



Empire State Forest Products Association

The people behind New York's healthy forests and quality wood products

www.esfpa.org

**Empire State Forest Products Association
Testimony on the
SFY 2020 Executive Budget Proposal for TED
1/23/19**

Good afternoon, my name is John Bartow and I am the Executive Director of the Empire State Forest Products Association (ESFPA). Thank you for the opportunity to testify today and to share our views and comments on the SFY 2019-20 Budget. The ESFPA represents the businesses, industries and landowners engaged in forest resource production and stewardship of New York's 19 million acres of forest. In total, \$22.9 billion dollars in statewide economic impact and nearly 100,000 jobs are attributable to our working forests and the forest related economic sectors. There are nearly 700,000 private forest landowners who also depend on sound forest management and production to help them keep their forests as forests. Our vision for New York's working forests and wood products is that together they can provide economic, social and ecosystem benefits that meet the needs of society today and support the State's rural communities so their benefits are there for generations to come.

In our brief testimony today, we are focusing on the Executive TED Article VII bill and those issues with the greatest potential impact on the State's forests and forest based economy. We will have additional detailed comments coming to the Committee within the next two weeks. As the budget review process continues over the coming weeks, I and many of our Members will also be meeting with legislators on these and other issues related to the SFY 2019-20 State Budget.

Environmental Protection Fund:

We support the Governor's Budget appropriation request of \$300 million to the Environmental Protection Fund (EPF). We are pleased to see the continued funding requests for:

- Land Acquisition and our priority for State Working Forest Conservation Easements.
- Urban Forestry as this is often the largest interaction of urban residents and communities with trees and forests.
- Biodiversity /Landowner Habitat Conservation Programs. Our private forests represent over 14 million acres of habitat and biodiversity and we hope to see some of this effort benefit private forest lands to encourage sustainable forestry and achieve these goals.
- Invasive Species in both our water and terrestrial forest environments.

This year we are also very pleased to see the Governor's addition of new commitments for:

- Extending working forest easements to smaller forest landowners working with Land Trusts (\$3 million).

- Creating the **Regenerate NY grant program** for project cost sharing with private forest landowners to help address forest impacts from deer browsing, invasive species and to ensure the next generation of New York forests (\$500,000).
- Funding of the **Wood Products Development Council** (\$200,000).

These new additions also offer tremendous incentives for forest landowners and forest products to advance a greater role in climate solutions and we encourage the Legislature to adopt them.

Ban on Plastic Bags

We support the Governor's proposal to ban plastic carryout bags from retail establishments. We also support the proposal to preemption of all matters pertaining to the regulation of establishment of fees on single use bags. We object, however to the exception for local establishment of fees on paper carryout bags. It seems inconsistent and in fact discriminatory that the State would preempt local jurisdiction on all single use carry out bags with the exception of local fees for paper bags. Why would we want to penalize the use of biodegradable, recyclable and reusable paper products?

Climate Leadership Act and Related Climate Legislation

ESFPA is committed to addressing climate change which is probably the biggest and most complex environmental, economic and social issue affecting the planet let alone New Yorkers. Addressing climate change, however, should be done in a comprehensive fashion reflecting the best approaches for mitigation, adaptation, regulation and investment throughout New York State.

ESFPA is part of the collective of manufacturing businesses who have concerns over the impacts any climate change initiative will have on New York manufacturers in a global market place. As we develop policy, regulations and market based mechanisms to address climate change we need to take into consideration the potential unintended consequences that ambitious carbon targets, fees and taxes may have on existing businesses and attracting new businesses. Our efforts to address climate change also have to put a priority on investing in New York's existing energy infrastructure to help move abundant upstate renewable energy resources to load centers downstate which pose the biggest challenge to offloading carbon based energy production.

ESFPA on the other hand, has interests in the role that forests and wood products have in climate solutions. ESFPA supports efforts to address carbon emissions that in turn cause climate change in a way that maximizes the mitigation provided by forests and the wood products produced from them. Our climate strategies must capitalize on the "natural resource solutions" to climate change that are being advanced by the International Panel on Climate Change (IPCC), U. S. Climate Alliance (USCA) and a number of stakeholders within New York.

The Governor's climate initiative included in the Executive Budget Proposal, as well as other proposal under consideration, would set substantial emission reductions over a relatively short period of time with little consideration of the technological challenges in meeting them or the economic consequences they pose on New York's businesses and industry. If adopted, these thresholds could create unachievable expectations which just cannot be attained given current energy demands, technologies and infrastructure in New York. If these proposals are adopted they could create conditions unfavorable to New York's existing businesses and industries let alone the attraction of new businesses or

industries. If these proposals are adopted we could have substantial “leakage” of not only carbon sources but manufacturing and business, jobs and wealth which we may never recover or replace.

The Governor’s proposal would amend the Public Service Law to define “renewable energy systems” and “clean energy sources”. These definitions vary significantly from the definitions which have existed in New York, and elsewhere, for years. In particular the definition of renewable energy omits a long standing recognition that biomass is a renewable energy resource. While one can debate as to the carbon neutrality or carbon benefits of biomass energy, there is no debate as to the renewable nature of biomass.

In regards to “clean energy sources”, the definition includes biogas and biofuels but not biomass. The use of biomass from managed forests can provide numerous energy as well as environmental and economic benefits. Specifically, forest biomass use for energy can bolster domestic energy production, provide jobs to rural communities, and promote environmental stewardship by improving air, soil and water quality, enhancing wildlife habitat, and helping to ensure our forests and wood products continue to remove and sequester carbon from the atmosphere. Currently, many U.S. states recognize the use of biomass as carbon neutral or beneficial as evidenced in the number of state renewable portfolio standards that include some biomass. For example the California Cap and Trade Program and the Regional Greenhouse Gas Initiative (RGGI) among north east and mid-Atlantic states exempt biogenic CO2 emissions from some compliance obligations.

The Governor’s target of 100% of statewide electrical energy demand with clean energy sources by 2040 is not clear on the role of residual biomass resources from wood product. We have several mills in the State who use their residual biomass resources for electric generation and thermal energy which also off set fossil fuel sources that we fear may not be included in this definition. We would like to work and ensure that this renewable and efficient use of biomass residuals is allowed.

The Governor’s proposal also addresses the adaptation and mitigation role that natural landscapes can play in the climate equation. This “natural resource solutions to climate change” recognition has not been advanced in other climate proposals. Recent work both in New York and nationally has indicated that forests, agricultural lands and wetlands have the potential to mitigate as much as 37% of the carbon necessary to reach global targets established in the Paris Climate Accord. 85% of New York is committed to forests and farms which represent the largest carbon sink in the State. Nature is a sleeping giant that can be unleashed to fight climate change and our forests and farms have the greatest potential to cost effectively reduce and mitigate carbon emissions.

Carbon storage and cycling in forests is strongly dependent on private forest landowners. In New York these private forest landowners own 75% of our forest lands. These landowners also depend on wood product markets which provide them revenue to help keep their forests as forests. These same wood products provide long-term carbon storage, more than 10% of the total forest carbon sink. Harvested forest products offer additional climate mitigation benefits in the form of avoided emissions that occur when wood products displace the use of fossil fuels intensive building materials and energy fuels.

Our forests also offer tremendous storm resiliency and climate adaptation that will be necessary despite what New York does to prevent climate change. Our forests protect valuable drinking water supplies such as the New York City watershed. Over 12 million New Yorkers depend of public drinking water supplies that are protected by our forests.

Our forests also are our largest biological habitats and will be critical for ecological adaptation that inevitably will eventually occur due to climate change.

The carbon benefits of the wood products from our forests are renewable, recyclable, and store and mitigate carbon. These same wood products support continued investment in sustainably managed working forests. Overtime, stronger markets for wood products from managed lands will bring more value to forest land owners and lead to increased forest lands and carbon sequestration.

Finally, the Governor's proposal as well as other proposals would create a Climate Action Council which would be responsible for developing a "road map" for statewide carbon neutrality. The Council would be comprised of state agencies and few representatives who are impacted by or would benefit from proposals to address climate change. The Council, however, is woefully under representative of those who would be most impacted by many of the proposal including rate payers, businesses and manufacturers, forest and farm land owners, utility companies and municipalities. We would encourage the Council's composition to be fully represented by those who have a direct interest in the eventual outcomes of any climate policy or plan.

As an Association comprised of forest landowners, practitioners and wood product manufacturers we are committed to addressing the impacts of global warming in a manner that is economically beneficial while offering viable forest related solutions to climate change. Should this legislation address the concerns we have outlined and incorporate some of the forest and wood products principles we support, we will be a strong partner in efforts to address climate change in New York.

Thank you and we look forward to working with you.

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ESFPA Working Forest and Wood Product Principles in Climate Change

The people behind New York's healthy forests and quality wood products.

The Empire State Forest Products Association (ESFPA) supports efforts to reduce carbon emissions that in turn contribute to climate change in a way that maximizes the mitigation provided by working forests and as part of a “Natural Solutions to Climate Change” policy in New York State. We are a trade association comprised of forest landowners, practitioners and wood product manufacturers who are committed to addressing the impacts of global warming and global climate change in a manner that is economically beneficial while demonstrating the important contribution that healthy, sustainably managed forests and responsible biomass energy can make in addressing this global challenge. We are also committed to strengthening the integrated forest economy value chain that creates jobs, family supporting wages and wood products for use every day in our society.

New York's Forests

New York has 19 million acres of forests that represent the largest terrestrial carbon sink in the State. New York State forests are owned by:

- **Public Owners** – hold 4.8 million acres, or 25% of the State's forest land. The State owns 4.1 million acres, amounting to 21% of the forest land in New York. Nearly 3 million acres of State-owned forests are classified as Forest Preserve and protected from harvesting or active forest management. The federal government owns about 1% of New York's forests and municipalities hold around 3%. Public ownership does not include working forest conservation easements over private forest lands.
- **Private Owners** – Private forest landowners hold 14.2 million acres or 75% of the State's forest land. Of this, corporations own an estimated 2.7 million acres (14%) and family forest owners hold 10.8 million acres (57%) of the State's forest lands. The other private forest owners account for about 700,000 acres (4%) and include non-family partnerships (e.g. hunting clubs), non-governmental organizations, and tribal lands.

Carbon stored on New York forest land was 1.6 billion tons or 83 tons/acre¹. This same forest absorbs just under 21 million tons of carbon/year². That equates to 40% of carbon emissions from gasoline vehicles in the State. By providing a continuing cycle of growing, harvesting and regenerating, active forest management optimizes a forest's ability to sequester and store carbon, improves landscape resiliency to storms, and allows ecosystem adaptation now and into the future. Productive working forests deliver an abundant supply of wood to meet increasing demand for renewable wood products – products that continue to store carbon throughout their period of use.

Working Forests and Wood Products Maximize Carbon and Environmental Benefits:

- Working forests and wood products increase carbon capture and carbon storage.
- Working forests are often healthier, more resilient, and able to adapt to the impacts of climate change.
- Productive forests and strong markets for wood products create economic incentive to keep forests as forests, protecting their power to capture carbon.
- Working forests and sustainably harvested biogenic biomass are renewable, carbon beneficial and able to reduce our reliance on more carbon intensive fossil fuel energy resources used in electricity generation, heating and transportation.
- Working forests clean air and water and provide a diverse array of habitats for wildlife.

¹ “New York Forests 2012”, U.S. Forest Service, Forest Inventory Assessment, October 2015.

² “New York State Greenhouse Gas Inventory – 1990-2015”, NYSERDA, Final Report, Revised 2018

Working Forests and Wood Products are a Powerful Tool in Meeting Climate Change Goals:

1. *Private working forests are a key component of any climate mitigation strategy.* Carbon mitigation strategies that include forest owners and encourage their participation are more likely to deliver the maximum emissions capture and storage potential of forests. Sustainable forest management should be incentivized to encourage privately owned forests to remain undeveloped and to realize their full carbon potential.
2. *Carbon mitigation strategies should recognize carbon sequestration and storage.* Working forests and wood products produced from them must be recognized for providing three critical climate mitigation benefits: carbon sequestered as trees grow, continued carbon storage in the wood products they become, and displacement of demand for more carbon intensive fossil fuels when used as a renewable resource in advanced, efficient energy applications.
3. *Forest owners need clarity and simplicity to participate.* For forest owners to participate, carbon mitigation needs to be clear and simple:
 - Outlining clear rules of engagement from the outset, including how forests will be measured and counted.
 - Establishing streamlined procedures for reviewing and approving participating projects.
 - Removing or addressing cost burdens that can act as a barrier for participation by a responsible landowner.
4. *Wood products are fighting climate change.* The carbon benefits of the wood products from our forests are renewable, recyclable, store and mitigate carbon, and support continued investment in sustainably managed working forests. Over time, stronger markets for wood products from managed lands will bring more value to forest lands and lead to increased forest lands and carbon sequestration, and an economic hedge against permanent conversion of forests to non-forest uses.
5. *Wood product manufacturers need to be recognized.* Companies that manufacture wood products need to be recognized for the carbon sequestered products they produce, the carbon benefits they generate in using residual wood in their manufacturing processes as an energy resource, and in the added value their residuals bring to the total wood supply chain. While forests provide the natural mechanism to sequester carbon and combat climate change, the forest products manufacturing integrated framework provides the support structure to keep those forests healthy, productive and sequestering carbon.
6. *ESFPA members understand and embrace their responsibility to be good stewards of the land and implement businesses practices that minimize environmental impacts.* Our land owners, practitioners and businesses rely on well-established data, constantly improving methods and best management practices to ensure sustainable management of our forests and the wide range of environmental, social and economic benefits they provide.