

Assembly
California Legislature



JAMES D. DRISCOLL
CHIEF CLERK

December 20, 1982

Henry J. Vaux
Chairman
State of California -
Board of Forestry
1416 Ninth Street
Sacramento, CA 95814

Dear Mr. Vaux:

This is to acknowledge receipt of your letter of December 1, 1982, transmitting the following reports:

Ninth Annual Report - December 1, 1982 (Pursuant to Public Resources Code Section 4515) and,

Renewable Resources Under Siege: A Policy for California Forestry (Pursuant to Public Resources Code Section 4804).

Your letter and the accompanying reports have been presented to the Assembly and referred to the Committee on Water, Parks and Wildlife (See Assembly Journal for November 30, 1982, Corrected Version).

Sincerely,


JAMES D. DRISCOLL,
Chief Clerk

JDD:pc

State Board of Forestry

DEC 21 1982

PERSPECTIVE

California is increasingly an urban state. It is also blessed with a rich forest resource, much of which is located in mountainous regions of the state characterized by relatively erodible substrate.

The impact of people with urban attitudes and other land-use pressures associated with urbanization on this delicate resource sets the stage for discussion and debate of forest practice rules.

The Board has addressed the significance of this in its report to the Legislature entitled, Renewable Resources Under Siege: A Policy for California Forestry, and released in October 1981.

California is severely threatened by two sorts of phenomena that stem from population growth and the dispersion of urbanization into forested areas.

First, the economic system as currently structured works very strongly to divert productive natural resource land to other uses which destroy, or render impotent, resource productivity. The forester, the farmer and the rancher cannot compete in the land market against the fantastic rises in market prices for land induced by urbanization. Additional influences stem from increasing urban power,

expressed through political processes, through which natural resource lands are dedicated to parks and wilderness areas which precludes their use for production of timber. The Legislature has, in the past, recognized this and, through agricultural and forestry tax reform, provisions for open space zoning, and other measures, attempted to relieve the pressures. But, valuable as these measures have been, our experience convinces us that they are grossly inadequate to deal with the fundamental problem of a market structure for rural land and the economic expression of a variety of noncommodity values which forces allocation of many forest lands to uses other than timber production.

The second fundamental problem stems from the fact that maintaining renewable resource productivity, especially forestry, requires heavy and long-term capital investments. Without a commitment to natural resource investments the productive potential of lands and waters cannot be fully realized, may be rapidly eroded, and may not be restorable. The existing economic structure -- particularly the capital market -- imposes severe obstacles to achieving the investments in renewable resource productivity needed for long-term high yield resource management to meet the public's projected needs.

A whole array of uncertainties from various causes puts forestry investments in a less feasible position than other kinds of investment where you can get your capital out in ten years. The value of the land is becoming further removed from any resource use.

The immediate concern is over the worst economic decline experienced by the forest products industry in 50 years. Numerous mills have closed or reduced production, timber prices have dropped, timber volume harvested has fallen, and unemployment is up. This state of economic affairs focuses more attention than before on a number of questions about the appropriate balance of costs and benefits resulting from forest practice regulation and about how the increased costs arising from such regulation should be distributed.

The Legislature in 1983 will continue to face a range of issues that stem from differing views about how the state's forest lands ought to be used. There is demand to help the forest products industry out of its economic plight and there is continued concern about the environmental impacts of timber harvesting.

This annual report outlines issues that the Board believes are of concern to the Legislature and also summarizes actions taken by the Board under the Forest Practice Act.

LEGISLATIVE RECOMMENDATIONS

The Board believes the forest products industry is in a major period of readjustment. In addition to the current low in the economic cycle that is related to the housing market, the industry is facing a decline in the state's timber supply base and is in transition between an old growth and a young growth economy. This transition was predicted as long ago as 1953. Cyclical recovery of the housing market will eventually improve the economic position of the timber industry, but it is unlikely that wood production will gain the levels sustained in the 1960's and 1970's.

These economic changes in a state with increasingly urbanized wildland areas means that there are many (aspects) sides to the investment climate and to the public perspective of timber harvesting. It would be a mistake to be insensitive to concerns over either improving the investment climate or to better defining the role of the public in review of proposed timber harvesting operations.

In past annual reports the Board has made several suggestions in these areas and will not repeat them here. Rather, the Board will focus on problems of public education and forestry research. These areas are critical and usually the first to be cut or overlooked in tight budget times.

First, in the area of education the Board recommends that the Legislature establish a council on public education to promote education in forestry, especially in the area of general perceptions about timber harvesting.

One of the greatest factors increasing uncertainty around the investment climate is a hostile attitude toward timber harvesting expressed by some vocal segments of California's population. The Board believes that in part these negative views come from a lack of understanding by many members of the public who have little or no continuing contact with forestry policy and management issues. Thus, an active program of education is needed to increase the knowledge and understanding of decisionmakers and the general public.

Education is critical because the residents of California's swelling urban areas are far removed from the realities of forest management on the ground. Many of them lack understanding of the tradeoffs which must resolve between such things as more wood products versus more amenity value, or cheaper lumber versus higher water quality and more salmon. There is a tendency to judge forest management practices without being aware either of

recent significant improvement in the practices themselves, or of the full significance of such practices for the ecology of the forest.

Beyond this, many rural as well as urban citizens appear to be unaware of the long-range impacts of forest management on the availability of important products which they consume in tremendous volumes; of the concept of multiple use of forest resources; of the alternative uses of forest products; and of how these all relate to our present and future lifestyles. Although some public awareness of human dependence on forest products exists, there is almost no appreciation of the processes necessary to produce these products. Finally, public perceptions of forests and their many uses are confused by polarization among many special interest groups. Without general knowledge of forestry, there is no easy way for the public to understand what real public interests are at stake.

The idea of a council on public education originated with the Forest Improvement Committee authorized by the Legislature as part of the Forest Improvement Act. The suggestion for this council also is tied to the Board's experience with forest practice regulation. The Board has sometimes encountered persons not well informed about the nature of forestry problems and the importance of dealing with them. Although the

information exists, efforts to convey such information often fail because of the fractured nature of existing education programs, because of credibility problems, and because of the failure to correctly identify information needs.

The council should be designed to represent each major group with concern over the use of forests. It would develop and support an adequate program of dissemination of forestry information to strategic key audiences. It would also cooperate with existing forestry education and information organizations to provide a flow of credible information to key groups on relevant issues. Most important, it would systematically improve the quality and timeliness of information services.

Second, the area of research, legislatively establish a short-term committee modeled after the Forest Improvement Committee, to evaluate forestry research needs and to report on ways to attain needed research given severe constraints, such as budgets.

There is a strong need for basic forestry research, especially in the area of the environmental impact of forest practice rules. At present there are glaring deficiencies in the research and information base needed to manage forests for various uses and to provide proper environmental protection at least cost. This problem is intensifying rapidly: currently

funded research efforts are 25 percent below those of ten years ago, despite rapidly growing demand for all forest uses over the same period. Recent federal budget decreases have further reduced available research monies.

The gross inadequacy of the research effort is indicated by the fact that expenditures for forestry research and information in California are less than half of one percent of the annual value of wood products output derived from the resource. This is far less than the comparable level of research effort in agriculture or industry generally. The measure ignores both unmarketed services from the forest and the environmental values which are involved.

Part of the problem is that the payoff from research efforts is indirect and sometimes deferred for a number of years. As a result, research budgets are particularly vulnerable in times of financial stringency. There is urgent need both to accelerate research and information efforts and to focus them on the budget priority needs.

The Board believes that it is time that the Legislature examine this decline in research and seek ways to obtain needed research efforts. For this reason, it is appropriate to consider legislation to establish a committee to evaluate research needs and ways of meeting these needs.

1981-82 IN REVIEW

The 1981-82 fiscal year was another active year for the Board. Major areas of rule change are presented in Table I.

The Board is nearing completion of rule revisions pursuant to SB 886 (Chapter 930, Statutes 1977) and a report made to the State Water Resources Control Board under Section 208 of the Clean Water Act. For nearly two years, the Board has been revising its rules to better protect water quality and to contain standards to guide the Director in the exercise of his professional judgment. Hearings have been numerous and sometimes controversial. However, the Board believes that rules that have been developed provide greater flexibility to professional foresters. Consistent with directions from the Legislature, the regulations also contain more standards to guide the Director in the exercise of discretion in administration of the forest practice rules.

The Board is also nearing completion of its rule review for the tests of necessity, authority,

Table I

Major Rule Changes

<u>General Rule Subject</u>	<u>Hearings Ongoing</u>	<u>Hearings Complete</u>	<u>Regulations Filed with OAL</u>
Clarification of language related to description of silvicultural management system.		X	
Clarification of definition of a stream and development of flexible watercourse and lake protection rules			X
Revision of Erosion Hazard Rating			X
Revision of rules related to roads and landings		X	
Revision of rules related to timber harvesting practices and erosion control		X	
New stocking sampling rules		X	
Revision of rules related to timber harvest plan process, including review team, plan contents, and Emergency Notice	X		
Review of rules guiding the Director's review of plans (AB 1111)	X		
Revision of forest insect and disease protection (AB 1111)	X		

reference, consistency, and clarity as required by AB 1111 (Chapter 567, Statutes 1979). The Board has repealed some of its rules and also is making many editorial changes to improve readability. Several major rule packages have been rejected by the Office of Administrative Law (OAL) for clarity problems, or have been withdrawn to respond to OAL objections. The Board has continued to work on these packages to improve the rule language.

During the past year the Board has held hearings in four major areas: improved erosion hazard rating system, more specific silvicultural rules, new stocking sampling procedures, and expanded rules for roads and landings.

A. Improved Erosion Hazard Rating System

In May 1982 the Board adopted a new statewide system for estimating erosion hazard rating. The new system considers more factors and gives a better prediction of possible erosion that will take place as a result of timber harvesting operations. A proposed method for evaluating the potential for mass movement has been delayed for further work with the Registration Board for Geologists and Geophysicists, who objected to part of the proposal as the practice of "geology".

The new erosion hazard rating system will become effective January 1, 1983. Extra costs are minor.

B. More Specific Silvicultural Rules

In July 1981, the Board adopted new silvicultural rules. These rules standardize terminology, remove ambiguity of terms used to describe silvicultural operations in harvest plans, and tighten standards related to various regeneration methods.

The rules were rejected by the Office of Administrative Law because more than a year's time had elapsed between hearing notice and date of submission to OAL, and because guidelines for alternative silvicultural practices referenced in the rules were not yet developed.

The Board has held newly noticed hearings and continued to refine the rules. Cost estimates to the private sector may be of the order of \$3.5 million annually. However, the older existing rules lack silvicultural content essential for achieving the objective of the Forest Practice Act. The Board believes its new proposals justify such costs, both because they embody the needed silvicultural controls and because they provide additional environmental benefits.

C. New Stocking Sampling Procedures

In October 1982 the Board adopted new procedures to estimate stocking levels on completed harvest plans. These procedures provide for more thorough sampling and a better check on distribution. Extra cost is minor.

D. Expanded Roads and Landing Rules

In October 1982 the Board adopted expanded rules for roads and landings. These rules set out standards for planning, constructing and maintaining roads and landings. Roads and landings can be primary contributors of sediment into watercourses. Consequently, these rules require careful planning for road location and consideration of special construction techniques on steep slopes near watercourses. Substantial flexibility is given to professional foresters to utilize the most appropriate site-specific measures.

Additional costs of these new rules are estimated to be \$ _____. These costs may be proportionally greater on small owners. However, the Board believes that it has minimized costs as much as possible consistent with the need for careful road location and construction.

Continuing Issues

Two issues are ongoing:

- Rulemaking pursuant to AB 1111 has become slower and involves a substantial increase in paperwork. Given the Board's limited staff to prepare paperwork and various procedural time limits specified in the law, the minimum time for adoption of a non-controversial regulation takes six to eight months. Controversial regulations can take a year or much longer.

Perhaps this is what the Legislature intended. Deliberateness has many advantages but it adds a substantial workload and additional costs to the rulemaking process. This is an extra cost to government which should be recognized both in the budgets of state agencies and in the expectations of the Legislature that regulatory bodies can swiftly respond to new laws or programs requiring regulations to become operative.

- In last year's annual report the Board called for the Legislature to amend the Foresters Licensing Law (PRC 777) to allow for public reproof as a disciplinary measure.

Current law does not allow public reproof as a penalty for Registered Professional

Foresters. The Board must resort to suspension or revocation of license. Public reproof is a common form of discipline and would broaden the flexibility the Board has in disciplining RPFs. The Board also recommended removal of the test of "gross" incompetency. Experience has shown that "gross" incompetency is very hard to prove. An RPF must not only be incompetent, but grossly so, to have his license removed. Removal of the word "gross" would facilitate discipline and would offer RPFs a measure of protection similar to other professions.

The Board still believes that public reproof and removal of gross incompetency are helpful steps that can be taken to improve the licensing. Discussions are continuing with various organizations representing professional foresters to answer questions that have arisen.

CONCLUSION

For the first time in history, the non-urban areas of California are growing^{in population} at a much faster rate than the urban ones. This trend, first verified in the 1980 census, is almost certain to continue

through the next few decades. It is creating severe pressures on forest resources and has the potential to overwhelm the positive effects of the state's entire forestry policy.

Legislative action should be sensitive to all of the various elements of this pressure. Efforts should be aimed at increasing the public's understanding of forest policy and management issues and at better attaining needed research. In these ways perhaps forestry can be adapted to the needs of an urban state in a manner consistent with long run enhancement of the basic resource.

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