

Good morning, my name is Steve Guthrie. I am here this morning representing the Nicolet Hardwoods Corporation, the Lakes States Lumber Association, and the Hardwood Federation. I have spent my entire career as a professional forester in the Forest Products Industry in Northern Wisconsin and the Upper Peninsula of Michigan.

Our northern forest has possibly the broadest variety of tree species in the country, including 9 coniferous species climaxing in the majestic White Pine, 16 deciduous hardwood species climaxing in Sugar Maple, and even one species that is both coniferous and deciduous, the Eastern Larch or Tamarack.

My company, Nicolet Hardwoods Corporation, owns and manages a 35,000 acre hardwood forest in Wisconsin and Upper Michigan. As part of a fifth generation family-owned business, the company forest has been managed to produce high-quality northern hardwood timber through single-tree selection cutting for nearly 100 years. Some of our hardwood stands have been cut on a 10 year cycle 8 times.

Through the intensive forestry practices I have helped to implement on Nicolet's lands, and over 250,000 acres of other industrial forest, I have learned that intensive timber harvesting and ecological sustainability are not mutually exclusive. To the contrary, over 53,000 acres of these same forestlands have been maintained in such excellent condition that they have attracted conservation easements through the Federal Forest Legacy Program and the Wisconsin Stewardship Fund.

Unfortunately, the Proposed Rule under consideration today seeks to take the National Forest System further down the road where timber harvesting takes a back seat to landscape concerns, forest restoration, and nearly every current scientific concern except timber management. If that sounds over-stated, I would refer to page 8509 under Analysis and Decisions where “Less prescriptive descriptions of timber harvests, sale schedules, and management practices under the proposed rule may provide greater flexibility for units to develop more adaptive plans capable of responding to uncertain vegetation management and restoration needs”. With agency budgets declining, this proposed Rule actually imposes a number of costly processes and procedures on the Forest Service: a new planning layer of assessments (Sec. 219.6), more monitoring (Sec. 219.12), and the almost impossible requirement to demonstrate that a forest plan will “maintain viable populations of species.”

Much of the proposed assessment and monitoring is directed toward climate change. Isn't it ironic that carbon sequestration is most effective in younger thrifty stands of trees, but the Forest Service is continuing to manage older and older stands of decadent trees through lack of harvest? These older trees actually give off net emissions of CO₂ into the atmosphere. In contrast, a University of Wisconsin study found that sustainably –managed northern hardwood forests are sequestering 1.5 tons per acre per year of CO₂, while returning oxygen to the atmosphere and making a significant contribution to the economy.

There is one thing I am certain of: If we do not set out specific, prescriptive timber harvest criteria in the proposed rule, we will not improve the current failure of the Forest Service to manage their Allowable Sale Quantity (ASQ). In Wisconsin our local forest, the Chequamegon-Nicolet, is one of the more active forests in the system, and it harvests only about 50% of its ASQ. Unfortunately, this harvest consists predominantly of low quality red pine plantation wood, while over 600,000 acres of northern hardwood forestland is being neglected and allowed to rot. This lack of timber production is having a high cost in lost jobs and revenues in the local economy, but it is also exporting our demand for wood to other public and private forestland, and even to other countries less capable of managing that demand. Our company is currently importing 22% of our wood supply, while U.S. Forest Service lands are off limits.

The juxtaposition of purposes on page 8509 is quite revealing, because the very next sentence after being less prescriptive regarding timber harvests, outlines the new plan's direction away from timber management: "Slight cost increases for science support may occur under the proposed rule due in part to more prescriptive language to take into account the best available scientific information when preparing assessment reports, plan decision documents, and monitoring evaluation reports". So while pursuing the latest scientific information on climate change, forest restoration, or the latest vogue in ecology, the Forest Service proposes to be less prescriptive regarding this most fundamental scientific fact: Every forest has an annual growth and mortality rate. By keeping a healthy balance between growth and annual harvest (the purpose of the ASQ) the mortality rate is minimized. Shamefully, today many of our National Forests have a higher rate of mortality than harvest. The Chequamegon- Nicolet in Wisconsin

has 251MMBF of annual growth, 122MMBF of annual mortality, and only 72MMBF of annual harvest. This is an extravagant waste of a precious renewable resource!

Further evidence of the plan's trend away from timber management is found on page 8510 under Monitoring where "Monitoring under the proposed rule focuses to a greater extent on ecosystems, habitat diversity, and small numbers of focal species." Again, where is any emphasis given to meeting timber outputs, monitoring timber mortality, or assessing the economic impacts of under-harvesting the ASQ?

To the contrary, under "Distributional Impacts" on the same page, 8510, the proposed plan states "Due to the programmatic nature of this rule, it is not feasible to assess distributional impacts (e.g. changes in jobs, income, or other measures for socio-economic conditions across demographics to economic sectors) in detail." In other words, don't bother the Agency with the burden of assessing the negative economic impacts of under harvesting, because they will be too busy accomplishing the following objective from the same section: "The proposed rule is more prescriptive about considering and facilitating restoration of damaged resources as well as improving resource capacity to withstand environmental risks and stressors."

Given the current high unemployment rate in our country, it is very important that we assess the value of our available forest resources and the number of jobs those resources can provide. A recent analysis by the Minnesota DNR found that \$1 of timber value produced \$41.60 of value-added economic activity. By one rule of thumb, every 20,000 board feet of timber

harvested provides enough raw material to support one job in the forest products industry. At those rates, the Chequamegon- Nicolet's unharvested Allowable Sale Quantity (ASQ) of 60MMBF could produce \$18 million of additional timber revenue, \$748.8 million of value-added economic activity, and 3,000 additional jobs every year!

Whatever happened to common sense where the physical needs of society and the wise use of our natural resources were given at least equal importance with our desire to maintain a healthy environment? Again, in my experience the two are not mutually exclusive. We must find a way to strike a balance in this proposed rule that will accomplish both. The future of our National Forests and the health of our country depend on it.

**Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form**

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2008.

Name: _____ Steven R. Guthrie _____

Organization you represent (if any): Nicolet Hardwoods Corp., Lake States Lumber Association, Hardwood Federation _____

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2008, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: _____ **Amount:** _____

Source: _____ **Amount:** _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2008, as well as the source and the amount of each grant or contract:

Source: _____ **Amount:** _____

Source: _____ **Amount:** _____

Please check here if this form is NOT applicable to you:

_____ X _____

Signature: _____ Steven R. Guthrie _____

** Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.

Steve Guthrie:

Mr. Guthrie is a professional forester who has worked in the forest products industry since 1977. He has held forest management positions for four major forest products corporations prior to joining Nicolet Hardwoods Corporation in 2007. As the Woodlands Manager for Nicolet Hardwoods, Mr. Guthrie is responsible for managing 35,000 acres of company timberland, and directing the hardwood log procurement program for the company sawmills at Laona, WI and Amasa, MI.

His earlier forestry experience includes nine years serving as the Woodlands Manager for the 400,000 ton per year paper mill at Tomahawk, WI. Mr. Guthrie was the senior forest manager on the paper company's 160,000 acre forest for 20 years.

Mr. Guthrie has been active in the forestry community, serving on the Wisconsin Governor's Council on Forestry, Chairman of the Wisconsin Paper Council Forest Practices Committee, Chairman of the AF&PA Federal Timber Purchasers Committee, President of the Trees For Tomorrow Natural Resources Education Center, and numerous other professional activities.

Mr. Guthrie holds both a Bachelor of Science Degree in Forestry and a Bachelor of Arts Degree in Humanities from Michigan State University in East Lansing, MI.