

Jeff Mursau

STATE REPRESENTATIVE • 36TH ASSEMBLY DISTRICT

Assembly Committee on Rural Development
AB 640 – Timber Sold from State, County or Community Forests
November 3, 2021

Committee Members:

Thank you for the opportunity to testify in support of Assembly Bill 640, which relates to the threshold amount of timber sold from state, county, or community forests. I appreciate your willingness to bring this bill forward.

Senator Felzkowski and I both serve on the Governor's Council of Forestry. The council was established in 2002 and consists of a "diverse group of leaders in the forestry community who direct Wisconsin's efforts to achieve sustainable forestry". This issue was brought forward by the Wisconsin County Forest Association and the legislative members agreed to champion the bill through the legislature. Attached to my testimony is the Council's letter of support for this bill.

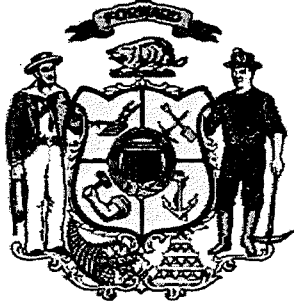
Under current statutes, the direct sale limit allows State, County and Community Forest land managers to sell smaller amounts of timber directly to a contractor without advertising. In certain instances, being able to quickly work with a contractor is advantageous because they may have the availability or type of equipment that is a perfect match for a smaller timber sale. The direct sale limit currently rests at \$3,000 for State, County Forests and Community Forests. ***This bill would raise the direct sale limit to \$10,000 or 500 cords equivalents, whichever is lesser.***

When last revised in 1999, the average sale value on our public lands was \$18,118. The direct sale limit of \$3,000 was 16.6% of that figure. In 2020, the average sale value on State and County lands rose to over \$63,000. A proposed increase of the direct sale limit to \$10,000 would be 15.8% of the current average sale value.

This change would increase stumpage rates, and allow for the onset of more efficient (and more expensive) processing machines. This technology is now the norm in Wisconsin and has increased production rates dramatically. Moving equipment from site to site is costly and contractors are less likely to move to small timber sales, leaving these acres unmanaged.

Increasing the limit and adding the flexibility to sell based on volume will enable land managers to capitalize on contractor availability to increase managing minor sales and small tracts of land. While these changes will allow for more flexibility, they don't require any sale under the limits to be sold direct, leaving the land managers in control of how to best sell their timber.

This bill had a positive hearing in the senate last week and passed the committee on a 5-0 vote. I hope to have that same support in the Assembly. Once again, thank you for holding a public hearing on this important piece of legislation. I am happy to answer any questions you may have.



WISCONSIN COUNCIL ON FORESTRY

Tony Evers, Governor

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September 21, 2021

Tom Hittle
Chairman

Matt Dallman
Vice-Chair

Heather Berklund

Sen. Janet Bewley

Michael Bolton

Sen. Mary Felzkowski

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Ken Price

Erik Rantala

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Henry Schienebeck

Jason Sjostrom

Jordan Skiff

Paul Strong

Dr. William Van Lopik

Wisconsin Senate and
Assembly Legislators
Wisconsin State Capital
2 E Main St, Madison, WI 53703

RE: LRB 4628/1 and LRB 4635/1 –Threshold amount of timber sold from state, county, or community forests

Dear Legislators:

As chair of the Wisconsin Council on Forestry I am sending this letter regarding a draft bill circulating for cosponsors related to changing the threshold limits for certain procedural requirements for the sale of timber on state, county, or community forests.

We are asking you to support this bill through cosigning or otherwise seeing this through to passage.

The Wisconsin Council on Forestry was established in 2002 under Chapter 26.02 to advise the governor, legislature, the Department of Natural Resources, and other state agencies on topics affecting Wisconsin's forests and forest products industries.

Background:

In these times of ever-changing and uncertain wood markets, it's essential to allow public land managers the flexibility to sell timber readily, ensuring continued management of our vast and valuable forests. The direct sale limit, as detailed in State Statutes 28.05(2), 28.11(6)(B)1 and 28.22, allows state, county, and community forest land managers to sell small amounts of timber directly to a logging contractor without approval or public advertising. Being able to work with a contractor efficiently and quickly is advantageous in situations where the volume and value of the wood being sold is below the standards that would attract a competitive sale process, but the harvest is still needed to promote sound forest management objectives.

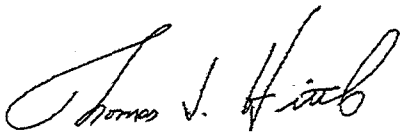
The direct sale limit is currently \$3,000. It was last revised over 20 years ago under different market conditions. When last revised, the average sale value on our public lands was \$18,118. The direct sale limit of \$3,000 was 16.6 percent of that figure. In 2020, the average sale value on state and county lands rose to over \$63,000, ranging from \$48,000 to \$82,000. A proposed increase of the direct sale limit to \$10,000 would be 15.8% of the current average sale value for comparison purposes.

Logging contractors incur significant logistical costs moving from harvest site to harvest site on top of the operating downtime. Today's logging equipment has evolved to be very efficient but also is very expensive. In instances where market demand, market options, and delivered wood pricing may be depressed, small (low volume or value) or otherwise less desirable timber sales are often passed by as loggers look to maximize production and minimize cost. Efficiency throughout the fiber supply chain means our mills have a steadier supply of reasonably priced wood.

The need to modify this requirement was discussed at our Council meetings earlier this year and the draft bill was reviewed and discussed at the Council's September 16th meeting and received unanimous approval.

We encourage your support of this change which allows our professional forest managers the discretion to determine the optimal approach to sell timber, achieve the desired forest management objectives, and continue to supply our industry with fiber.

Thank you for your support.

A handwritten signature in black ink, appearing to read "Thomas J. Hittle". The signature is written in a cursive style with a large initial "T".

Thomas Hittle,
Chair, Wisconsin Council on Forestry

**Council on Forestry legislative members Senators Felzkowski, and Bewley and Representatives Mursau and Meyers are abstaining from the Council's request considering their position as sponsors for this legislation.*



MARY FELZKOWSKI

STATE SENATOR • 12TH SENATE DISTRICT

Testimony on Assembly Bill 640

Assembly Committee on Rural Development

Senator Mary Felzkowski

12th Senate District

November 3, 2021

Good morning Chair VanderMeer and Committee Members,

Thank you for taking the time to hear testimony on Assembly Bill 640, which raises the direct sales limit for timber sold from state, county, or community forests.

With the recent closure of the Verso mill in Wisconsin Rapids, the wood markets are more tumultuous now than they have ever been. It is essential to provide land managers with the flexibility to sell timber readily, ensuring continued management of our vast and valuable forests.

Under current statutes, the direct sale limit allows state, county and community forest land managers to sell smaller amounts of timber directly to a contractor without advertising-enabling the process to move quickly and efficiently. The direct sale limit currently rests at \$3,000. This bill would raise the direct sale limit to \$10,000 or 500 cords equivalents, whichever is lesser.

When last revised in 1999, the average sale value on our public lands was \$18,118. The direct sale limit of \$3,000 was 16.6% of that figure. In 2020, the average sale value on state and county lands rose to over \$63,000. A proposed increase of the direct sale limit to \$10,000 would be 15.8% of the current average sale value.

This change would increase stumpage rates, and allow for the onset of more efficient processing machines. This technology is now the norm in Wisconsin and has increased production rates dramatically. Moving equipment from site to site is costly and contractors are less likely to move to small timber sales, leaving these acres unmanaged.

Increasing the limit and adding the flexibility to sell based on volume will enable land managers to capitalize on contractor availability to increase managing minor sales and small tracts of land. While these changes will allow for more flexibility, they don't require any sale under the limits to be sold direct, leaving the land managers in control of how to best sell their timber.

Thank you to my co-authors, our colleagues on the Council on Forestry and to the Wisconsin County Forests Association for their work on this bill. I look forward to taking any questions.



Assembly Committee on Rural Development

2021 Assembly Bill 640

Threshold amount of timber sold from state, county, or community forests above which certain approval and notice requirements apply

November 3, 2021

Good morning Chair VanderMeer and members of the Committee. My name is James Warren, and I am the Director of the Forestry Field Operations Bureau for the Wisconsin Department of Natural Resources. Thank you for the opportunity to testify, for informational purposes, on Assembly Bill 640 (AB 640), related to the threshold amount of timber sold from state, county, or community forests above which certain approval and notice requirements apply.

In the face of ever-changing and uncertain wood markets, it is essential to enable land managers the flexibility to sell timber readily, ensuring continued responsible forest management. The direct sale limit, as detailed in State Statutes (s. 28.05(2), 28.11(6)(b)1 and 28.22), allows state, county, and community forest land managers to sell smaller amounts of timber directly to a contractor without advertising. In certain instances, being able to quickly work with a contractor is advantageous. They may have the availability or type of equipment that is a perfect match for a smaller timber sale.

When last revised in 1999, the average sale value on our public lands was \$18,118. The direct sale limit of \$3,000 was 16.6% of that figure. In 2020, the average sale value on State and County lands rose to over \$63,000. A proposed increase of the direct sale limit to \$10,000 would be 15.8% of the current average sale value.

Raising the direct sale limit to \$10,000 or 500 cords equivalents, whichever is less, provides flexibility and enables land managers to capitalize on contractor availability to increase management of minor sales and small tracts of land. These changes to statutes would allow for more flexibility but do not ultimately require any sale under the limits to be sold direct, maintaining land manager control over how to best sell their timber.

On behalf of the Department of Natural Resources, we would like to thank you for your time today. I would be happy to answer any questions you may have.

Wisconsin County Forests Association

Norman Bickford
President
Burnett County

Joe Waichulis
Vice President
Clark County

Bill Bialecki
Treasurer
Lincoln County

Al Mans
Director
Marinette County

Myron Brooks
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Hank Graber
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Alan VanRaalte
Director
Oneida County

Michael Luedeke
Director-at-Large
Spooner, WI

Henry Schienebeck
Director-at-Large
Rhineland, WI

Rebekah Luedtke
Executive Director

November 1, 2021

Representative VanderMeer
Chair, Committee on Rural Development
Room 11 West
State Capitol, PO Box 8953
Madison, WI 53708

RE: Support for AB 640

Dear Representative VanderMeer,

The Wisconsin County Forests Association (WCFA) is writing in support of AB 640, relating to the threshold amount of timber sold from State, County and Community forests.

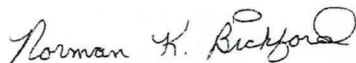
WCFA represents the 30 counties in Wisconsin with County Forest lands established under state statutes §28.10 and 28.11. Collectively, these 30 counties manage over 2.4 million acres of forests, the largest public ownership in our State. These counties are a major contributor to public land management and rural economic development, and are also highly valued because they provide a reliable source of raw materials for the forest products industry, as well as a tremendous amount of recreation opportunities.

During these uncertain and challenging times of wood markets, especially since the loss of the Verso paper mills in Wisconsin Rapids and Duluth, it's critical to our success to be flexible and capitalize on opportunities to sell timber readily. Now more than ever, increasing the direct sale threshold would be extremely helpful in ensuring continued management of our State's vast and valuable forests.

When the direct sale threshold was last revised in 1999, the average sale value on our public lands was \$18,118. The direct sale limit of \$3,000 was 16.6% of that figure. In 2020, the average sale value on State and County lands rose to over \$63,000, ranging from \$48,000 to \$82,000. A proposed increase of the direct sale limit to \$10,000 would be 15.8% of the current average sale value.

We appreciate the support from the Council on Forestry, Great Lakes Timber Professionals Association, the Wisconsin Counties Association and other industry allies of this increase.

We would greatly appreciate and thank you for your support on this legislation as well.
Kind regards,



Norman Bickford
President



Rebekah Luedtke
Executive Director

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