



Testimony of

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**Before the House Committee on Agriculture, Food Resiliency and Forestry and
Senate Committee on Agriculture regarding H. 624, An Act Relating to Providing
Financial Assistance to the Forest Economy**

Thursday, February 29, 2024

Representative Durfee, Representative Surprenant, Representative Graham and members of the House Committee on Agriculture, Food Resiliency and Forestry, my name is Dana Doran, and I am the Executive Director of the Professional Logging Contractors of the Northeast (PLC). It is a pleasure appearing before you today and thank you very much for inviting me to testify in support of H. 624, An Act Relating to Providing Financial Assistance to the Forest Economy. I would also like to thank Representatives Sims, Lipsky, Pearl, Rice and Templeman for co-sponsoring this legislation.

As background, the PLC is a trade association that was created in 1995 to represent logging and associated trucking contractors throughout the state of Maine. In May 2023, the membership voted to expand its presence to become a regional trade organization and begin representing contractors in the region, including the state of Vermont. The PLC has three Board Members from Vermont, Sam Lincoln, Lincoln Farm Timber Harvesting, Randolph Center; Jack Bell, Longview Forest, Inc., Hartland; and Gabe Russo, Southwind Forestry, LLC, Pawlet and has 17 contractor members from the state of Vermont, including Representative Lipsky's company.

As this committee knows, timber harvesting and hauling are distinct and impactful components of Vermont's rural economy. Occupations from this industry are inextricably linked to the health and long-term management of Vermont's forests, which cover 75% of the state. The state's reliance on healthy forests requires focus and engagement on policies and programs that support a strong and vibrant forest economy.

However, logging contractors in Vermont are at a crossroads right now. The last 18 months of warm, wet, and variable weather patterns has many contractors questioning the economic viability of their businesses and their path forward. As a result, the PLC and a steering committee of 12 logging companies has been working to develop policy initiatives that would help Vermont logging contractors deal with these highly variable weather conditions. It would also set the stage for future investments and workforce development strategies to help alleviate some of this pressure. H.624, represents the outcome of our discussions. I will also highlight

that the suggestions in H. 624 also are consistent with recommendations included in the VT Forest Future Strategic Roadmap process, which included the voices of several of our members.

Yesterday in this Committee, you were provided with an overview of the original bill by Mr. Michael O'Grady, Legislative Counsel to this Committee. Mr. O'Grady went through the original bill, but also alluded to the fact that the PLC would likely be speaking with you about a pared down version. I appear before you today to present an amended version of the bill which we believe has achievable and helpful initiatives at this point in the session.

Recently, we were notified that the forecast for the budget in FY 25 has led to a major gap in resources for the budget as presented, putting new programmatic efforts proposed by this Committee at risk. Additionally, we have also learned that some work originally proposed can be done without new resources from the Legislature. As a result, we would like the Committee to consider an amended version with three primary changes which believe is more in line with what is possible in FY 25.

First, in Section 1 of the original bill, there was language to create a new Forest Management and Climate Resilience Grant program. This was proposed as a path forward for contractors to ensure the most durable practices are consistently implemented at the beginning of any harvest. As a result of the severe rain events and prolonged periods of saturated soils in VT during 2023, the unprecedented warm winters of 2022/2023 and 2023/24, the cost of water quality protection is rapidly increasing for forest operations. Logging contractors are expected to absorb these costs for pre-harvest preparation that will protect soils and infrastructure and reduce and/or eliminate sedimentation and phosphorous runoff, during and after harvests. The original appropriations request for this program was \$5 million and it appears that funds for this purpose are highly unlikely. At this time, we are proposing to change the program to reference an existing Water Quality Assistance Program at the Department of Forests, Parks, and Recreation that is already in statute and we are working with staff at the Vermont Agency of Natural Resources to potentially use unencumbered fund balances from the Clean Water Fund from FY 24 for the purposes enumerated in the bill. We do not have certainty at this point, but we should have answer on the likelihood of this opportunity in the next week and will report back to the Committee with revised bill language as soon as possible.

To provide the Committee an example of what we are proposing to do, there is a decades old program that is operating successfully close to Vermont, which could act as a model for implementation here in Vermont. The New York Watershed Agricultural Council's (WAC) forest management implementation program incentivizes logging contractors to implement best management practices to enhance water quality protection measures during forest operations in the Catskill Mountains. I have provided an overview of the WAC program as an attachment to my testimony to provide you with background on what the program has done and could do here in Vermont. A similar program has also been stood up in Massachusetts and is being piloted there this year.

Second, we are proposing that the original Section 2 of the bill the Forest Economy Impact Study should be removed. We have learned that the Vermont Center for Rural Studies currently has capacity for this project and can move forward quite quickly and FPR can assist by providing other necessary components. As a result, there is no requirement for an appropriation to complete this important project.

Lastly, we are proposing that Section 3 should be amended to remove the safety training section for the time being. The PLC will bring safety training to Vermont in a limited form in 2024 and 2025 but will work to broaden it as we move forward. Safety training must commence immediately, and we recognize the need and plan to move forward immediately.

Instead of legislation to create safety training, we believe it would be more effective to amend the bill and reinstate a small amount of funding for a successful program that was created by the Legislature in 2019 to provide scholarships that cost share Master Logger certification for Vermont logging companies. The Legislature, with the support of the Scott Administration, created within Title 10: Conservation and Development, Chapter 083: Department of Forests, Parks, and Recreation, Subchapter 002: Forest Conservation, Section 2622c, a financial assistance cost share program. We are recommending that \$45,000 be appropriated to FPR to assist contractors to become Master Logger Certified by the Trust to Conserve Northeast Forestlands. This comprehensive logging company certification process results in logging contractors being able to qualify as “safety certified” as defined by the Department of Financial Regulation. In addition to other professional benefits from this process, we believe that this is necessary because it will reduce workers’ compensation insurance costs for these companies by 15%. For comparison, Master Logger companies in Maine are statistically safer and operate with reduced risk, reduced injuries, and reduced costs. Vermont has had a workers’ compensation insurance avoidance issue and reducing the cost will help with growing the number of insured companies, and protected employees, which is essential to furthering a culture of safety in the industry. In the past, this program provided a 50% cost share for businesses to become Master Logger certified. Due to an increase in the cost of certification, we would ask that the cap on the scholarship be removed and have the language maintain a 50% cost share.

Thank you for the opportunity to provide these proposed changes to the bill and I would be happy to answer any questions you may have.

Partnering with loggers to protect water quality in the New York City Watershed



Kris Brown, Research and Evaluation Specialist

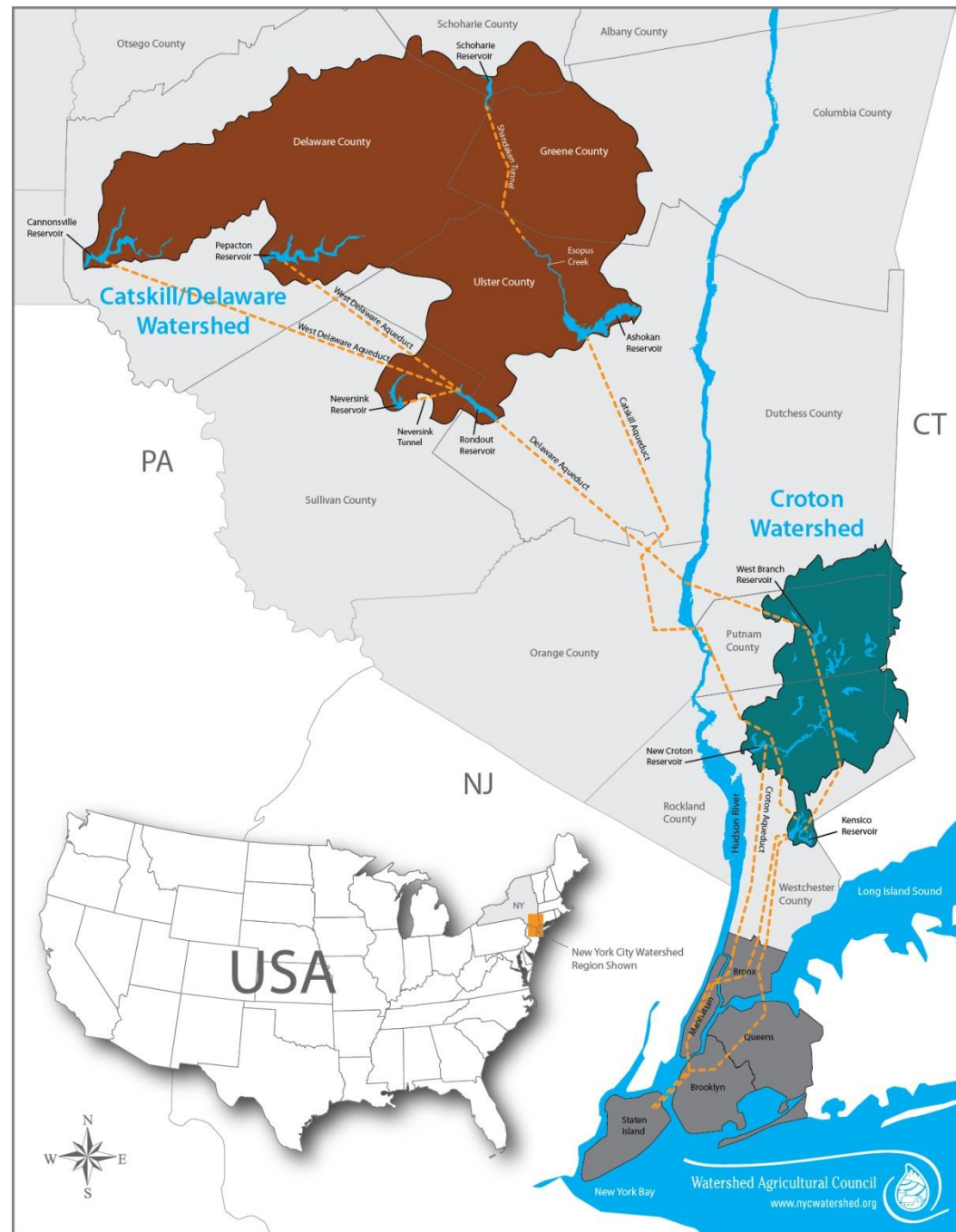
NERCOFE Mud Season Dinner

Van Auken's Inne, Thendara, NY, 3/30/2019

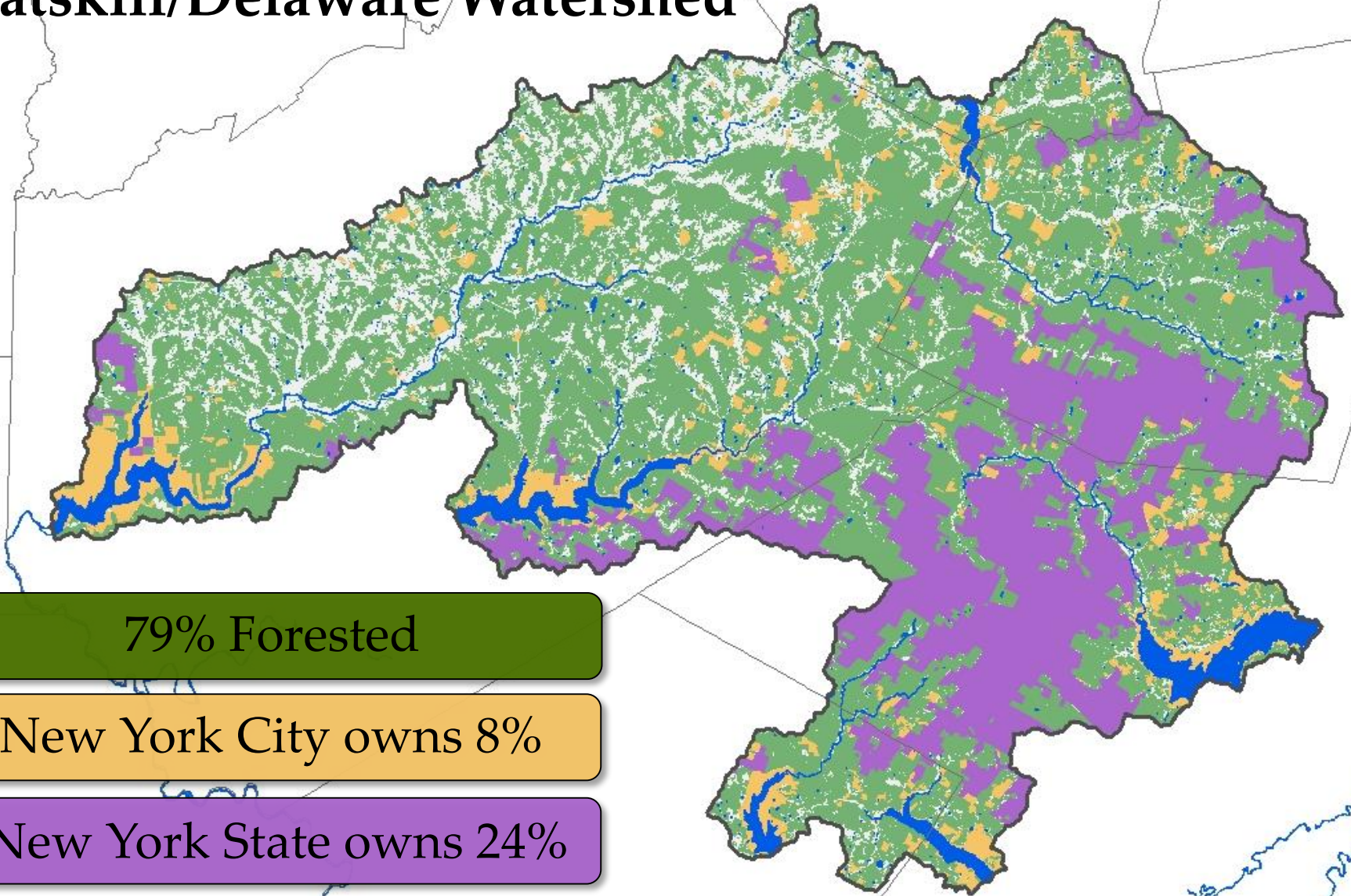


The NYC Watershed

- 1.2 million acres
- 1 billion gallons/day
- 9 million consumers



Catskill/Delaware Watershed



79% Forested

New York City owns 8%

New York State owns 24%

Private people own 67%

Watershed Agricultural Council

Mission: “To promote the economic viability of agriculture and forestry, the protection of water quality, and the conservation of working landscapes through strong local leadership and sustainable public-private partnerships.”



BMP cost-share program

(Yes, we pay loggers to implement water quality best management practices)

- BMP examples
 - road layout
 - water bars
 - geotextile and gravel →
 - straw wattles
 - stream crossing closure



Highlights

45 cost-share jobs completed annually

900 miles of skid trail stabilized since 1998

Portable bridge loan program

Available structures

- 4' and 6' plastic arch culverts (2 of each)

5 long-span (30-50'), temporary truck/skidder bridges



9 short-span (20') skidder bridges



Water quality workshops for loggers

Landing mat construction, Aug. 2018



Upcoming skidder bridge workshop

April 12, 2019 in Saugerties, NY

<http://www.newyorkloggertraining.org/content/workshops>



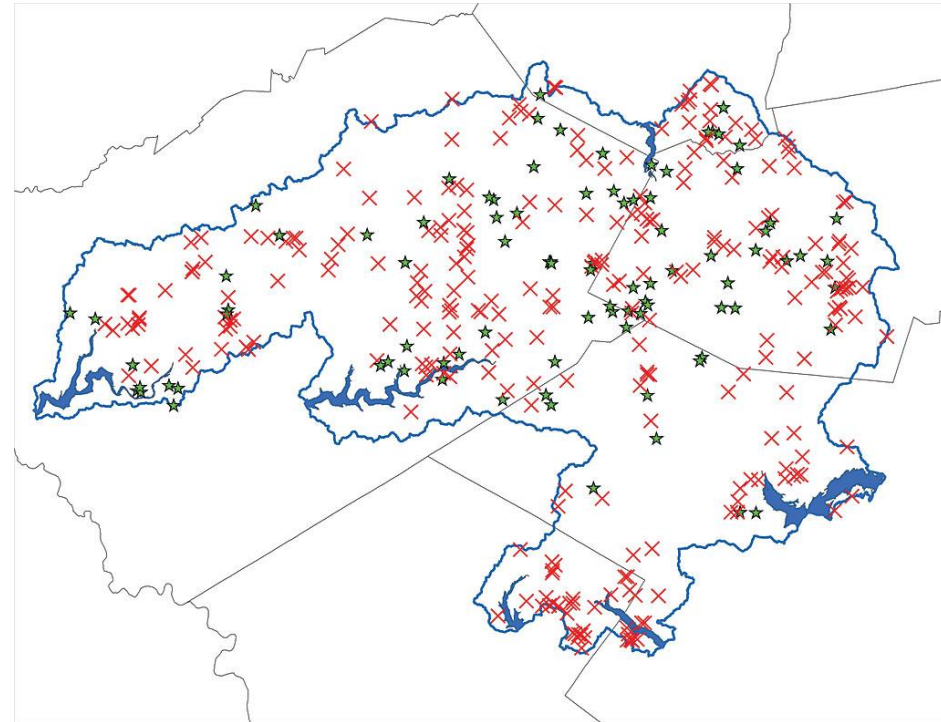
Water quality and forest operations research

- Spatial analysis of logging in the NYC Watershed, 2009-2017
- Tracking logger viability with Planning and Analysis in Timber Harvesting (PATH)
- Used forestry machine price database
- Impact of Eco-Wheel Tracks on soil disturbance and operational performance

How many timber harvests occur annually in the NYC watershed?



- VanBrakle (2018) found that 183 harvests occurred annually from 2013-15.
- This work helps us to measure the impact of the forestry BMP cost-share program.
- WAC cost-shared 45 jobs or about 40% of the annual harvest area from 2013-15.



WAC (green stars) and non-WAC (red Xs) harvests in the Catskill/Delaware Watershed from 2013-15.

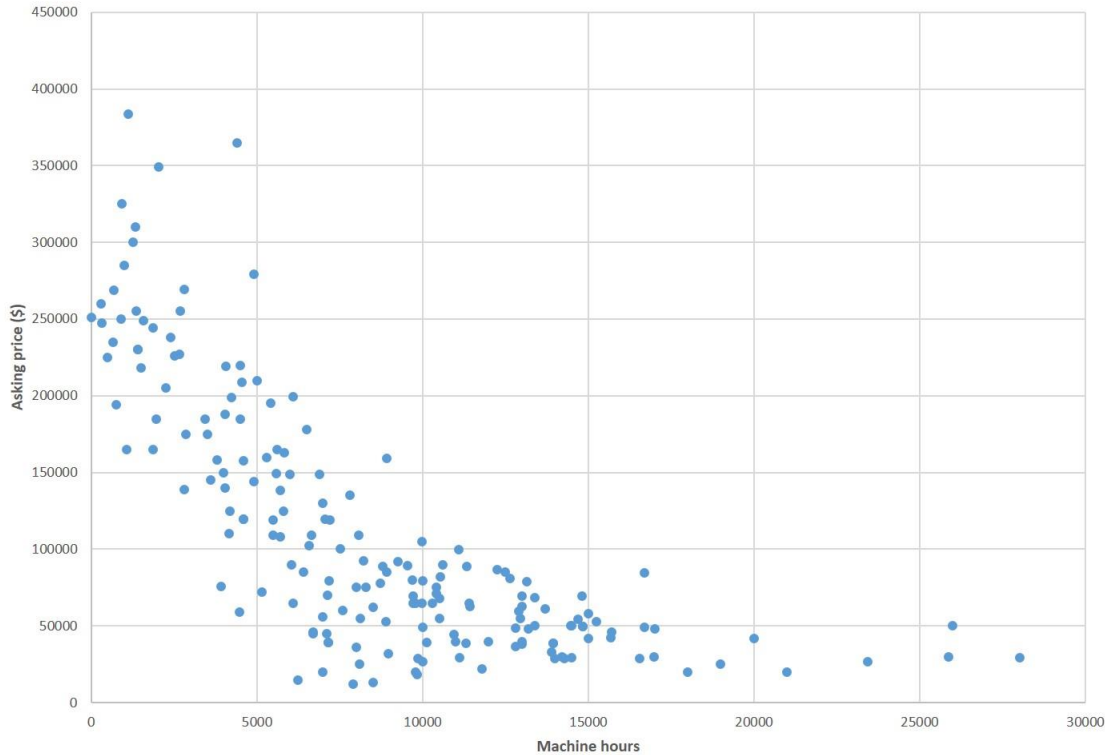
<https://www.esri.com/esri-news/arcuser/winter-2018/protecting-new-york-citys-water-supply>

Using PATH to understand profitability of logging jobs

- Regula et al. (2018) examined the profitability of 18 logging jobs in NY/PA, found that nearly half of the jobs were money losers.
- Study was a snapshot; just one job per crew.
- What does profitability look like over the course of a year? **Does the 80/20 rule hold?**
- This work helps us understand:
 - **Machine hours needed for BMP implementation**
 - **Impact of BMP cost-sharing on profitability**

Used forestry machine prices

Used skidder price by machine hours



Data helps to improve uncertainty regarding PATH inputs for machine depreciation and salvage value.

Effects of Eco-Wheel Tracks on soil disturbance, operational performance

- Tracks are marketed as low-impact on soils. Forwarder studies concur, but have not been tested on skidders.
- They're expensive (\$15K/set), so must provide additional benefits:
 - better traction
 - longer life
 - less maintenance



Cat 525 Grapple Skidder with Eco-Wheel tracks in British Columbia.
https://forestnet.com/LSJissues/Jan_12/Eco_wheel.php

Summary

- Our mission: protect water quality, support logger economic viability in the NYC watershed.
- Relevant programs: BMP cost-share, bridge loan
- My role: use research to track program effectiveness
 - Spatial analysis of logging in NYC Watershed
 - PATH to understand logger viability
 - Field testing innovative machines/systems/accessories to protect water quality.

For More Information

Have a question about one of the programs or research projects discussed here? Please contact me!

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The Watershed Agricultural Council is funded in part by:



along with other federal, foundation and private sources.
The WAC is an equal opportunity employer and provider.
For more information about WAC, please visit our website: www.nycwatershed.org