COMMONWEALTH OF PENNSYLVANIA

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Joint Legislative Air and Water Pollution Control and Conservation Committee

TO: All Members of the General Assembly

FROM: Representative Scott E. Hutchinson, Chairman

SUBJECT: Report of the Legislative Forestry Task Force

DATE: July, 2011

Pursuant to House Resolution 429 of 2009, the Joint Legislative Air and Water Pollution Control and Conservation Committee submits the report of the Forestry Task Force. The recommendations adopted and presented in this report are the culmination of efforts on the part of the Forestry Task Force and its Advisory Committee. Representative Scott E. Hutchinson, Venango County, served as chairman of the Forestry Task Force.

MEMBERS OF THE FORESTRY TASK FORCE

Representative Gary Haluska

Representative Scott E. Hutchinson

Representative Kathy Rapp

MEMBERS OF THE FORESTRY TASK FORCE ADVISORY COMMITTEE

Dr. Theodore R. Alter Director of Cooperative Extension Pennsylvania State University

Mr. Keith Craig
Executive Director
Pa. Hardwoods Development Council

Dr. James R. Grace, Deputy Secretary for State Parks and Forestry Department of Conservation and Natural Resources

Mr. Kenneth C. Kane Pennsylvania Division of the Society of American Foresters

Mr. Paul Lyskava Executive Director Pa. Forest Products Association

Mr. Dave Miller Allegheny Forestry, Inc.

Mr. Kevin Stout Area Procurement Manager Allegheny Wood Products, Inc. Mr. Thomas Buzby Director, Governmental Affairs Weaber, Inc.

Dan Devlin, State Forester
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Mr. Dave Gustafson Chief Forester Pennsylvania Game Commission

Mr. Marc Lewis Vice President Dwight Lewis Lumber Co., Inc.

Dr. Michael G. Messina, Director School of Forest Resources Penn State University

Mr. Ron Ramsey
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INTRODUCTION

The forest products industry is one of Pennsylvania's oldest and most basic industries and includes pulp and paper, lumber and solid wood products and wood furniture. It also includes all the related businesses such as logging, trucking, consulting foresters and other businesses directly involved in the production of wood and wood products. The forest products industry, both by way of manufacturing facilities and forestland, is located in almost every one of Pennsylvania's 67 counties.

Pennsylvania acquired its name – Latin for "Penn's woods" – in the seventeenth century from its seemingly endless expanse of ancient beech, hemlock, oak and maple forests. Nearly 60 percent of the state is forested. These forests provide an abundance of high quality forest products, which help to support an industry which employs 60,000 Pennsylvanians, in more than 2,200 forest product companies from sawmills to cabinet-making shops.

When viewed from another perspective, Pennsylvania's forests represent a 17 million acre water treatment plant and air purification system. Additionally, the forests provide recreational opportunities and mineral resources, as well as an aesthetic setting that is vital for Pennsylvania's tourism industry. And, when taken as a whole, Pennsylvania's forests provide habitat for plants and animals. The Commonwealth's forest system is a combination of these resources, uses, and values, as well as a functioning biological system with intrinsic values.

Because of the importance of balancing both active, long-term forest management as well as the greater mission of preservation, the Legislative Forestry Task Force and Advisory Committee was established in 1994, pursuant to House Resolution 263, Printer's Number 4110. The resolution itself was introduced after three statewide public hearings held by the Joint Legislative Air and Water Pollution Control and Conservation Committee (Committee) in 1993. The formation of a Forestry Task Force and Advisory Committee was a direct recommendation of the Committee.

The Forestry Task Force is composed of four members of the Pennsylvania General Assembly: two members of the Senate and two members of the House of Representatives. Its focus is a strategic one: to ensure a science and analysis-based, collaboratively developed, and financially viable long-term approach to forest management to guide decision-making at all levels.

To pursue this purpose, the Task Force convened a distinguished and diverse group of independent, experienced, and concerned stakeholders reflective of many of the forest interests across the state. Members of the Advisory Committee represent a broad

sweep of especially non-government perspectives, thus bringing important additional voices to the challenge of forest management. Members hail from a range of backgrounds, including academia, the forest products industry and its various trade groups and others.

The Forestry Task Force has no regulatory or legislative authority. The Task Force's role is to offer its best advice on the management of the Commonwealth's forests to the Pennsylvania General Assembly. For example, a 2006 presentation to the Forestry Task Force on prescribed burning and its December 2007 report recommending that legislation be developed to regulate prescribed burning practices provided a starting point for a series of roundtable discussions. Legislation defining practices for prescribed burning as a habitat and land management tool was introduced in February 2009. On July 19, 2009, the Prescribed Burning Practices Act (Act 17 of 2009) was signed into law.

Since its inception in 1994, the Task Force has continued its work through a series of legislative resolutions enacted in succeeding legislative sessions. Each resolution set an ambitious agenda of topics for the work of the Task Force.

The Pennsylvania House of Representatives considered a resolution reestablishing the Task Force and its Advisory Committee during its 2009-2010 session in the form of House Resolution 429, Printer's Number 2795 (Appendix A) sponsored by Representative Gary Haluska, Cambria County. The resolution was referred to the House Environmental Resources and Energy Committee which did not take action, meaning the resolution was not considered by the full House of Representatives during the session.

As a result, the Forestry Task Force had the flexibility and discretion to consider topics for study based on their relevancy to the forest community until such time as a new resolution is enacted (a Forestry Task Force resolution – House Resolution 309 - has been introduced in the 2011-2012 legislative session). After careful consideration and consultation with the Task Force and Advisory Committee, five priority topics were chosen. They include:

- 1 The impacts of forest buffer zones in Pennsylvania.
- 2 The role of state forests in carbon sequestration.
- 3 The development of the Marcellus Shale reserve and its impact on Pennsylvania's state forest.
- 4 The U.S. Environmental Protection Agency's (EPA) proposed Boiler Maximum Achievable Control Technology standards.
- 5 The role and utilization of woody biomass in alternative energy production.

The Task Force conducted five meetings between February 2009 and December 2010. At each meeting a variety of individuals, each with a special expertise on Pennsyl-

vania's forests, were invited to make presentations on a specific issue. The meetings allowed for presenters to express their viewpoints and receive feedback from DCNR and other forest stakeholders. The meetings provided an opportunity to initiate a non-competitive dialogue to consider advancements in forest management.

The following organizations presented information to the Forestry Task Force:

- Cambria County Conservation District
- Domtar Industries
- Energex Corporation
- FORECON
- Kane Hardwood
- NewPage Corporation
- Osman Environmental Solutions
- PA Sustainable Forestry Initiative
- Pennsylvania Department of Conservation and Natural Resources Bureau of Forestry
- Pennsylvania Hardwoods Development Council
- Penn State University's School of Forest Resources
- Resource Professionals Group
- The Nature Conservancy
- Wood-Mode, Inc.

These organizations provided the Task Force with a wealth of thought-provoking ideas and perspectives. Their input was extremely important in setting the tone for the work of the Task Force, and refining its recommendations. The Task Force meetings were characterized by diverse discussions and a high level of cooperation. Based on this, a set of specific recommendations was developed for each of the priority issues. However, because of the complexity of the issues, it was not possible to reach total agreement on all aspects of every issue. Nevertheless, this report represents the consensus of the Task Force and Advisory Committee on each of the five issues.

The Forestry Task Force's work has been supported by staff assistance from the Committee, but the findings and recommendations in this report are strictly those of the Forestry Task Force and Advisory Committee.

THE IMPACT OF FOREST BUFFER ZONES IN PENNSYLVANIA

Streamside forest buffer zones are crucial to the protection and enhancement of the water resources in Pennsylvania. They are extremely complex ecosystems that help provide food and habitat for stream communities as well as being useful in mitigating or

controlling nonpoint source pollution. Properly established and managed forested buffers are widely recognized as a means to protect water quality from run-off associated with development, agriculture and other earth disturbance activities. Used as a component of an integrated management system including nutrient management and erosion and sediment (E&S) control practices, forest buffers can produce a number of beneficial effects on the quality of water resources.

Currently, Best Management Practices (BMPs) address the management of buffer zones during forestry activities. Specific recommendations vary and are a function of slope and the degree of disturbance within the buffer zone. Selective harvests within buffers are acceptable. The record of these forestry BMPs is significant, as the Pennsylvania Department of Environmental Protection (DEP) identified silviculture and timber harvesting as the source of impairment on only 0.12% (one-eighth of one percent) of the Commonwealth stream miles identified as impaired, ranking it near the bottom of the list of activities causing stream impairment in the state. Furthermore, many of Pennsylvania's identified "exceptional value" and "high quality" rivers and streams are located in the timber producing regions of the state.

In 2008, a coalition of environmental groups began calling for DEP to protect and regulate buffer zones along high quality rivers and streams. The "Buffers 100" initiative called for a minimum mandatory statewide buffer of at least 100 feet on either side of the waterway, keeping the land in its natural state with native vegetation and trees. In some cases, this mandatory buffer would expand to more than 300 feet from the waterway. These buffers would be non-disturbance zones, prohibiting new development and most disruption of existing tree cover. Supporters of the "Buffers 100" initiative said the plan was needed to protect the quality of Pennsylvania's waterways, reduce damages caused by flooding and increase wildlife habitat.

On February 12, 2009 the Task Force discussed the impacts of mandated forest buffer zones in Pennsylvania. Dr. Jim Finley, Professor of Forest Resources at Penn State University's School of Forest Resources, spoke about the impact of forest buffer zones on non-industrial private forest landowners in Pennsylvania. Mr. Ken Roberts, a forester with the NewPage Corporation, provided a look at forest buffers' impact on water quality, and associated voluntary conservation and BMPs. Mr. Dave Trimpey, Resource Manager with Kane Hardwood, spoke about the relationship between buffer zones and timber production on industrial private forests in Pennsylvania.

A number of issues were raised by the presenters. At a minimum, it was estimated that these restrictions would apply to more than 83,000 miles of Pennsylvania's rivers and streams and impact more than 2.2 million acres, with much of this being forests. According to one estimate, due to effects of topography and land ownership, the "Buffers 100" initiative would effectively restrict forestry activities on as much as 30 percent of the forested acres in Pennsylvania, impacting a significant portion of the state's 530,000-

plus forest landowners. Applicability of buffers to intermittent streams will have an even greater impact on forestry.

Since the majority of Pennsylvania's forested buffer zones are privately owned, the role of the private landowner in the conservation and restoration of these resources is significant. A number of voluntary conservation and management options are available through federal and state agencies, county conservation districts, and private organizations.

At its October 29, 2009 meeting the Forestry Task Force had the opportunity to continue its discussions from its previous meeting in February – on the issue of forest buffers and proposed state regulatory revisions having to do with permits, buffers and E&S control. Mr. Robert Piper, District Manager for the Cambria County Conservation District, briefed the members of the Task Force and Advisory Committee on the proposed changes to the Chapter 102, Erosion and Sedimentation Control regulations.

The purpose of Chapter 102 regulations is to protect surface waters of the Commonwealth from sediment and stormwater pollution through the utilization of BMPs that minimize accelerated erosion and sedimentation during earth disturbance activities. Mr. Piper discussed in detail the themes for change, the proposed changes, and the benefits. The changes include permit triggers, fees, additional permit requirements and E&S Plans. The proposed revisions of Chapter 102 regulations also include establishing riparian buffer and riparian forest buffer provisions on special protection waters. A number of exemptions and waivers are included for special situations such as oil and gas, timber harvesting or mining for which site reclamation or restoration is part of the permit authorization.

RECOMMENDATIONS

The Task Force recommends the following:

- DEP should maintain the current 25 acre earth disturbance threshold in its Chapter 102 regulations.
- Because forestry activities are temporary earth disturbances and post-harvest forests maintain a significant amount of their capacity to provide water quality benefits, any new regulations or legislation related to mandated forested buffers should exempt forestry and timber harvesting activities.
- Mandated forested buffers should allow forestry and limited timber harvesting as a tool to maintain forest health and buffer effectiveness.
- DEP should update its Timber Harvesters Action Packet to reflect changes to Chapter 102 to ensure that properly trained loggers and forest practitioners can continue to develop E&S plans. The Commonwealth should also support logger training to ensure effective compliance with updated regulations.

 The Commonwealth should support landowner outreach on the benefits of forested buffers by state agencies, cooperative extension and other organizations.

THE ROLE OF STATE FORESTS IN CARBON SEQUESTRATION

Over 50 percent of Pennsylvania's electricity is generated from coal. Even in a carbon-constrained world, economics will likely dictate that coal continue to be a major energy source. The key to clean energy from coal is capturing and then storing its carbon dioxide emissions. According to one estimate, U.S. forests sequester enough carbon every year to offset roughly 11 percent of the country's industrial greenhouse gas (GHG) emissions. Because forests sequester such large amounts of carbon, they are an important part of any strategy to combat climate change resulting from rising carbon dioxide levels.

Shifting land-use patterns – particularly the subsequent re-growth of woodlands – have helped turn forests as a whole into a carbon sink, meaning they absorb more carbon dioxide from the atmosphere than they release through natural processes.

From an environmental perspective, that is a welcome trend and one that creates the potential for forest owners to sell credits on emerging carbon markets. But it also raises questions of how – and whether – forests can be managed to maintain that role. To this end, the Task Force heard from Mr. Paul Roth, Inventory and Analysis Chief with DCNR's Bureau of Forests. According to Mr. Roth, carbon can serve as a catalyst to expand forest conservation efforts while maintaining all of the associated co-benefits

In 2006, DCNR created the Carbon Management Advisory Group (CMAG), a collaborative project with the Pennsylvania Environmental Council and the Center for Climate Strategies, to gather expert opinion and stakeholder input on related policy options that DCNR might pursue to promote carbon capture and sequestration in Pennsylvania. Sixty-five stakeholders representing non-government organizations, academia and state government played key roles in helping the state develop the 2008 CMAG report.

The CMAG report made many specific recommendations. The recommendations fall into four categories: geological sequestration, landscape conversion, registries and forest management. Notably, one of the policy recommendations for the forest sector is increasing sequestration on managed forests.

Pennsylvania's public and private forests annually sequester about five percent of the state's GHG emissions, and expectations are growing for them to do even more. Over half the state's forest lands are in private ownership, and 29 percent are in public

ownership. The State Forest comprises 12 percent of the forested area of the Commonwealth.

Sustainably managed forests will store carbon for decades (and also provide multiple ecosystem benefits such as improved water quality, habitat, and biodiversity). Using energy from the sun, they turn the carbon captured from the carbon dioxide molecules into building blocks for their trunks, branches and foliage. This is all part of the carbon cycle. Durable products made from wood may store carbon for even longer.

Because loss of forests to development results in a one-time surge of GHG emissions to the atmosphere as well as forgone future sequestration, reducing the rate of forest conversion and protecting forest land are among the most important and cost-effective tools available to achieve significant carbon storage benefits.

Mr. Matthew Smith, Director of FORECON and its carbon offset management and trade arm, EcoMarket Solutions, addressed potential economic values in future forestry markets, specifically how a credit-based market approach could benefit Pennsylvania forest landowners.

A great deal of attention centers on forest carbon offsets. A forest carbon offset is a financial tool, used by carbon dioxide emitters, to offset their emissions of GHGs. One carbon offset (or credit) represents one less metric ton of GHG that otherwise would have been released into the atmosphere. Commercial operations that are increasing atmospheric carbon dioxide can offset their emissions by buying credits from reputable auditor/broker registries.

The meeting concluded with a presentation by Mr. Dylan Jenkins, Pennsylvania Director of Forest Conservation with The Nature Conservancy, who spoke on the conservancy's Working Woodlands program. The program uses an innovative combination of working forest conservation easements, Forest Stewardship Council (FSC) forest management certification, and forest carbon payments to make conservation more attractive and relevant for private landowners. To market the carbon credits, the conservancy is working with Blue Source, North America's largest and most experienced developer of carbon offset projects.

The program is designed to eliminate landowners' up-front costs associated with forest certification and help landowners benefit from the market demand for certified products and carbon offsets.

RECOMMENDATIONS

The Task Force recommends the following:

- The Commonwealth should continue to monitor development of private and government-endorsed carbon credit markets and the financial opportunities that they might provide to the state's public and private forest owners.
- Encourage private organizations to educate private forest owners on the potential of carbon credits.

MARCELLUS SHALE NATURAL GAS AND ITS IMPACT ON PENNSYLVANIA'S STATE FORESTS

The Marcellus is the largest shale "play" in the U.S. and second largest in the world. It extends through two-thirds of Pennsylvania. By some estimates, the potential recoverable gas in the Marcellus basin is between 400 trillion and 500 trillion cubic feet of gas, a 20-plus year supply of natural gas at current rates of usage. The natural gas trapped within the Marcellus provides a potential "bridge fuel" on the path to a renewable, carbon-free economy.

Since 2008 when commercial operations began in scale it has offered economic benefits such as job development and an opportunity to bring the U.S. closer to energy independence; and, it has presented an opportunity to generate electricity with a lower carbon fuel. But there are several controversies over environmental impacts. Opponents question whether the economic benefits are worth the risk they say the drilling poses.

On March 25, 2010 the Task Force met to discuss the impact of the development of the Marcellus Shale reserve on Pennsylvania's state forests. Mr. Dan Devlin, Director of DCNR's Bureau of Forestry and Mr. Nathan Bennett, Senior Geologic Scientist with the Bureau's Mineral Section, spoke about how the department manages and regulates the exploration and production of natural gas on state land within the Marcellus Shale basin. In terms of managing the rapidly growing natural gas well drilling in state forests, the Bureau of Forestry has oversight throughout development. The bureau specifically delineates environmentally sensitive areas and high value timber tracts when developing leases and working with companies on siting of operations. Mr. Devlin expressed confidence that the bureau can continue to balance gas development with continuation of the FSC forest management certification program.

Mr. John Levavasseur, Chairman of the PA Sustainable Forestry Initiative Implementation Committee, provided a review of the benefits of using trained harvesters in

land clearing and right-of-way development. It is currently a requirement on Bureau of Forestry timber sales that an SFI trained logger be present on the job. Over 6,000 loggers have received SFI training in Pennsylvania over the years. Extending that requirement to the forest clearing operation for gas production would increase the amount of material salvaged and merchandized, benefit Pennsylvania loggers, and contribute to environmental protection. Mr. Blaine Puller, a retired Forest Manager with Kane Hardwood, spoke on state and local restrictions on forestry activities and their impact on working forests.

Landowners need to address many factors before signing a natural gas lease. The presenters indicated that a natural resources management professional or a consulting forester can provide advice on how to sell timber and minimize disturbance to unique areas during the exploration and development process.

RECOMMENDATIONS

The Task Force recommends the following:

- Encourage DCNR and Penn State University to expand their public outreach efforts to present facts and dispel myths on the impacts of Marcellus Shale extraction on state and private forests.
- The Bureau of Forestry should ensure continued FSC certification of its lands as it manages the growing gas development.
- The General Assembly and DCNR must provide the Bureau of Forestry with adequate budget and complement resources to meet its expanding gas obligations, while maintaining its traditional forestry and timber harvesting mandates.
- Encourage the Bureau of Forestry to mandate the use of PA Sustainable Forestry Initiative trained loggers on gas-related vegetation removal on state forests and encourage the gas entities to make this removed timber and pulpwood accessible to the forest products industry.

BOILER MAXIMUM ACHIEVABLE CONTROL TECHNOLOGY STANDARDS

On June 4, 2010, the EPA issued a proposal that would require industrial, commercial and institutional boilers and heaters to use maximum achievable control technology (MACT) to cut harmful emissions that erode air quality and pose a public health risk. The agency was under a court deadline to issue a final rule for industrial boilers by November 11, 2010. These standards covered more than 200,000 boilers, small power plants and incinerators operated by factories, chemical plants, municipalities, universities and commercial buildings. The draft version of the regulations, which were intended to address mercury and other types of toxic air pollution, prompted a vocal outcry from paper mills, chemical plants and other businesses that use boilers to power their operations.

The American Forest and Paper Association has estimated the total capital cost of the EPA proposal to be in excess of \$21 billion, and as much as \$6 billion to \$7 billion over the next two to four years. The standards would also require the addition of multiple controls and complex monitoring in many cases.

On July 22, 2010 the Task Force met to discuss the EPA's proposed regulations regarding the Boiler MACT rule and its effect on the forest products industry – which is a significant contributor to the state's economy. The Task Force heard testimony on how the Boiler MACT regulatory proposal has the potential to cost the forest products industry more than \$6 billion in capital expenditures and hundreds of millions more in annual costs by creating new emission limitations for industrial, commercial, and institutional boilers and process heaters.

Dr. Fred Osman, a professional engineer and owner of Osman Environmental Solutions, an environmental consulting firm, provided a review of recent EPA regulatory proposals and their effect on the forest products industry. Mr. Craig Timm, Public Relations Manager for Domtar Industries, reviewed air compliance issues facing Domtar's pulp and paper mill located in Johnsonburg, Pennsylvania (Elk County). Mr. Carl Webb, plant engineering manager for Wood-Mode, a Snyder County-based manufacturer of custom cabinetry, addressed the challenges complying with Boiler MACT would have not only on Wood-Mode, but also on the woodworking industry. The meeting concluded with a presentation by Mr. Rhett McLaren, an environmental compliance specialist with Penn State University. Mr. McLaren outlined a number of environmental issues facing Penn State's power plants and the significant costs involved with compliance.

Citing the potential for massive job losses and estimated compliance costs in the billions, House Resolution 879, Printer's Number 4081 (Appendix B), was introduced by Forestry Task Force member Representative Gary Haluska, with the guidance of the Committee. The resolution memorialized the EPA to revise the proposed regulations to: "Use a method to set emissions standards that is based on what real-world best performing units can achieve...and that reflects the variability that occurs in real-world, best performing boilers." Task Force members Representatives Scott Hutchinson and Kathy Rapp were cosponsors of House Resolution 879. The resolution was adopted unanimously by the Pennsylvania House of Representatives on September 27, 2010.

In the face of heavy criticism, the EPA withdrew the proposed rule in December 2010 saying it needed another 15 months to refashion the rule to consider the more than 4,800 comments and additional data it received during the public comment period for the rules.

In March 2011, the EPA released its final standards targeting toxic emissions from industrial boilers and incinerators. The new regulations represent a major step back from

the more demanding and costly rules proposed in 2010. One EPA official stated that the altered rule would cost half as much as the previous proposal while achieving virtually the same health benefits. The agency pegged compliance costs for the new version of the rule at \$2.1 billion a year and said it would generate more than 2,000 new jobs.

RECOMMENDATIONS

The Task Force recommends the following:

Lawmakers, businesses and advocacy groups are in the process of examining
the proposed final rules. The Task Force will continue to monitor the implementation of the Boiler MACT strategy as the EPA attempts to craft rules
that are achievable and protective of public health without sacrificing economic recovery.

THE ROLE OF WOODY BIOMASS IN ALTERNATIVE ENERGY PRODUCTION

With oil prices reaching all time highs, there is a renewed focus on using wood for energy. Clean woody biomass has become a key element in a larger push to develop resources of alternative energy. It is popular because it's been around for decades and is reliable.

Wood's abundance, renewability, versatility, and carbon-neutrality make it well suited as a feedstock for energy applications, and as an alternative to fossil fuels. Wood can be used to produce heat and electricity. The technologies for transforming woody biomass into energy include direct burning in boilers, or other combustion devices. Applications that include the generation of thermal energy range from direct combustion for home heating (residential wood stoves burning firewood and wood pellets) to large-scale industrial uses (forest products manufacturing plants drying lumber). Wood-based electrical generation includes stand alone power plants as well as cogeneration facilities where both heat and power are produced (paper mills for example).

District heating, employed as a wood-fired system to distribute thermal energy to institutions, industries, and individual homes, is a proven and efficient technology that has been widely adopted in European countries and selected U.S. locations. District heating can be cost-effective, provide economic benefits and stimulate the local economy, while offering new and expanded markets for woody biomass.

On December 16, 2010 the Task Force met to discuss the role of woody biomass in alterative energy production. Mr. Keith Craig, Executive Director of the Hardwoods Development Council (HDC), provided a review of the 2008 report of the Blue Ribbon Task Force of the HDC on the low-use wood resource.

Logistical and financial challenges have long plagued industrial-scale biomass energy. The industry peaked in the mid-'90s; since then, it's been hampered by supply difficulties, deregulation and the relatively low cost of fossil fuels. Despite the obstacles, some small biomass projects are underway in Pennsylvania. Rural schools, hospitals and prisons have cut their utility bills by installing wood boilers. Small community and institutional projects may prove to be the most feasible form of biomass power, according to Mr. Craig. Large scale utility and cellulosic ethanol projects will find that adequate feedstock supplies, logistics, and the cost to harvest and transport residuals are barriers to project viability. Large project operators often lack any understanding of material procurement.

Mr. Craig outlined numerous building blocks as part of a biomass strategy in Pennsylvania, made possible with strong leadership, a creative plan and proper management of the forest land.

Mr. John Karakash, a registered forester and the founder and manager of the Resource Professionals Group, spoke on the basics of woody biomass and its role in small and community scale thermal heat projects in Pennsylvania. Mr. Karakash painted a portrait of a bright energy future in Pennsylvania, potentially becoming a nationwide industry leader in biomass production. Biomass energy resources in Pennsylvania are bountiful but are underutilized and have yet to realize their true potential. The economic development benefits of investing in biomass were perhaps the most important aspect in educating potential consumers, in addition to the energy efficiencies and sustainability benefits.

By utilizing the potential thousands of tons of biomass in Pennsylvania that would otherwise rot or be consumed by forest fires, energy expenses would be recycled into the state's economy instead of millions of dollars going to oil producing nations overseas. Mr. Karakash concluded that a coordinated series of actions is needed at the federal, state, and local community level to expand the adoption rate of woody biomass as a heating fuel in Pennsylvania.

Mr. John Burrows, President and CEO of Energex Corporation, gave a presentation on the environmental and economic benefits of using wood pellets as an alternative energy source. In Pennsylvania and across the nation sawmills have cut back production or shut down as lumber demand and prices have fallen. Less lumber means less sawdust. Sawdust is the biggest expense for wood pellet manufacturers, who are seeing demand go up from consumers seeking alternatives to oil to burn in their furnaces.

To combat the work and handling drawbacks of 40-pound bags of wood pellets – which may turn off consumers – Mr. Burrows highlighted a new system of transporting

pellets to homes, similar to fuel delivery. This would involve installation of "hoppers" that could hold a winter's supply of pellets to be fed into homes.

All three presenters concluded that a coordinated effort is needed to increase awareness of the broad benefits and goals of the state's renewable energy strategy. Part of this effort should focus on biomass energy's potential role in addressing this need, the potential environmental benefits of woody biomass utilization, and opportunities for both in Pennsylvania.

RECOMMENDATIONS

The Task Force recommends the following:

- Support the passage of "Fuels for Schools" legislation which will encourage institutional buildings to convert their power systems to biomass.
- Support continued state funding of the Department of Agriculture's Hardwoods Development Council to provide additional research and outreach on biomass energy opportunities.
- Encourage DCNR, the Department of Agriculture and other agencies to consider the utilization of energy systems fueled by biomass.
- Promote acceptance of additional sustainable harvesting of low-use wood from public and private lands.

THE IMPACT OF LEED CERTIFICATION ON PENNSYLVANIA'S FORESTS

The LEED program – Leadership in Energy and Environmental Design – is playing an increasingly important role in the drive to make buildings in the United States greener and more energy efficient. LEED is now the most prominent and widely adopted green building certification program in the country, with architects and developers striving to earn LEED's coveted platinum or gold rating, and an increasing number of local, state and federal regulations beginning to incorporate LEED standards into official building codes.

On June 9, 2009 the Committee, in collaboration with the Forestry Task Force, held a public hearing on green building certification standards. The purpose of the hearing was to determine how certification systems affect Pennsylvania's timber industry. Specifically, the Committee wanted to examine the LEED standards and alternatives to them to determine what they mean to the forest products industry.

The EPA has defined green buildings as "the practice of creating structures and using practices that are environmentally responsible and resource-efficient through a building's life cycle from siting to design, construction, operation, maintenance, renova-

tion and deconstruction." Simply put, green building is an effort to apply principles of environmental sustainability to every aspect of the construction of buildings. It can mean anything from locating a new construction project in a high-density area with access to public transportation to using building materials made from reused or renewable sources.

Among those testifying were Ms. Victoria Lockhart, Certification Manager for the American Tree Farm System and Mr. Kevin Stover, PE, the Commercial Program Manager for the Green Building Initiative. Other organizations that testified included the Pennsylvania Builders Association, the American Forest and Paper Association and the Green Building Association of Central Pennsylvania.

During the public hearing, there were a number of questions about whether the LEED rating system discriminates against U.S. produced wood products, and if the green building rating system needs to be opened up to alternatives. The system was set up in the late 1990s for the design and construction of buildings and not the buildings' actual performance. Presenters indicated a lot of LEED points were based on design of the building rather than the actual operating performance of the building.

Copies of the public hearing transcript and additional information concerning the LEED rating system may be obtained from the Committee office.

APPENDIX

CORRECTIVE REPRINT

PRIOR PRINTER'S NO. 2535

PRINTER'S NO. 2795

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 429

Session of 2009

INTRODUCED BY HALUSKA, D. COSTA, EVERETT, FLECK, GOODMAN, HARKINS, HENNESSEY, HUTCHINSON, JOSEPHS, KORTZ, MAHONEY, MAJOR, MELIO, MOUL, MURPHY, MURT, MYERS, PEIFER, RAPP, READSHAW, SIPTROTH, SONNEY, STURLA, VULAKOVICH, YOUNGBLOOD, BENNINGHOFF AND GEIST, AUGUST 3, 2009

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY, AUGUST 3, 2009

A CONCURRENT RESOLUTION

Establishing a forestry task force to study issues concerning the renewal and management of this Commonwealth's forests; providing for an advisory committee; and directing the Joint Legislative Air and Water Pollution Control and Conservation Committee to provide administrative support to the task force.

WHEREAS, Seventeen million acres in Pennsylvania are forest land; and

WHEREAS, Forests provide numerous economic, recreational and environmental resources; and

WHEREAS, Sustainable forestry provides new management strategies for our forest resources and improves the health, quality and diversity of Pennsylvania's forests; and

WHEREAS, The new strategies will determine the future of forests in this Commonwealth; and

WHEREAS, The forestry task force previously established by House Resolution No. 263, Printer's No. 4110 (1994), Senate Resolution No. 29, Printer's No. 720 (1997), House Resolution No. 13, Printer's No. 2113 (1999), Senate Resolution No. 81, Printer's No. 1077 (2001) and House Resolution No. 256, Printer's No. 1510 (2003) has been helpful to the General Assembly and instrumental in addressing issues facing the forestry community; therefore be it

RESOLVED, (the Senate concurring), That the General Assembly establish a forestry task force to be comprised of two members of the Senate, one appointed by the President pro tempore of the Senate and one appointed by the Minority Leader of the Senate, two members of the House of Representatives, one appointed by the Speaker of the House of Representatives and one appointed by the Minority Leader of the House of Representatives, and the members of the forestry task force shall choose a chairman from their number; and be it further

RESOLVED, That the forestry task force conduct a comprehensive study of and investigate the following:

- (1) the Federal Highlands Project and its implications for commercial forest management;
 - (2) the role of State forests in carbon sequestration;
- (3) the role of woody biomass utilization in alternative energy production; and
 - (4) the implications of possible commercial scale wind

power generation sites on State forest lands;
and be it further

RESOLVED, That the forestry task force hold hearings, take testimony and make its investigations at such places within this Commonwealth as it deems necessary; and be it further

RESOLVED, That an advisory committee be created by the forestry task force to assist in developing facts and recommendations concerning the renewal and management of forests in this Commonwealth and that the advisory committee be composed of representatives of the following entities:

- (1) Department of Conservation and Natural Resources, Bureau of Forestry;
- (2) Department of Agriculture, Hardwoods Development Council;
 - (3) Pennsylvania Game Commission;
- (4) The Pennsylvania State University, School of Forest Resources and Cooperative Extension Service; and
- (5) United States Forest Service; and be it further

RESOLVED, That the advisory committee have one representative from each of five business organizations representing the forest products industry and one representative from up to three other organizations that the forestry task force deems appropriate to be represented; and be it further

RESOLVED, That the General Assembly direct the Joint
Legislative Air and Water Pollution Control and Conservation
Committee to provide sufficient staff and other administrative

support to the forestry task force; and be it further

RESOLVED, That the forestry task force prepare a report

containing its findings and recommendations, together with any

necessary legislation, and deliver it to the General Assembly as

soon as possible.