



Executive Director
Sara Koch

STATE BOARD OF REGISTRATION FOR FORESTERS

POST OFFICE BOX 27393
RALEIGH, NORTH CAROLINA 27611
PHONE: 919-847-5441

WEB PAGE: NCBRF.ORG
E-MAIL: INFO@NCBRF.ORG

BOARD MEMBERS

Daniel W. Edwards
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Gerald D. Hansen III
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January 7, 2015

Chuck Hefren, Principal Program Evaluator
Program Evaluation Division
North Carolina General Assembly
Legislative Office Building, Suite 100
300 North Salisbury Street
Raleigh, NC 27603-5923

(Sent Via email: chuck.hefren@ncleg.net)

Response to Proposed Elimination of NC Board of Registration for Foresters

Dear Mr. Hefren:

It is the stance of the North Carolina Board of Registration for Foresters (NCBRF) that the legislated tasks assigned to the Board are sound, reasonable, cost effective, and serve to protect the public and the natural resources of the State of North Carolina. Water quality, healthy forests, control of wildfires, and implementation of Best Management Practices rest to a large extent with educated Foresters. Landowners and the general public place a high value on the forests of North Carolina and the Board, as shown below; will demonstrate that the potential harm to the public and environment is significant without a registration process.

Board's Comments on "Background," page 3

To become a Forester, NCBRF requires the stringent requirements for *licensure* (education, experience, examination, good moral character, and residency). NCBRF currently functions as a "certification/title act" authority, not as a "registration" authority. The current requirements for registration are based on comprehensive education and experience in the regulated field. In addition, NCBRF requires annual Continuing Education of Foresters. NCBRF cannot regulate vendors of forestry services who are not registered, but the following operations represent the majority of forest management activities in the state and are supervised by Registered Foresters:

REQUIRED BY THE N.C. FOREST SERVICE

To ensure & maintain high professional standards, the North Carolina Forest Service (NCFS) requires every one of their foresters to become registered. College educated registered foresters supervise control of potentially devastating fires under emergency conditions. Wildfire training of staff is very often conducted by NCFS foresters. NCBRF contends that having educated, registered foresters managing such devastating wildfires greatly reduces the risk to North Carolina citizens, their property and our natural resources.

For example, North Carolina homes & structures protected from active wildfires during fiscal year 2012 had a value of more than \$704,000,000 (source: NCFS 2012). NCFS Registered Foresters provide sound forest management advice to forest landowners through the creation and/or approval of more than 6,000 management plans impacting 160,000 acres annually (NCFS accomplishments data base). Finally, Forest Development Program monies (example, for tree planting) are managed by Registered Foresters with the NCFS.

STANDING TIMBER APPRAISAL and SUPERVISED TIMBER HARVESTS

NCBRF contends that over 20% of the value of North Carolina sold timber, or over \$260 million annually, could be at risk to forest landowners without the work of NCBRF and a strict registration process. A N.C. State University Forestry Extension publication strongly advises landowners to seek assistance from foresters during harvests and other notable management activities. Research (Cubbage et al., 1996) demonstrates the value of professional advice and quantifies the potential costs to forest landowners who do not utilize forester assistance. Landowners who received **professional forestry assistance** before harvesting timber averaged 23 percent more income per acre, received a 64 percent higher price per board foot, and had a projected income stream from future sales of 120 percent more as a result of improved regeneration and stocking (see page 9, “A consumer’s guide to consulting foresters”). This “at-risk value” represents \$20.1 Million dollars of lost State of North Carolina income tax revenue using the 7.75% state tax rate.

WOOD MANUFACTURING INDUSTRY

North Carolina’s forestry sector is one of the leading manufacturing industries in the state, valued at over \$23.4 billion in 2012 (source: NCSU Extension Forestry, 2012). Responsible management by professional foresters is directly linked to the wood manufacturing industries so vital to our economy. Many of North Carolina’s larger industrial forest landowners abide by forest certification systems that require professional forester oversight.

THE FORESTRY PRESENT USE VALUE PROGRAM (PUV)

As mandated by North Carolina law, the Forestry PUV Program has a substantial impact on both county taxes and land use. In order for forestland to be enrolled in the program, the landowner must submit a forest management plan for the property that is sound and implemented. This program strongly encourages Registered Foresters to be the individuals who develop such forest management plans. Plans written by unregulated individuals will place the counties at a high fraud risk.

NCBRF RESPONSE TO PED REPORT FINDINGS

Finding #1 Centralized Authority of OLAs (page 10): NCBRF concurs.

Finding #2 State-level Oversight (page 15): NCBRF does not object and would gladly provide any additional information upon request.

Finding #3 Complaints and Enforcement (page 18): NCBRF has a clearly defined complaint process outlined on its public website. The NCBRF is currently limited by statutory authority in

its ability to respond to and enforce forestry complaints. Individuals that are prone to generating forestry complaints are typically not registered, and under existing law can practice forestry without NCBRF oversight. When the NCBRF does receive a complaint that is under its jurisdiction, such complaints are fully reviewed and addressed.

The NCBRF is open to any suggestions on ways to improve communications in relation to threats to the public.

Finding #4 Occupational Licensing Commission (page 22): The NCBRF does not recommend the creation of an Occupational Licensing Commission. The NCBRF, however, recognizes the value of having dispute resolution services.

Finding #5 Maintaining Licensing Authority (page 25): The NCBRF protects the public from financial harm, as noted our earlier submission below (July 28, 2014):

The Negative Economic Impact of Forest Practices in North Carolina Without Registered Foresters.

Using data from N.C. State University (NCSU) and current timber value trends, (NCSU), the following impacts can be calculated. NCSU is a leader in foresters' undergraduate and graduate education in North Carolina and nationally.

There are over 500,000 private forest landowners in NC. As 85% of the 18.6 million wooded acres (60% of the land) are privately owned, the average acreage per owner is about 32 wooded acres. When timber is mature, roughly at intervals of 35 years between harvests, the typical timber value today is \$88,000 on each 35 acre tract of land. Therefore, during the cumulative life of all landowners in the state, there is a staggering \$44 billion dollars of timber value available for trade across the state during a growth cycle, or ***\$1.3 billion dollars per year.***

The N.C. Board of Registration for Foresters (NCBRF) contends that, based on data, over 20% of the value, or over \$260 million annually could be at risk without the work of NCBRF and a stringent Registration process. A N.C. State University Forestry Extension Publication states the following: "Seek professional assistance." Research (Cubbage *et al.*, 1996) indicates that professional advice can be valuable. Landowners who received ***professional forestry assistance*** before harvesting timber averaged 23 percent more income per acre, received a 64 percent higher price per board foot, and had a projected income stream from future sales of 120 percent more as a result of improved regeneration and stocking (see page 9, "A consumer's guide to consulting foresters"). ***This "at-risk value" represents \$20.1 Million dollars of lost State of North Carolina income tax revenue using the 7.75% state tax rate.***

Registered Foresters are an integral part of North Carolina's economy:

- Including direct, indirect, and induced impacts, the forest sector had a total economic impact of \$23.47 billion in industry output and supported more than 122,000 jobs with a payroll of \$6.08 billion. It contributed \$9.21 billion dollars to the state's gross domestic product.

- Every job created in the forest sector resulted in another 2.85 jobs in the state.
- For every \$1 million generated in product there is an additional \$760,000 dollar contributed to the rest of the North Carolina economy.

link: <http://forestry.ces.ncsu.edu/economic-impact-data/>

There currently are non-foresters operating lawfully in forestry employment. No person is denied the right to pursue a job in the forestry sector nor prevented from working for the public. Registered Foresters and the NCBRF do not restrict public access to forestry services. Non-foresters are currently available for hire in most counties.

NCBRF currently maintains reciprocity between its forester registration program and all other southern states (AL, AR, GA, MS and SC) with similar programs. Forestry in all of these states has a major impact on both their economies and land use. The importance of forestry in the South has led to the establishment and success of these programs.

On page 29, the Program Evaluation Oversight Committee summary states that the potential cost of public harm should exceed the cost of regulation if a board is to continue to exist. NCBRF's July 2014 response, reproduced above, measures the economic risk of not having NCBRF, creating a benefit/cost ratio in favor of continuing the NCBRF. The economic risk to forest landowners of lower timber transaction values, increased stream sedimentation from poorly planned logging operations, and poorly managed wildfire events is in the millions or higher. The budget of the NCBRF currently is approximately \$40,000 annually, a much smaller cost than the potential for public harm.

Finding #6 Consolidation of OLAs (page 30): The NCBRF's budget is well managed and adequate, and higher fees are not needed. The concerns in pages 36 & 37 regarding adequate financial resources do not lead to meaningful conclusions about the NCBRF. The NCBRF has sufficient resources for the task given to this entity.

NCBRF collects \$40 per licensee, which is spent on annual administration, compared to an average cost of \$96 per licensee for all North Carolina occupational boards, and less than the \$60-69 per licensee within the comparative states. The operations of the NCBRF carry no direct cost to the general public or the state government.

NCBRF disagrees with the consolidation option as the metrics within the report do not justify the disruption. No cost will be lessened and no public benefit increased. The work of NCBRF can improve metrics if given full licensing authority because those practicing forestry without registration can be brought under review and required to follow a more stringent law.

CLOSING REMARKS

NCBRF respectfully requests a full hearing to review and justify our continued critical role in protecting the public and the environment. Through its education requirements, rigorous testing standards, Code of Ethics and requirement for continuing education, the NCBRF sets the minimum standards for professional forestry. If any changes are warranted, there is a need to

discuss increasing the authority for the NCBRF through licensing of Foresters and the practice of forestry. Certainly no justification exists for decreasing the NCBRF's authority. We welcome further discussions because the review to this point has not included the full scope of the NCBRF's benefits.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Edwards". The signature is fluid and cursive, with the first name "Daniel" and last name "Edwards" clearly distinguishable.

Daniel Edwards, NC Registered Forester #612
Chairman, NC State Board of Registration for Foresters

cc: Senator Fletcher Hartsell
Representative Julia Howard
Members of NC State Board of Registration for Foresters