



## Lincoln AgriSource, LLC

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For the record, my name is Sam Lincoln. I own and operate a Master Logger certified mechanized timber harvesting business in Randolph Center. In addition to my career as a farmer and logger in central Vermont, I also served four years as the Deputy Commissioner of the Department of Forests, Parks, and Recreation in the Scott administration and I currently serve on the board of directors of the Professional Logging Contractors of the Northeast. In my hometown of Randolph, I previously served for six years on the Development Review Board and two years on the Planning Commission.

Thank you for the opportunity to testify on H.128. During the time that I was Deputy Commissioner at FPR, I was part of a team working to understand the facts, dig into the anecdotes, dispel the myths, and identify solutions to Act 250 permitting issues for forest-based businesses, including sawmills, firewood producers, and chipping contractors. I interviewed owners and managers of existing and now closed businesses around the state to determine if there were any trends or commonalities in the issues they faced. While it isn't the only issue they manage, the process of obtaining or amending an Act 250 permit is one of the most consistent deterrents to growth and their ability to adapt to essential business needs, challenges, market opportunities and trends.

No person should fear a public process, but fear was a common word I heard when communicating with business owners in Vermont. "We're afraid that..." There are countless examples of permits that took years to obtain, permit conditions that ranged from somewhat onerous to absurd and hindered a business's ability to operate, neighbors weaponizing the Act 250 process to slow or stop a company's efforts to modernize, and significant costs for permits. These have created an atmosphere of fear in the forest economy business community around what should be a consistent and predictable program to ensure orderly development and environmental protection. A state that is 75% forested, in a society that consumes vast amounts of forest products, should not have a regulatory program that suppresses the connection between forests and the consumers of forest products. It leads to the externalization of processing forest products to facilities in other states that welcome our raw materials, which increases transportation costs and exports the jobs from rural Vermont. If Vermonters tapped maple trees, loaded the sap into tanker trucks and exported it two states away to be made into maple syrup that was then returned to Vermonters through a wide-reaching and complex supply chain, it would seem absurd, but that's what happens with a large amount of forest products in Vermont.

While I believe in thoughtful land use planning and support environmental protection, I find it hard to comprehend that the framers of Act 250 envisioned the process taking three years for a small rural business owner to get the necessary permits to split firewood. Change is needed, and H.128 is an important part of that change.

Regarding Sections 2. and 3. of H.128

### **Primary agricultural soil mitigation –**

- Forest based businesses that add value to forest products have a conservation effect. The value they create is, in part, returned to landowners to pay the ownership costs of forestland.

- A hardwood sawmill processing five million board feet annually requires approximately 20,000 acres of sustainably managed forests within its procurement area to supply enough raw materials, assuming there is a 20 year harvest rotation on those acres.
- This exemption should be distinctly tied to enterprises that purchase and/or process forest products derived from a forest operation – this avoids the abuse of the intent of this language.
- Subjecting these applicants to the cost and process of mitigation of primary agricultural soils in the Act 250 permitting process is punitive and ignores the tens of millions of dollars these enterprises cumulatively return to forestland owners annually that keep forests forests.

**Support for exemptions and justification for these enterprises –**

- Scale –
  - The exemptions proposed in H.128 are reasonable and only affect small scale businesses, particularly when compared to the number and scale of comparable enterprises in the region. Some of the regional mills receive forest products on hundreds of truckloads per day. If I had any amendment to H.128, I would increase the thresholds in all categories of the exemptions and broaden the types of products that are included.
  - See [Table 1. in this document](#) for a 2018 comparison of the number of facilities that process forest products in the region.
- Logistics –
  - Businesses of this type and size dispersed throughout the state create an important local market for forestland owners and provide a source of locally produced and processed essential goods.
    - As climate change impacts forest operations, the ability of a business like mine to haul raw materials offsite when ground and road conditions are suitable is an increasing logistical challenge. The opportunity to deliver to a small mill or firewood operation within ten miles versus the need to haul the same product to papermill 160-300 round-trip miles away, depending on what market is available, can make a significant difference in our operational viability and is a decision I contend with on each harvest, and sometimes weekly. Local markets for forest products are vital.
    - Small businesses that are locally owned can be more durable and stable than a massive mill in another state controlled by a foreign entity.
- Cost –
  - The cost of Act 250 permitting, with the additional cost of all sub-permits, mitigation, engineering, expert witness, and consultants that may be necessary to successfully apply for and receive a permit, are more than rural businesses can afford with slim profit margins.

- These enterprises have a limited impact and there is no consideration or tiered approach for their small scale, which puts them at a significant disadvantage in the marketplace.
- Parity in the working lands –
  - Farming is exempt from Act 250 permitting, and rightly so. The harvesting of commodities from the land, and transportation to a facility (a barn or sugarhouse, for example) to process and add value occurs on farms each day in Vermont, without the burden of Act 250 permitting and permit conditions.
  - An agricultural enterprise can tap a maple tree, transport the sap to a sugarhouse, process it into a value-added product, without the need for an Act 250 permit. If a forest economy business harvests the same tree, and transports the forest product to the same building that may have a sawmill or firewood processor in it – it will potentially trigger the need for an Act 250 permit along with a substantial list of requisite permits from a number of state agencies.
  - The framers of Act 250 also exempted logging and “forestry purposes,” and in my opinion that was because they recognized the realities, needs, and essential purpose these working lands enterprises provided to all Vermonters at the time. H.128 will steer Act 250 back on course by recognizing and protecting these small enterprises that we need now more than ever.

Thank you for the opportunity to provide testimony. I welcome the committee’s questions.