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BILL ANALYSIS

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House Bill 5453 (Substitute S-2 as reported)  
Sponsor: Representative Tom Casperson  
House Committee: Conservation, Forestry, and Outdoor Recreation  
Senate Committee: Agriculture, Forestry and Tourism

Date Completed: 4-24-06

## **RATIONALE**

The Department of Natural Resources (DNR) is responsible for managing the State's approximately 3.9 million acres of forestland. The State forest is divided into 15 regions called Forest Management Units, which are divided further into areas called compartments. Foresters review each compartment at least once every 10 years to evaluate and determine the proper treatment for the forestland, which may include tree planting, prescribed fires, selective thinning, or harvesting. In deciding whether to put timber on the land up for sale, the DNR considers a number of "limiting factors" that may affect the land's suitability for harvesting. Examples of limiting factors might be the steepness of a slope, the presence of endangered wildlife, or wet conditions that would preclude logging without excessive environmental damage. Some limiting factors are temporary conditions or ones that could be alleviated through the use of new technology, while others may be permanent features of the land that cannot be altered.

The foresters' treatment recommendations are subject to review by selected ecologists, biologists, and forest recreation specialists, among others, to ensure that the treatment plans meet the interests of all those who benefit from the State forest. The recommendations also are open to public comment for a period, during which individuals may review the proposals and voice concerns or make suggestions.

Some believe that the current review process is too restrictive, and that the DNR is placing unnecessary limits on timber harvests on State land. Despite Michigan's

extensive forestland, the State's timber harvest rates are lower than those of some neighboring states with smaller amounts of forest. Some believe that the law should be altered to encourage greater harvests on Michigan's forestland.

## **CONTENT**

The bill would amend Part 525 (Sustainable Forestry on State Forestlands) of the Natural Resources and Environmental Protection Act (NREPA) to require the DNR to evaluate at least 10% of the State forest each year, for the purpose of identifying timber that met silvicultural criteria designed to maximize forest health and forest economics. Within 18 months after completing an evaluation, the DNR would have to put up for timber sale all acreage prescribed for harvest, except the following:

- Acreage restricted from harvest under State or Federal law.
- Acreage restricted from harvest as necessary to maintain certification with sustainable forestry standards under Section 52505.

(Section 52505 requires the DNR to maintain third-party certification that the management of the State forest and other State-owned land satisfies the sustainable forestry standards of at least one nonprofit, nongovernmental certification program.)

Acreage could not be restricted from harvest under the second exception if the DNR could maintain certification by requiring specific techniques, equipment, or training for the harvest.

In putting timber up for sale, the DNR would have to ensure that timber harvesting from the State forest was conducted in a manner that would maintain certification with sustainable forestry standards under Section 52505. All timber harvests from the State forest would have to be performed by loggers who had completed at least a sustainable forestry education program approved by the Michigan State University extension service.

MCL 324.52512

## **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### **Supporting Argument**

The bill would give the timber industry greater access to State forestland. Some members of the timber industry have been frustrated at what they see as the excessive use of limiting factors that restrict harvests on State land. Most parcels are reviewed only once every 10 years, and if access is denied during a review because of factor limits, loggers may have to wait another decade before they can harvest the timber on that land. Furthermore, many loggers believe that the current factor limits do not take into account the significant improvements in logging technology that would allow them to log restricted areas without undue environmental damage.

The bill would correct that by prohibiting the DNR from restricting harvesting in an area if the timber could be harvested responsibly with the use of certain equipment, techniques, or training. The bill would balance the need to protect the environment and maintain a sustainable forest with the economic benefits of a greater timber harvest and a stronger forest products industry. Michigan's State forest reportedly is growing at about twice the rate of harvest. That excess capacity could generate additional jobs for the State's workforce, as well as additional tax revenue and payments to the DNR in the form of timber sales. Forestland historically has been one of Michigan's great natural resources, but current policies are preventing the timber industry from growing at full capacity. The bill would help to correct that by opening up more forestland

for harvest, without affecting the State's certification or unduly disrupting the review process.

**Response:** There is a misperception that once a parcel is factor-limited, it is off limits to harvesting indefinitely. In some cases, the conditions can be adjusted, and the land can be opened for harvest. That process does not always have to be delayed until the next compartment review. In addition, foresters doing compartment reviews must take into account a variety of factors that might not be directly related to logging. For example, if trees are on a steep hillside above a trout stream, that timber could be harvested using modern logging equipment, but the removal of the trees could cause increased erosion that could clog the stream. The foresters have to consider the health of the forest as a whole, not just whether logging a particular area is feasible.

### **Supporting Argument**

Public Act 125 of 2004 amended NREPA to require the DNR to seek and maintain third-party certification of its forest management program, and recently the program was certified by two nonprofit associations, the Forest Stewardship Council and the Sustainable Forestry Initiative. Certification is essential to the growth of the timber industry in Michigan, since buyers increasingly are seeking out certified sources of lumber and forest products. The State's dual certification will open up new markets for Michigan timber while ensuring that the State's forestland is managed in a sustainable way. Under the bill, the DNR could not act in a way that would jeopardize the State's forest management certification, which would protect the State's sustainable management of its forestland while encouraging greater timber harvests on State land.

### **Supporting Argument**

The bill would require the DNR to put timber on land up for sale within 18 months of the compartment review. According to testimony before the Senate Committee on Agriculture, Forestry and Tourism, the process currently takes between 18 and 24 months, but that time could be shortened to 18 months without affecting the quality of the process. For example, the public comment period could be shortened, since most interested parties reportedly come

forward with any comments or suggestions early on in the process.

### **Opposing Argument**

The bill would require the DNR to put timber up for harvest according to criteria that would maximize forest economics and forest health, but it makes no mention of the other forest uses specified in Part 525 of NREPA. Under Part 525, State forestland must be managed to protect a multitude of interests, including hunting, fishing, recreation, protection against pests or invasive species, preserving habitat, and protecting water quality. There is no indication whether the bill's requirements would take precedence over the existing criteria. The bill should refer to the forest management requirements currently in Part 525, to avoid any potential confusion and ensure that the DNR considered all of the uses of State forestland in making harvesting decisions.

Legislative Analyst: Curtis Walker

### **FISCAL IMPACT**

The bill would cost the State an indeterminate amount. Most timber sold by the Department of Natural Resources is made available for sale within 18 to 24 months following completion of an evaluation. The bill would require the DNR to shorten this time frame slightly, which could require additional personnel. Timber evaluation and marking are primarily supported from the Forest Development Fund.

Fiscal Analyst: Jessica Runnels

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.