

# SAVE OUR FORESTS

## Healthy Forests Require Forest Management

Public (county, state and federal) and private forest management depends on the timber industry as the resource to perform the silvicultural landscape prescription services necessary to achieve and maintain healthy forests in Minnesota. Forests that provide environmental, recreational, and economic benefits.

*“We don’t manage the forests, the loggers do it for us.”*  
-Mark Holsten (Former MN DNR Commissioner to Gov Tim Pawlenty)

### HEALTHY FORESTS CONTRIBUTE TO:



Outdoor Recreation and Tourism



Carbon Sequestration



Rural Jobs



Revenue to Support Communities and Schools



Wildlife Habitat



Wildfire Reduction



### CERTIFIED FORESTS

The State of Minnesota (DNR), and other public land management entities, employ certified timber management practices that are required for forest land and forest product certification through the Sustainable Forestry Initiative (SFI) and the Forest Stewardship Council (FSC).

These certification programs are recognized standards that allow Minnesota forest products to compete in the global market. **Without loggers trained to meet these standards and perform harvest operations, the certification cannot be maintained.**

### CARBON SEQUESTRATION



Trees are carbon magnets, absorbing CO<sub>2</sub>, storing it and retaining it in finished products. Healthy forest are vital to this cycle. Unmanaged forests are unhealthy forests that are prone to, disease and mortality from invasive species; and are susceptible to wildfires. All of which reduce their ability to sequester carbon; and, in the case of wildfire, emit carbon and CO<sub>2</sub>. **Without loggers harvesting mature timber or removing dead and diseased timber Minnesota’s forests cannot remove as much carbon and CO<sub>2</sub>.**



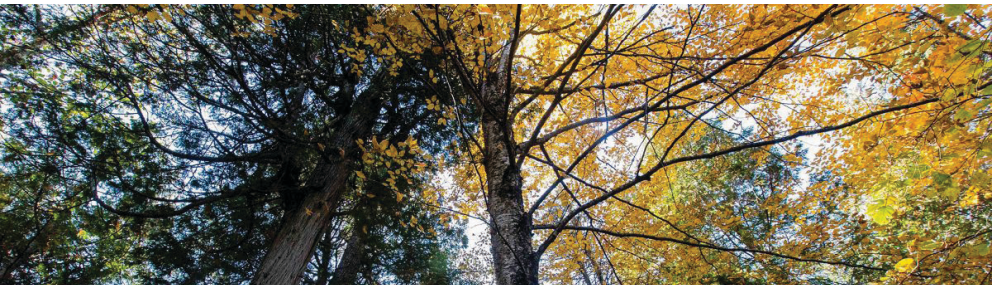
### ECONOMIC IMPACT



The Minnesota Timber and Forest Products industries are the fifth largest manufacturing sector providing over \$16 billion in economic impact and create 62,000 jobs. Thirty percent of all wood fiber in Minnesota comes from DNR administered forest lands. Local governments and schools receive revenue from timber harvested from public lands. **Without loggers, the economic impact of Minnesota’s timber industry is not sustainable.**

All of the benefits referenced regarding healthy forest management practices are dependent upon a small subset of Minnesota’s forest industry – Loggers. **In fact, it is estimated that only 1500 “in the woods” workers harvest and transport the raw materials** that supports the forest management objectives of public and private land managers and the primary / secondary forest products mills that utilize this timber resource.

Minnesota has lost over half of the forest products mills over the past 13 years. **The COVID-19 pandemic has directly attributed to the closure of the Duluth Verso mill. This has resulted in a reduction in logging infrastructure and capacity.** Maintaining the remaining logging infrastructure and capacity is vital to: supporting the public and private sustainable forest management objectives; contributing to reducing climate change, mitigating invasive species impacts; improving wildlife habitat; supporting outdoor recreation development; reducing the threat of wildfires; and supplying the remaining forest products mills and future mills.



### BOTTOM LINE

Minnesota DNR Timber Permits (contracts) have minimal contract modification allowances and represent a potentially devastating liability to loggers. [The Timber Permits; Market Changes Cancellation and Extension](#) legislation introduced will provide the authority for the MNDNR to provide timber permit modifications, similar to that provided by some county land management departments. **This critical assistance and relief will enable logging companies to survive the industry impacts of the COVID-19 pandemic, allow them to remain in business, and continue to provide the services necessary for sustainable forest management and healthy Minnesota forests.**



# Timber Permit Relief

HF1260 • SF1097



## THE CAUSE

Duluth's Verso Paper used nearly 50% of the DNR's spruce and balsam. That market disappeared overnight due to the mill's unforeseen COVID-related closure. The closure also caused a ripple effect across the state's timber markets.

## THE BILL

HF1260/SF1097 allows refund of down payments on sales in which spruce/balsam combined volume is 25% or more of the total volume. Or, timber purchasers can extend permits for two years.

## THE PRECEDENT

In 2007, after Ainsworth mill closures, a provision was passed allowing state permit turnbacks and refunds of down payments on timber sales. In 2013, a provision passed after mill closures in Duluth and Sartell.



The Forest Products industry is vital to Minnesota: supporting our rural economy, and also doing the important work of keeping our forests healthy for everyone. Minnesota is a leader in forests that are certified as sustainable in the US.

### **Timber Sales Relief – One Pager:**

- Verso was using nearly 50 percent of the DNR's spruce and balsam until it shut down June 30, 2020.
- Help is needed to provide relief for holders of permits that have been purchased, but not harvested, and is currently under contract with the state, due to markets that no longer exist.
- Loggers pay a 15 percent down payment to DNR on every timber sale. Adjusting statute, and allowing turnbacks on down payments and permit extensions in these circumstances, would provide relief on timber sales where markets for spruce, balsam fir, and, to some extent, birch, no longer exist because of the Verso closure.
  - **We seek legislation in the 2021 session to provide relief for loggers and DNR timber sale permit holders that:**
    - Allows full refund of down payments on DNR timber sales in which spruce/balsam combined volume is 30% or more of the total volume.
    - Allows sales with a combined volume of less than 30% spruce/balsam to be considered optional timber for these species or sold as non-bid species.
    - Provides an option of an extension of up to five years.
- There is precedence: in 2007, after Ainsworth mill closures, a provision was passed allowing state permit turnbacks and refunds of down payments on timber sales. In 2013, a provision passed after mill closures in Duluth and Sartell.