Forests and Grasslands, as well as our ability to help private landowners and communities manage their land for public and private benefits."⁴

Development of Private Lands Increases Fire Risk and Cost to Federal, State and Local Governments

As housing expands further into fire-prone forests and away from existing fire management infrastructure, the potential for life and property losses increases. The meteoric rise in fire suppression costs is in large part due to the high cost of protecting recently-built structures in the wildland-urban interface (WUI) as both industrial lands and non-industrial private forest and ranchlands are divested for development purposes. Approximately 85% of the Forest Service's fire suppression budget is spent on approximately 2% of fires, primarily in areas where millions of people have moved into forestlands to live.⁵ Wildland fire management activities (the largest cost being suppression) rose from 13% of the agency's budget in fiscal year 1991 to nearly 50% in fiscal year 2009.⁶ Fire suppression costs will only continue to rise as development encroaches into the WUI.

CASE IN POINT

Only 14% of forested western private land adjacent to public land is currently developed for residential use. Yet, based on current growth trends, the likelihood of development on the remaining 86% is rapidly increasing.

If homes are built in 50% of the forested areas where private lands border public land, annual federal firefighting costs could range from \$2.3 billion to \$4.3 billion per year. In FY 2009, the entire U.S. Forest Service budget request totaled \$4.1 billion.

Sources: Headwaters Economics (www.headwaterseconomics.org); US Forest Service (<http://www.fs.fed.us/aboutus/budget/>)

Insufficient Federal Assistance to NIPFs and Ranchland Owners Threatens the Protection of Public Benefits as well as Employment Opportunities

Funding for stewardship programs, technical assistance, and financial incentives for communities and private landowners remains insufficient. The Forest Service's State and Private Forestry initiatives and the Natural Resource Conservation Service's programs within the USDA provide critical technical and financial assistance to private landowners and communities. The lack of adequate support for these programs threatens landowners' ability to safeguard important public values such as clean air and water, stable soils, wildlife and fish habitat, high quality food and fiber, and reduction of risk from wildfire. Moreover, during uncertain economic times, the employment opportunities that result from stewardship activities on private lands cannot be overlooked.

4 U.S. Forest Service. 2006. "Four Threats to the Health of the Nation's Forests and Grasslands". (<http://www.fs.fed.us/projects/four-threats/>)

5 From comments made by USDA Undersecretary of Agriculture, Mark Rey, quoted on the American Recreation Coalition Website (<http://www.funoutdoors.com/node/view/1808>)

6 Issue brief by the Wilderness Society: "About the FLAME Act Bill" (http://wilderness.org/OurIssues/Wildfire/flame_act.cfm)

Corporate Divestment of Timberland Creates an Uncertain Future

In the last ten years Timberland Investment Management Organizations (TIMOs) and Real Estate Investment Trusts (REITs) have purchased much of the privately owned industrial forestland in the United States.⁷ TIMOs and REITs operate with high return expectations, which frequently means that considerations about supporting local mill infrastructure or maintaining contiguous open space take a back seat to short-term financial gains.

The Next Generation of NIPF and Ranchland Owners Lack Opportunity and Expertise to Continue Serving as Stewards of these Working Landscapes

According to 2005 data, 60% of family-owned forestlands belong to people age 55 or older.⁸ The decline of processing facilities and decreased markets for products from family owned private lands have significantly changed the financial realities associated with owning these NIPFs. Frequently, the inheriting generation either chooses not to, or cannot, continue to own their family's land due to a lack of financial opportunities, such as markets for forest products, and to the costs of managing the land. As development pressures increase and market opportunities decrease, many landowners have no choice but to sell their land for development. Valuable stewards are lost as lands are sold to new owners lacking land management knowledge and community connections.

RECOMMENDATIONS FOR MAINTAINING PRIVATE WORKING LANDS

The federal government plays a key role in ensuring the conservation and maintenance of private working lands in the United States. Resources for private landowners include; technical assistance, financial incentives for land stewardship, and land easement and acquisition programs to stem development pressures. The RVCC has developed the following recommendations for policy action as a place to begin addressing some of the most critical land management and conservation needs of private, rural lands in the West.

Administrative Recommendations

1. *Provide incentives and prioritize funding for new and existing programs that convey technical assistance and financial incentives to non-industrial private forest and ranchland owners.*

- 1a. The USDA should swiftly carry out rulemaking and implementation of 2008 Farm Bill Conservation, Forestry, and Energy Programs. Ensure that these programs include increased incentives for NIPF and ranchland owners. Additionally, ensure that programs are implemented to allow for greater flexibility and ease of access to a broad range of potential landowners.

⁷ Fernholtz, K., J. Bowyer, and J. Howe. 2007. "TIMOs and REITs: What, why, and how they might impact sustainable forestry." A report for Dovetail Partners, Inc. (<http://dovetailinc.org/reportView.php?action=displayReport&reportID=78>)

⁸ Mater, Catherine. 2005 "Family Forests: What Will the Next Generation Do?" (<http://www.pinchot.org/?module=uploads&func=download&filed=52>)

- 1b. The 2008 Farm Bill made enhancements to the Environmental Quality Incentives Program (EQIP) to allow greater access for private landowners. We encourage USDA to continue working to remove barriers that limit access to EQIP for nonindustrial private forestland owners.

2. *Collaborate and engage with private forest and ranchland owners on the development of ecosystem service market opportunities.*

Ecosystem services markets have the potential to provide additional streams of revenue to landowners by compensating them for the public benefits they provide through natural resource management. Markets are currently developing, particularly for carbon and woody biomass.

- 2a. The 2008 Farm Bill established a federal government-wide Conservation and Land Management Environmental Services Board and a USDA Office of Ecosystem Services and Markets to create technical guidelines to assess ecosystem services. We encourage these entities to provide leadership in developing methods for quantifying and verifying the quality of services that are traded. In addition, assets and assistance in aggregating smaller properties at a scale sufficient to qualify for these markets will be needed. This would reduce the costs of administering markets, provide assistance and guidance to eligible landowners, and resolve conflicts between the goals and means of the different services markets (i.e. planting trees for carbon sequestration can come into conflict with fuels reduction to mitigate catastrophic wildfire and restoration of threatened habitats such as meadows, savannas and prairies that have been encroached by trees).

3. *Recommend full and/or increased funding for existing programs for acquisition and long-term stewardship of working forests.*

- 3a. Land acquisition and easement programs can help protect private working lands that are under intense development pressure. These programs particularly aid communities where large acreages of working lands are increasingly being sold for real estate development. Federal programs such as the Community Forest and Open Space Program, Forest Legacy Program, and Land and Water Conservation Fund can prevent fragmentation and development by allowing federal, state, and county entities as well as non-profits to acquire land and/or development rights. When implemented, these programs can also prevent the rate of expansion of the WUI, thus helping to stem risks and costs related to wildfires.

**PRIORITIZE FUNDING FOR THE FOLLOWING KEY
TECHNICAL ASSISTANCE AND ACQUISITION PROGRAMS**

1. Community Forest and Open Space Program
2. Community Wood Energy Program
3. Environmental Quality Incentive Program
4. Farm and Ranch Land Protection Program
5. Forest Legacy Program
6. Forest Stewardship Program
7. Land and Water Conservation Fund Program

4. *Support the development and implementation of community forests and ranchlands.*

- 4a. The USDA should swiftly carry out rulemaking and implementation of the Community Forest and Open Space Conservation Program, which will support local governments, tribes and non-profit organizations by providing matching grants for full fee acquisition of threatened forestlands that provide important community benefits. This program will also provide technical assistance to develop and implement community management plans for each new community forest.

Legislative Recommendations

1. *Provide incentives and prioritize funding for new and existing programs that convey technical assistance and financial incentives to non-industrial private forest and ranchland owners.*

- 1a. Identify a new mechanism for funding emergency fire suppression activities so that the Forest Service can begin to reestablish adequate and reliable funding for other vital land management programs, including those that assist private forest landowners in stewarding and conserving their lands. This could be accomplished by doing the following:
 - i. Create a separate account that would provide funds for the largest and most destructive of fires that currently consume the largest percentage of the Forest Service's fire management budget.
 - ii. Replace the 10-year rolling average with a more predictive statistical modeling approach that utilizes current weather, drought, and fuel load as well as fire history and other data to project the extent of wildland fire on the landscape and economic modeling to predict the funding needed to address it.
- 1b. Prioritize funding for the Forest Stewardship Program, a program within the Forest Service State and Private Forestry division that assists NIPF land owners to achieve long-term forest management.

- 1c. Prioritize funding for the Farm and Ranch Land Protection Program, a program within the U.S. Natural Resources Conservation Service that provides matching funds for the purchase of development rights to help keep productive farm and ranchland in agricultural uses.

2. *Collaborate with private forest and ranchland owners on the development of ecosystem service market opportunities.*

- 2a. When developing national, renewable energy policy, use a definition of renewable biomass that includes materials from private and public land. The 2007 Energy Independence and Security Act (EISA) limits the use of merchantable trees to those coming from tree plantations on private lands. Only logging residues and pre-commercial trees can be used from naturally-regenerated private forestlands. A new definition should be developed that is flexible enough to utilize sustainably produced woody biomass from all ownerships and regions where it is an appropriate and sustainable management activity.
- 2b. Establish markets for forest and range carbon-offsets that encourage broad and diverse participation, provide access and opportunity for rural communities, and clearly address issues related to project scale, sustainability, and benefits to local communities. Encourage voluntary systems and eventually move into regulated systems.
- 2c. Provide funding in FY2010 and beyond for the Community Wood Energy Program, a new program included in the Food, Conservation and Energy Act of 2008. (See the RVCC Biomass issue paper for more details.)

3. *Fund existing programs for acquisition and long-term stewardship of working forests.*

- 3a. Provide robust funding for the USDA Forest Service, State and Private Forestry Forest Legacy Program. This program assists states in conserving private forestlands through public acquisition or purchase of development rights.
- 3b. Provide robust funding for the DOI National Park Service Land and Water Conservation Fund. This program provides money for the acquisition of lands for parks, wildlife refuges, and other conservation lands.
- 3c. Provide funding in FY2010 and beyond for the Community Forests and Open Space Conservation Program, a new program included in the Food, Conservation and Energy Act of 2008.
- 3d. Restructure tax codes to more effectively encourage private industrial landowners to retain their lands in long term ownership as an alternative to divesting working lands for development purposes.

4. *Support the development and implementation of community forests and ranchlands.*

- 4a. Congress should pass the Community Forestry Conservation Act. This new legislation would allow the creation of tax-exempt revenue bonds to acquire working forestlands. This financial mechanism, called Community Forest Bonds, is designed to promote private investment in working land conservation. This financial mechanism works to conserve private working lands while providing jobs and respecting landowner property rights. Tax-exempt revenue bonds are issued to allow for the acquisition of forestland by a qualified buyer. The low cost bonds would be backed by a revenue stream generated from sustainable forest management. This program would offer another important tool to conserve working lands facing rapid development pressures. In addition to conserving open space and working lands, it would support local, community ownership of land, sustain supplies of timber for wood product manufacturing, and maintain tax revenue to local governments.

CONCLUSION

Private working lands and their stewards provide the foundation for conservation and production in the rural West. As the long term health of the West's private lands comes under increasing strain, the ability of rural communities to continue their role as landscape stewards is also threatened. To truly address these threats, all levels of government must partner with the private sector to promote the viability and sustainability of this invaluable part of America. Federal policy should promote landowners and grow their capacity to conserve the land, provide ecosystem services and maintain the productivity necessary to a healthy and prosperous nation.

FOR MORE INFORMATION

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