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830,000 acres, which it may yet sell, and is focusing on its coated paper business.

The change is making conservation groups and rural communities nervous.

Getting in on the deal

Beginning in about 2000, the timber investment management services (TIMOs) and real estate investors began to take an increasingly large share of the timberland pie, while integrated timber corporations were shunning new slices, according to Tuchmann. IP, for instance, sold its holdings almost exclusively to TIMOs. That's because the most likely customers for huge tracts of land have to be pretty big themselves - which is why, if other timber companies aren't buying when a company like IP puts big chunks of property on the market, the buyer is probably a firm with lots of cash it needs to invest and the capacity to manage its assets for long-term gain.

TIMOs and real estate investment trusts - which are in business to maximize returns - are increasingly willing to resell their timberland holdings or sell easements for conservation.

Hancock Timber Resources Group, for instance, tells prospective investors that it works to "monetize" the value of the ecologically sensitive lands it acquires by selling them to conservation organizations. The company's Web site says those sales have preserved more than 300,000 acres. The company also earns money for investors by offering leases for recreational access for hunting, fishing, camping, birdwatching, hiking and similar activities.

The availability of so much land provides

a wealth of opportunity for conservation groups and state and local governments to snap up tracts they can use to protect for water quality, wildlife habitat and recreation. But financing is a problem. Not many conservation organizations or small communities can afford to buy hundreds of thousands of acres and federal funding for land acquisition has dropped in recent years.

Some of the slack may be picked up at the regional level: In 2004, voters in jurisdictions across the country approved some \$4.1 billion in state and local spending to create parks and preserve farmland and forests.

Another way some conservation organizations and other buyers are financing timberland purchases is by agreeing to provide logs and wood for the former owners' wood and paper businesses. Both The Nature Conservancy and The Conservation Fund agreed to a "fiber supply" clause in recent sales contracts.

Tuchmann is one of the pioneers in developing a new financing format - community forestry bonds - a technique he hopes to convince Congress to make available nationwide. The mechanism would allow the use of taxable or tax-exempt municipal debt to generate money for qualified organizations to buy forestlands.

"Right now, it's a very frothy market. Experts say there is approximately \$10 billion in private equity chasing timberlands, so the appetite remains strong," Tuchmann said.

(Excerpted from an article by Leslie Ann Duncan, staff writer for CQ Green Sheets)

Conservation Calendar

- **Aug. 1 -3** - Annual NACD Forest Resources Committee Meeting, Nevada City, CA. Contact: Fred Deneke, 928/443-5456 or fjdeneke@yahoo.com
- **Aug. 27 - 29** - NACD Southeast Region Meeting, Asheville, NC. Contact: Phyllis Vandevere, 601/859-3440
- **Sept. 11 - 13** - Who Will Own the Forest? Summit, Portland, OR. Contact: Sara Wu, 508/488-2130 or swu@worldforestry.org
- **Sept. 12 - 13** - Hazard Trees Seminar; Trees, People & the Law Seminar, Denver, CO. Contact: Mathew Fong (National Arbor Day Foundation), 402/474-5655 x 243 or mfong@arborday.org
- **Sept. 17 - 21** - 84th NASF Annual Meeting in Anchorage, AK. Contact: Dean Brown, 907/269-8476 or dean_brown@dnr.state.ak.us
- **Sept. 19 - 20** - Meeting the Challenge: Invasive Plants in PNW Ecosystems, Seattle, WA. Contact: Timothy B. Harrington, 360/753-7674 or tharrington@fs.fed.us
- **Sept. 24 - 28** - 14th National Non-Point Source Monitoring Workshop, Minneapolis MN. Contact: Tammy Taylor, CTIC, taylor@CTIC.purdue.edu.

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FORESTRY NOTES

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Senate Committee Passes \$26.1 Billion Interior Spending Bill

The Senate Appropriations Committee passed the FY 2007 Interior Appropriations bill (H.R. 5386) on June 29th. The total recommendation of the Senate bill comes in at \$26.1 billion - \$200 million over the House recommendation and \$600 million over the President's budget request.

The committee mark allocates \$1.783 billion for the Forest Service for wildland fire management, an increase of \$20 million over the President's budget request and \$27 million less than the House bill. The Senate

committee mark includes \$73 million for State Fire Assistance programs, \$39.2 million for Cooperative Forest Health, \$14 million for Volunteer Fire Assistance, \$33.9 million for Forest Stewardship, \$275 million for Forest and Rangeland Research (including \$67 million for Forest Inventory and Analysis), \$54.8 million for the Forest Legacy Program, and \$27.6 million for Urban and Community Forestry.

The program given the greatest overall decrease is Cooperative Forest Health, which

sees a decrease of \$17.5 million from the FY 2006 enacted level. Most other programs in the Senate bill would see moderate decreases from the FY 2006 enacted levels, with the exception of wildland fire activities. The Senate is expected to take floor action on the bill following the August recess.

Source: Ian MacFarlane, Legislative Director, National Assn. of State Foresters, 202/624-5415 or imacfarlabe@stateforesters.org.

Director Challenges NACD, Districts to Promote U&CF

During a speech made at the NACD National Convention in Houston earlier this year, former Director of Urban and Community Forestry (U&CF) Mark Buscaino urged conservation districts to help take a role in promoting, planning and developing community forestry.

"Urban forestry is a fast moving train; its ranks are growing faster than anyone ever expected, and they will grow faster still in the coming years," said Buscaino, who tried to dispel the notion that urban forestry was an oxymoron or not 'real forestry.' "It's just as real and just as complex, and even more complex and challenging in some ways, than traditional forest stand management. It's just a different piece of the forestry umbrella."

Urban forestry also helps urban areas stay connected with the American landscape, a topic Buscaino anticipates will be addressed by the 2007 Farm Bill and an increasing need to explore ecosystem services.

The program started in 1972 with a small staff and budget. Today, it is active in all 50 States and nine territories. But its framework, said Buscaino, starts with a simple vision: To improve the condition and extent of trees and forests in cities, suburbs and towns nationwide.

The program's performance is measured by tracking the presence/absence of the following benchmarks for communities:

- Management Plans
- Professional Staffing
- Ordinances/Policies
- Advocacy/Advisory Organizations

"Communities that have, and maintain

these elements are actively engaged in improving the condition and extent of the trees and forests in their neighborhoods," said Buscaino.

He added that many elements can help make the program better. Such things currently being explored are:

- There is a need to increase the number of professionals in the urban forestry field, and a basic element of professionalism is the International Society of Arboriculture's certification program. This is why U&CF currently offers scholarships on a national level to increase the number of certified arborists, not only to meet the needs of states and localities, but to improve the health and condition of our nation's urban forests. NACD

and conservation district employees may be able to take advantage of this opportunity.

- U&CF continues to disseminate tools and technologies developed by USFS Research and others to assess, monitor and

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Mark Buscaino addresses NACD.

Nation's Forests Face New Pressure: Wall Street

Struggling to produce the level of profit expected by Wall Street since the technology boom of the 1990s, many large timber companies have found it impossible to hang on to their huge stockpiles of land and timber when it can take a minimum of 40 years to produce one crop of trees. As a result, timber companies, some with heritages stretching back to the earliest days of settling the West, are either remaking themselves or selling out. Those changes may have profound implications for water quality, wildlife and recreation across much of the rural United States.

Since 1995, more than 40 million acres of private forestland have been sold off,

according to Tom Tuchmann, president of U.S. Forest Capital, a Portland firm that tries to match conservation-minded buyers with the financing they need. And according to the USDA Forest Service, more than 44 million acres of private forest are projected to experience increased housing development by 2030.

Some companies are getting out of the land business altogether. Boise Cascade sold all its lands and morphed into a business supply company, Office Max. International Paper, which recently sold 5.7 million acres of timberlands, retained only

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Indiana

The Northeast Indiana Conservation Camp is scheduled for August 8 - 10, 2006 at Camp Whitley, according to the Elkhart Co. SWCD. Camp Whitley is located northwest of Columbia City in Whitley County on Troy-Cedar Lake.

Branching Out

Conservation camp is made available through endeavors of Soil and Water Conservation Districts and Wildlife

Conservation Clubs in Indiana.

Camp is open to the first 80 boys and girls who complete and file an application.

Applicants must be between the ages of 9 - 13. The fee for camp is \$100.

The camp study program includes hands-on activities in wildlife, forestry, soils and water. Education programs are presented by natural Resource Specialists. Recreational activities include sports, arts and crafts, boating and swimming. Interesting games, refreshments and special evening programs round out camp.

Application packets are available from the Elkhart County Soil and Water Conservation District. The SWCD assists Elkhart County campers by helping to find sponsors to assist with the cost of camp, if desired.

For more information, contact Elkhart Co. SWCD at 574/533-3630.

ACF Looks at Fragmentation

"Managing the Fragmenting Forest" was the subject of the 58th national convention of the Association of Consulting Foresters (ACF) in June when over 200 consulting foresters gathered in Stevens Point, Wisconsin. There they listened to presentations from researchers and specialists and discussed the challenges generated by the increasing division of forest land into smaller ownerships.

Understanding the complexities of practicing forestry on smaller blocks of ownership and the impacts of the wildland-urban interface are important in being able to continue practicing active forest management.

Consulting foresters also pointed out that it is not just the smaller size of forested tracts that makes management an increasing challenge, but that also more landowners are creating trusts to pass the land on to the next generation in the family thereby increasing the number of landowners that a forester must work with in order to reach consensus before a management plan can be carried out. This increases the amount of time it takes to develop a plan or timber sale.

Consulting foresters are an excellent resource for additional technical assistance for landowners that need services that are often not available through other sources.

For more information contact: Doug Williams, NACD Consulting Forester at dewilliams@frontiernet.net or call 304/724-1209.

Which Communities are a "Tree City USA"?

Do you know which communities in your conservation district are designated a "Tree City USA" by the National Arbor Day Foundation?

To find out, go to arborday.org/treecity. A map will appear that lets you click on your state to see a list of cities honored with the Tree City USA award, how many years they have received the award, and their populations. This interactive directory will show that the largest Tree City USA in Rhode Island is Providence with a population of 174,000 and that for 19 years the citizens of this city have made a commitment to provide proper care and management of their precious urban forests. You'll see that the tiny town of Westlake, Texas, population 260, has been a Tree City USA for five

years and is the smallest one in Texas. You will see that Springfield, Ohio has been part of the Tree City USA program since its beginning, whereas Amberly, Ohio has just gotten started. From Fort Wainwright, Alaska, to Green Cove Springs, Florida, you can see the communities all over America that are making trees a priority.

Are you not sure what it means to qualify as a Tree City USA? No problem. Just click on "Standards" and the four requirements appear. Does your district want to help publicize the program as part of its urban and community forestry effort?

To get involved contact the National Arbor Day Foundation at 888/448-7337. Your help will be greatly appreciated.

National Renewable Energy Conference to Create Partnerships

In June, USDA Secretary Mike Johanns and DOE Secretary Samuel Bodman announced that the two agencies will co-host a national renewable energy conference to help create partnerships and strategies necessary to accelerate commercialization of renewable energy industries and distribution systems. The conference, "Advancing Renewable Energy: An American Rural Renaissance," is scheduled for October 10-12, 2006, in St. Louis, Missouri. Representatives of 25x'25 will work with the White House and other members of the alliance to prepare for the event.

"Never has reducing our dependence on foreign oil been such a pressing issue," Bodman said. "We have the will and the means to replace significant quantities of foreign oil with homegrown fuel. We are hopeful this conference will identify major impediments and critical pathways to get more domestically grown, renewable energy sources out of the laboratory and into con-

sumers' hands as soon as possible."

Information regarding the conference will be available on both the USDA and DOE

website. Those planning to attend are encouraged to make reservations early due to a limited amount of space available.

Infusion Protects Trees from the EAB

A new and innovative approach to fighting the emerald ash borer (EAB) has been shown to be amazingly effective in a trial study conducted by Michigan State Univ. The study focused on determination of levels of efficacy of the following insecticides and treatment methods for the EAB; Arborjet's IMA-jet (5%) using Arborjet's Tree I.V. Devices, Bayer's Merit (70wp) soil injection, Maugé's (10%), Imicide injection capsules, and Arborsystems Pointer (12%) using the Wedge trunk injection system. Imidacloprid peak residue in the leaves for Arborjet's IMA-jet was 350 parts per billion (ppb) as compared to the treatments, which measured at 69 ppb and less, and the EAB adult mortality rate was up to 90 %, demon-

strating the effectiveness of the Arborjet treatment. Based upon the results of the study, The Urban Forest Conservancy, in conjunction with Arborjet, has agreed to provide municipal arborists in hard hit Midwestern cities in Michigan, Ohio, and Indiana with a Tree I.V. 2-pack kit. The Tree I.V. uses a high volume, low-pressure micro-infusion to inject the IMA-jet pesticide, resulting in up to 2 years of residual protection for each non-infested ash tree after only one injection. For more information about a municipality's eligibility for a free Tree I.V. grant from the Urban Forest Conservancy, please call 866/272-6758.

Source: Forest Products Journal, June 2006.

The Kindest Cuts of All: A Cost-Sharing Success

How a Montana non-profit found federal funding for fuels reduction on private land, and why Conservation District managers should take note

In the summer of 2004, under the hot blue skies of Northwestern Montana, government agents began knocking on the doors of homeowners.

They weren't from the FBI. They were from the Northwest Regional Resource Conservation and Development (NWR RC&D) Council. They were community foresters, and they had good news for residents in the Wildland/Urban Interface of Sanders, Lincoln, Flathead, and Lake counties: For every dollar you spend on fuels reduction, our folks will pitch in three.

Finding the Money

Earlier that year, Greg Larsen, the NWR RC&D Coordinator, was searching for ways to fund fuel reduction projects on private land. As it happened, after Congress had passed the National Fire Plan, it also enacted two grant programs: The Community Protection Project, and The Western States Fire Managers' Wildland Urban Interface Grant Program.

Greg learned that the Montana Dept. of Natural Resource (DNRC) had obtained \$4,000,000 from these grants and was making it available on a contract basis. Greg

applied successfully for both. (To date, the NWR RC&D has been awarded \$1.4 million in contracts.)

Putting the Money to Work

Getting people on the ground was the next challenge, so Greg arranged to hire seven retired foresters on a part time basis. When Sue Wight, Greg's successor, took over in 2005, she was impressed by the new hires. She notes that, "together, they form a network of knowledge."

The work proceeded like this: The DNRC performed a regional assessment. Then the community foresters rated the fire risk of individual plots. Homeowners could either do the work themselves or hire a contractor.

The NWR RC&D issued press releases and created radio ads. And of course the foresters went door to door. As Sue Wight puts it, "They could say, 'Here's how you can save your house - and get financial and technical help to do it.'"

Altering the Attitude

Despite matching funds, many homeowners held back, concerned about losing that "woody" look. But once one homeowner's property was treated, others realized that the landscape could still look good.

Of course in the ideal scenario, everyone reduces fuels at the same time. That's what happened at a subdivision called the Elkhorn.

As Chief Community Forester Bill Swope recalls, "There were 35 landowners, and they had realized that they had to act together - or one holdout could jeopardize everything."

Swope assessed the property and set up a treatment program. Homeowners (or their contractors) were reimbursed for activities like thinning and chipping. One resident even built a pond that could supply fire trucks.

Together Bred Effectiveness

The word about the NWR RC&D's programs is now spreading quickly. But these days, Sue Wight has new challenges. "For instance," she says, "we should be working hand in hand with Conservation Districts." Sue points out that the grant work is reducing fuels, cutting costs for homeowners, and creating forestry jobs - all of which are goals shared by both RC&Ds and Conservation Districts.

So far, one of the keys to success has been the formation of partnerships among homeowners. Sue Wight thinks an even bigger success could result from stronger partnerships among agencies.

Source: Craig Rawlings, Smallwood Enterprise Agent, Montana Community Development Corporation. The full-length version of this article can be viewed online at <http://www.smallwoodnews.com>.

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better manage urban forests and trees at the local level. To that end, it has recently put together, under one umbrella, several research tools called i-Tree, a suite of products that allows assessments of the urban forest resource, from the street tree to the urban ecosystem.

• Another key part of future operations is determining the health of the nation's urban forest resource. Despite the programmatic successes of the national U&CF effort in establishing local programs, Buscaino said it has fallen short on the resource itself. He said, "Until we know the details of what we're trying to manage, we'll never be truly successful."

• Perhaps the most exciting thing of late is the establishment of tree canopy targets for communities. Their purpose is to make the urban forest healthier and more abundant, but these elements are not an end in themselves.

A large part of U&CF's future can involve

NACD.

"NACD is an organization devoted to getting folks working together so they can achieve what one group would otherwise not be able to do alone," said Buscaino. "That is an very big part of the U&CF program, and as such, I sense there may be many opportunities for collaboration at the regional, state and local level, with Districts working with States, both assisting each other in fortifying networks that lead to more productive programs and products being delivered to the ground."

Editor's Note: On June 23, Mark Buscaino left his Forest Service position to join the staff of the Casey Tree Endowment Fund as Executive Director. Larry Payne, Director of Cooperative Forestry has been designated the Acting Director for the U&CF program. The FS contact for U&CF is Keith Cline, program manager, 202/205-1393 or kcline@fs.fed.us.

Funds Allocated for Healthy Forests

The USDA Forest Service will receive \$4.9 billion for the sustainable management of America's 155 national Forests and 20 grasslands, as stipulated in the federal budget for fiscal year 2007. This includes \$610 million to continue implementation for the Healthy Forests Initiative. The budget proposal, which represents a more than \$12 million increase over 2006, takes an integrated approach to reducing hazardous fuels and restoring forest and rangeland health. It also includes nearly \$913 million to implement the Healthy Forests Restoration Act as well as \$5 million in grants to foster markets in biomass utilization.

US Wood energy is about 3.2% of total energy consumption