

Fiber Sustainability Recommendations

Action Step Recommendation Statement:

To inform and fund a study that would evaluate wood availability for potential and existing markets that incorporates an evaluation of the short and long-term availability of timber species, products and volumes in and around Coos County, New Hampshire.

Justification of Recommendation:

While wood availability studies have been done for Coos County, none have incorporated information that has potential to dramatically impact actual wood availability, such as inoperable areas and political/legal restrictions. A new study incorporating this type of information will be important in identifying the actual potential of NH and surrounding states/provinces in supporting different wood products and markets. The study would cover all products with a focus on wood availability for a facility to replace lost markets such as the pulp mill in Berlin as well as Groveton Paper Board and Wausau. The study would focus on long-term fiber availability and not include prices, will not evaluate logging infrastructure nor identify specific impacts on non-timber related forest benefits.

Who:

NH Division of Forest and Lands, DRED will initiate the study through an RFP that will be put out to bid by private contractors to complete the study.

Timeline for Implementation:

Completion date will be October 31, 2008.

Major Measures of Success:

Metrics:

Economic Impact:

DRED Economic Analysis Tax Revenue

Likelihood of Success: New Projects Built

Investment of Private Capital Degree of Innovation

New Technologies attracted

Resources:

The Division of forests and Lands Timber Tax Reports of Cut

Northeast State Association of State Foresters forest-modeling project

Timber Supply Outlook for Maine: 1995-2045

The NH Timberland Owners Association timber availability study

The Society for the Protection of NH forests remote sensing analysis of forest conditions in the northern portions of NH

Vermont Wood Fuel Supply Study (BERC)

USDA Forest Service, Forest Inventory and Analysis
USDA Forest Service Timber Products Output reports
NEFA Wood Flow reports
State Sawmill Reports
Publicly available management plans and conservation easements Area conservation initiatives
such as the Mahoosucs Initiative
Other NGO's such as The Nature Conservancy

Deliverables from the Study:

1. Executive Summary
2. Introduction
3. Determination of the Timber resources Within the Study Area
 - a. Composition of the forest including species, volume, structure and accounting for economically merchantable stands
 - b. Productivity of the forest including growth, species and products (hardwood softwood, saw logs, pallet logs, pulpwood, chips)
 - c. Ownership categories (federal, state, easement, TIMO, NGO...)
 - d. Existing harvest levels by products and species
 - e. Land ownership trends and projections
 - f. Land certified by FSC or SFI
 - g. Possibilities and implications of carbon credits
 - h. GIS analysis on access and operability based upon physical characteristics and social limitations (regulation, legal and institutional restrictions)
4. Competition for the resource
 - a. Existing consumers within and affecting study area
 - b. Long term wood supply contracts
5. Determination of net available volume of species and products based upon all the above
 - a. The volumes should be reported in cords/acre as well as total above ground biomass (tons/acre)
6. Variables modeled
7. Assumptions used
8. Model Analysis Results
9. Interpretation of Results
10. References

Sustainability Conference

Date: March 7

Place: White Mountains Regional High School

Time: 10-3

Morning: Several speakers.

Afternoon: Panel discussion of leaders in private industry, landowners and potential investors.

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**Market Diversity
and Forest Products Development Center**

Action Step Recommendation Statement:

To develop Forest Products Development Center where research and development information would be collected and made available to entrepreneurs and investors who are interested in utilizing the resources available in Coos County and surrounding areas.

Justification of Recommendation:

An important component in the renewal of the forest products economy of northern NH is product diversification. We cannot expect the traditional uses of wood to support the economy of our region as it has for most of the last century. In renewing the forest products industry, a goal would be to maximize resource utilization and add as much value as possible, locally. As we see today, most of the timber harvested in Coos County is transported to another state or country for processing.

Much work is being done in R&D laboratories at universities, colleges, and public agencies across New England and the country. Knowledge of these developments is not always readily available to entrepreneurs. Also, these newly developed products do not motivate every entrepreneur or investor in the same way. Some of these products and ideas may become viable at a different time or if presented to different entrepreneurs. We must develop a mechanism that will bring the R&D folks together with the entrepreneurs and the investors.

A Forest Products Development Center would also provide information and advice that would help the entrepreneur expedite the development of a business venture, such as overcoming infrastructure constraints, getting the required permits, meeting environmental regulations, meeting the key people, etc. The Center would be the first stop for anyone interested in contributing to a forest-based economy in northern NH.

Economic growth is often the result of expansion by existing industry. These businesses are already invested in the region, have developed strong networks and often have ideas for business expansion and/or augmenting services. In addition, the infrastructure that has developed to support existing business are in themselves important economic engines. New Hampshire's state and local economic development agencies, as well as municipal officials, do a good job of supporting forest-based businesses and should continue to do so in the future.

Who plays the lead role:

DRED (Beno Lamontagne, Mike Bergeron)
North Country Council

Universities (UNH, UMO, PSU, WMCC, etc)
Non-profits (BEDCO, CEDC, NCIC)

Timeline for implementation:

Collection of information should begin immediately.
The Center should be fully operational by Sept. 2009

Major Measures of Success:

Number of inquiries
Number of new business announcements
Number business expansions
Local economic growth
Job creations

Resources for funding and implementation:

USDA
DRED
Dept of Labor
Economic Development Administration
CDFA/CDBG
Tillotson Fund
Private sector
Education community
US Forest Service

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Action Steps Recommendation Statement:

1. Partner with public and private entities to advocate and support and engage existing forest-based businesses in the future growth of the northern New Hampshire's economy.
2. Gather needed_data including: business survey of products, labor provided, labor needed, training needed, challenges and obstacles. Labor data can build off the Family Resource Center effort and draw from Department of Labor RIG and Thad Gulbrandson. The data may include: salary/benefit comparisons from industry, out-migration, demographic shifts, and high school graduation tracks. Investigate reasons people leave the area and what will bring them back, such as job security or wage opportunities.
3. Examine regulatory/legislative issues---the dumb rules and disincentives that get in the way; workers compensation costs, etc.
4. Consider school-to-career program and job shadowing. Develop equivalent credits for real world learning as recognized by the State; i.e. credit for learning does not all have to be obtained within school. For example, working in a log yard and learning about identification of tree species and log products would be credited towards school education).
5. Existing business relies on market diversity, which in turn relies heavily on the many partnerships between business, labor, education and government. Private business involvement in these partnerships needs to be strengthened. There is power in numbers and we need to make sure everyone is involved.

Justification of Recommendation:

Trained workers are critical to the future of all businesses. Businesses depend on the regional educational institutions to graduate workers with critical skills and the ability to solve problems. Businesses are also interested in lifelong learning opportunities for their workers to maintain and improve skills. The White Mountains Community College, Plymouth State University, Granite State College, and the regional high schools strive to meet the needs of the North Country's businesses.

Who plays the lead role?

1. A public-private partnership among DRED, economic development agencies, municipal governments, and Department of Labor RIG.
2. White Mountains Community College received a Tillotson Foundation grant to create a plan to identify resources that could assist training and workforce development needs of businesses in Coos County.

Timeline for implementation:

1. Continuous
2. Results of the Family Resource Center survey should be available by March 2008.

Measures of success:

1. Business expansion
Augmenting businesses
Job creation
2. New training programs
Expansion of training programs

Resources for funding and implementation:

DRED, Educational institutions, SBDC, SCORE, Micro-credit, CEDC, BEDCO, NCIC, Department of Labor, government's Job Training Fund (incentives).

RECOMMENDATIONS TO REDUCE ENERGY COSTS IN THE WOOD PRODUCTS INDUSTRY

Action Step 1: Explore the potential to have a bio-diesel Manufacturing Plant sited in Coos County.

Justification:

1. reduce reliance on foreign oil (keep energy expenditures local)
2. produce locally renewable energy
3. sell local - buy local
4. significant? Creation of jobs in the manufacturing environment and the supply chain environment. (How many?)
5. create an important market for low grade, fiber
6. alternative to transporting fuel from outside (expensive).
7. potential co-generation opportunities.
8. supports State and Federal special renewable energy and energy independence goals.

Who: DRED; DOE; USDA; universities

Timeline: 1 to 3 years [is the "timeline" based upon if someone decides to do it today, how long it would take to get it up and running; or is it from the point we are at today with all the R&D and marketing and everything else likely, if it does stick, to actually come on line.

Measures of success:

1. jobs (how many?)
2. measurable improvement in quality of life
3. taxes
4. reduced dependency on foreign oil
5. sustainability: competition for raw material; market stability; competitive cost
6. Feasibility / innovation: is anyone else making bio-diesel out of wood chips? (perhaps there are some pilot projects (U. Michigan or Wisconsin?) [Thad could look into this.]
7. Base of support/acceptability: Anticipate strong positive support of public.

Funding/resources:

1. tax credits; favorable local treatment
2. fiber sustainability is key
3. consider establishing a cooperative; however, this may be a long shot due to large investment involved.
4. [economic development experts may have more ideas, especially Peter Riviere]
5. cross reference to the findings of the fiber sustainability team.

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Action step 2: Form a fuel purchasing cooperative to leverage lower fuel prices.

(The savings could be quite large. --- crude guesstimate: if it takes 2 gallons to produce a ton of wood and 1 million tons are produced in Coos annually, then that represents 2 million gallons of fuel.)

Justification:

1. lower fuel prices (similar effect as pre-buying fuel)
2. potential to weather price spikes more effectively

Who: Timber Harvesting Council (perhaps they should form a standing Coos County subcommittee); DRED -- need a director (State or quasi-State entity to take the lead)

Timeline: research could begin immediately (complete in 1-2 years--- how long does it take to build a tank farm?)

Measure of success: achieve effective differential between street price to Cooperative price.

Resources: private funding by participants; NH Timber Harvesting Council (for logistics, etc.)

Action step 3: Form a transportation cooperative to facilitate trucking of forest products in Coos County. This may include a central dispatch function. The Cooperative might just manage operations; or it might own or operate the rolling stock, which would haul logs, equipment, people, etc. The cooperative could include vehicle maintenance support.

Justification:

1. facilitate backhauls
2. increase truck efficiency
3. reduce number of trucks needed
4. lower per unit transportation costs
5. dramatically reduce energy consumption
6. reduce wear and tear on roads
7. optimal employment of labor

Who: Timber Harvesting Council; DRED. -- need a director (State or quasi-State entity to take the lead)

(first response on part of individual businesses would likely be "got too much to do just trying to survive".)

Timeline: 6 months to 2 years

Measure of success:

1. successful participation and positive reaction by participants
2. backhauls facilitated
3. increased truck efficiency
4. reduction in number of trucks needed
5. lower per unit transportation costs
6. reduced energy consumption
7. reduced road wear and tear

Resources: Timber Harvesting Council; DRED; Extension; Plymouth State's Center for Rural Partnerships

Action Step 4: Legislate new initiatives to develop an improved "trade zone" environment for the timber industry.

Address such things as---

- a. Homogeneous load limits across the region (NH, VT, ME, NY, Quebec)
- b. Federal load limits for interstate commerce
- c. Fuel tax: abatement or all to roads
- d. Reduced speed limits and enforcement

Justification: Legislated improvements would provide a more favorable operating environment for the wood products industry through lower costs, more efficient operations, and more economical use of resources.

Who: Federal and State legislatures; NHTOA; NH Timber Harvesting Council; NH Sustainable Forestry Initiative.

Timeline: 2-3 years.

Measures of success:

1. homogeneous load limits achieved.
2. favorable fuel tax changes
3. reduced speed limits and enforcement

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See also under "Existing Business + Labor"

Resource: support for legislative action by TOA, Timber Harvesting Council and other stakeholders.

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Action Step 5: Develop Best Management Practices (BMPs) to achieve fuel conservation in ~r harvesting. •

Consider covering such things as---

- a. Backhauls
- b. No idling
- c. aerodynamic trucks
- d. reduced skidding distances
- e. cooperative use of logging equipment (shears, etc)
- f. commuting in log trucks
- g. labor workforce

Justification: BMPs would directly contribute to conserving fuel consumption in the wood products industry with the attendant benefits of increased profitability, contribution toward national goal of energy independence, and conservation of equipment.

Who: Timber Harvesting Council; UNH Cooperative Extension; NH Division of Forests and Lands; NH Sustainable Forestry Initiative; TOA.

Timeline: 1-2 years

Measures of success: new BMPs published, distributed, accepted and implemented by the wood products industry.

Resource: Timber Harvesting Council; UNH Cooperative Extension; NH Division of Forests and Lands; TOA; Sustainable Forestry Initiative.