

FORESTRY

The situation of forest management and timber production in the state continues to evolve, presenting ongoing challenges for land managers and public agencies alike. Total timber harvest levels in the state continue to decline, driven in large measure by the reduced availability of timber from federal lands.

From 1991 through 1996, total state harvest levels declined by 28.3 percent. The public land share of the harvest has fallen from 35.0 percent in 1991 to 12.7 percent in 1996. Declines in harvest on federal lands are due primarily to environmental protection measures, such as those for the Northern and California spotted owls, as well as changing public values and federal land management goals. Total value of the timber harvest in 1996 was \$921 million, as compared to \$945 million in 1995—a 2.6-percent decrease.

Annual average 1997 employment levels in the forest products industry were higher than 1996. Non-seasonally adjusted employment in 1997 was 96,400 jobs in the forest products industry— 55,900 jobs in lumber and wood products and 40,500 in paper and allied products— 3.0-percent higher than the previous year. Looking separately at the two major sectors in the industry, employment in lumber and wood products increased by 4.1 percent, while employment in paper and allied industries increased by 1.5 percent. These modest gains in forest products have been propelled by the robust construction industry, after several years of declines. Over the past decade, the decline in federal timber harvest, changes in lumber processing technology, and a decline in large tree harvests have contributed to a decline in the number of lumber mills in the state, driving a consolidation in California’s forest products industry. As a result, in 1997 Louisiana-Pacific Corporation, a large industrial forest landowner, announced plans to sell off its California forest land holdings and mills.

Federal and State Forest Policy. Federal forest policy—which focuses on ecosystem management and restoration of more natural fire regimes—is not likely to result in a significant rebound in timber harvest in California’s national forests. While the federal government is moving forth with a major new emphasis on fuels reduction as part of restoring the fire-adapted environments on the national forests, the emphasis appears to be focused on the removal of small trees with little or no lumber production value.

Federal and state listings of salmon species under the federal and state endangered species acts are affecting timber harvesting practices on the California North Coast in particular. A 1997 consent decree between the US Environmental Protection Agency and 14 environmental and fishing groups requires the development of water quality protection plans for 17 impaired North Coast watersheds over the next 10 years.

FIGURE VI-3

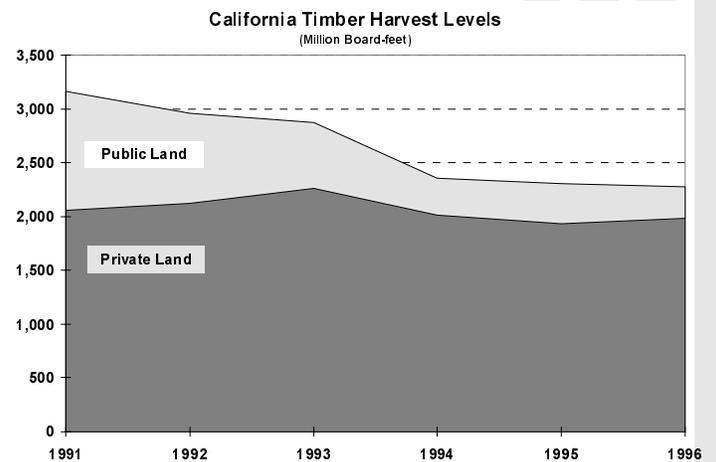


FIGURE VI-4

Year	1991	1992	1993	1994	1995	1996
Total Harvest	3,168	2,959	2,871	2,356	2,304	2,273
Public Land Harvest						
Volume	1,109	835	608	342	375	288
% of total	35	28.2	21.1	14.5	16.3	12.7
Private Land Harvest						
Volume	2,059	2,124	2,263	2,014	1,929	1,985
% of total	65	71.8	78.8	85.5	83.7	87.3

Source: State Board of Equalization.

In recent years, California has created new planning mechanisms to streamline the regulatory process faced by forest landowners, while at the same time improving planning and management for the long-term sustainability of forest health and productivity. These new planning tools—called Nonindustrial Timber Management Plans, Sustained Yield Plans, and Program Environmental Impact Reports for Timber Harvesting Plans—can also be combined with habitat conservation plans to ensure compliance with the Federal Endangered Species Act for the protection of listed species such as the marbled murrelet and the northern spotted owl.

With the enactment of AB 1986 (Chapter 615, Statutes of 1998), the state reached an agreement with the federal government to acquire 7,470 acres of privately owned old growth redwood in Humboldt County. This agreement acquires the Headwaters Forest (4,500 acres)—the largest privately owned stand of old growth redwoods—and two other adjacent forests (2,870 acres) for protected public ownership. The total cost of the purchase was \$380 million with the state contributing \$130 million.

California has also made significant efforts to update its wildland fire protection plan. The 1996 California Fire Plan seeks to reduce costs and losses from large, damaging wildfires by placing more emphasis on pre-fire management programs (including fuels reduction, prescribed fire, fire-safe engineering, land use planning, and fire prevention). With the growing fire risks faced on our wildlands and in the wildland/urban interface, and with the great breadth and significance of the natural resource and human assets that are at risk to wildland fire, this new approach is critical to minimizing suppression costs and damage losses.