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Conservationists Vie To Buy Forest Habitat Timber Firms' Sell-Off Worries Groups

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FORT BRAGG, Calif. -- The Big River tract in California's Mendocino County is a sprawling expanse of towering redwoods and Douglas firs, woods that for years have provided an ideal habitat for rare spotted owls and endangered coho salmon and steelhead trout. Now, it's all up for sale.

Big River, neighboring Salmon Creek and dozens of other forests across the nation have come on the market in recent years as timber companies shed holdings that are worth more as real estate than as a source of lumber. The trend has spurred a land rush that has conservation groups scrambling to raise money to buy environmentally sensitive tracts in competition with private investors seeking to snap up the land for development.

A recent U.S. Forest Service study predicted that more than 44 million acres of private forest land, an area twice the size of Maine, will be sold over the next 25 years. The consulting firm U.S. Forest Capital estimates that half of all U.S. timberland has changed hands in the past decade. The Bush administration also wants to sell off forest land, by auctioning more than 300,000 acres of national forest to fund a rural school program.

"The nation has never seen anything like this," said Conservation Fund President Lawrence A. Selzer, whose 20-year-old group is hoping to raise \$48 million in the coming months to buy the 16,000 acres that make up Big River and Salmon Creek. "It has the potential to permanently and profoundly change the landscape of America."



Chris Kelly, The Conservation Fund

Big River, above, and Salmon Creek are home to endangered coho salmon and steelhead trout. Tracts along the California waterways are for sale.

The United States still has large swaths of forest - - much of it private -- that provide critical habitat for large animals such as bears and cougars as well as and recreational opportunities for the public. But if the selling spree continues, environmentalists fear, these areas could be cut up into much smaller parcels in which condominiums and trailer parks would replace soaring trees.

The sales have attracted limited national attention because they are mostly private transactions and involve local planning decisions, but the stakes



Nathaniel Vaughn Kelso — The Washington Post

are enormous. In the Pacific Northwest, New England, Southeast and parts of the upper Midwest, traditional timber companies or newly emerging timber investment management organizations, known as TIMOs, own vast stretches of forest that rival the national forest system.

Today, a third of the U.S. land mass is forest -- the same proportion as in 1907 but just 71 percent of what existed before settlement by Europeans -- and 57 percent of it is privately owned. But competition from cheap imported lumber, soaring land prices and pressure from Wall Street are now prompting timber companies to sell.

Stephen Levesque, the Campbell Timberland Management area manager who oversees the company's forest holdings in Mendocino, said new state regulations have made lumber operations increasingly expensive and developers have come by with tempting offers. The company

recently sold off 160 acres that are likely to become lots for residential homes. "There's tremendous pressure for development," Levesque said.

International Paper Co. spokeswoman Amy J. Sawyer said her company is "contemplating selling some or all" of its 6.8 million acres of forest land scattered across the country and focusing on producing more profitable products such as uncoated papers and packages.

"We're exploring whether there's more value in holding and operating the land or in selling it," Sawyer said. "That's what we're weighing."

And the St. Joe Co., a onetime timber and paper outfit, is pushing to build on tens of thousands of its acres on Florida's Emerald Coast. Advocacy groups such as the Natural Resources Defense Council are fighting to preserve the land, whose long-leaf pine forests, cypress swamps and wetlands sustain red cockaded woodpeckers and dozens of other endangered and threatened species.

Environmental groups such as the Conservation Fund, the Nature Conservancy and the New England Forest Foundation have tried to limit the environmental impact of the sell-off by purchasing habitats that hold the greatest ecological value, but they cannot afford to buy all the vast expanses and halt this trend outright.

Chris Larson, executive director of Northern California's Mattole Restoration Council, an environmental group, said groups such as his are analyzing the Securities and Exchange Commission filings of timber companies to gauge whether they might sell their holdings to ease their debt. "People are just learning how to do this," he said.

In several instances, they have been able to close a deal. In 2004, the Conservation Fund bought 24,000 acres of working forest along the Garcia River in Mendocino County from Hawthorne Timber Co. for \$18 million. It plans to begin logging some trees there this summer to make enough money to pay property taxes and restore key ecological areas.

Now the fund is hoping to buy the Big River and Salmon Creek tracts from Hawthorne and to

create a business model other environmental groups can follow.

"We need to move away from this black-or-white idea that either it's preserved or destroyed, it's a national park or not enough," said Chris Kelly, who heads the fund's California office. "If you're trying to protect a landscape, if you're trying to protect 300,000 acres, it's impractical" to preserve the entire area as pristine wilderness, Kelly said.

In November, the Conservation Fund bought nearly 7,700 acres of the most sensitive lands along the headwaters of Maine's Machias River. A month later, it bought 1,600 acres of land in Georgia, just a fraction of the roughly 300,000 acres timber giant Weyerhaeuser recently sold in the state. Fund officials resold the tract to state officials, who plan to turn the area into a nature preserve.

Rex R. Boner, a vice president at the fund, said his and other environmental groups would like to buy more land but "we just don't have the collective ability to do that."

The forest sales have sparked a sense of urgency among conservationists because the holdings constitute much of the remaining intact ecosystems outside of public lands, he said: "It's sort of like Humpty Dumpty. If they're sold, we'll never get them back together again."

Like Georgia, Maine reveals both the promise and the pitfalls of the forest land rush. Maine has the largest contiguous block of undeveloped forest east of the Mississippi -- at least 10 million acres, or more than half of the state's entire land mass. Most of it was once owned by paper companies, but this is shifting quickly. According to the Massachusetts-based Manomet Center for Conservation Sciences, 20 million acres changed hands in Maine's North Woods, north of Bangor, between 1980 and 2000.

In several cases, conservationists, working with local communities and business owners, have been able to stem development's tide. Jeff McEvoy owns Weatherby's lodge in Grand Lake

Stream, a town on the edge of Maine's North Woods. When Typhoon LLC, a timber investment company, wanted to sell off 339,000 acres in the region, the New England Forestry Foundation raised \$30 million along with locals, enough to buy the development rights and create a 27,000-acre working forest that is logged but supports wildlife.

"People come here for the pristine wilderness experience," said McEvoy, who runs hunting and fishing trips out of a lodge that has thrived for 130 years.

In the nearby town of Greenville, however, a real estate investment trust called Plum Creek Timber Co. has been buying and converting forests into residential and vacation homes. Last year, it proposed turning a stretch of forest into two resorts and nearly 1,000 private lots. Maine's Land Use Regulatory Commission initially rejected the application, and in the coming weeks the company is expected to submit a more environmentally friendly proposal.

In Big River, however, timber companies and conservationists have been able to make common cause. Levesque and his bosses at Campbell Timberland Management would prefer to sell some of their forest to the Conservation Fund so the community can keep its logging jobs and wildlife can continue to thrive. A fisheries biologist with a master's degree in forest hydrology and engineering, Levesque is as enamored of Big Creek as the environmentalists hoping to buy it.

"These are special places," he said, looking up at the redwoods standing by the river's edge. "It's kind of an ecologist's dream."

Researcher Carmen Chapin contributed to this report.