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The Honorable Kevin Avard, Chairman Committee on Energy and Natural Resources New Hampshire Senate State House, Room 103 Concord, NH 03301

Dear Mr. Chairman and Members of the Committee:

Thank you for this opportunity to submit testimony in support of House Bill HB 1005, legislation to establish a New Hampshire low-grade timber and wood emerging market commission. The Forest Society would like to thank the sponsors for introducing this important legislation.

New Hampshire's forests are very much part of the New Hampshire advantage. They provide jobs and economic opportunity via both tourism and the forest products industry, our state's second and fourth largest economic engines. In addition, they capture rainfall and replenish and cleanse our water supply, help to filter the air, provide a rich variety of outdoor recreational opportunities as well as serve as habitats for wildlife.

All those benefits are why the Forest Service has advocated for the protection and wise use of the State's forest resources since our founding in 1901. As the Committee considers this bill, it is important to keep in mind that more than 70% of the forested areas in New Hampshire are privately owned. Sustainable forest management allows these landowners to derive income from the sale of forest products, including higher-valued saw logs and lower-valued firewood and woodchips.

The Forest Society views this sustainable management as a conservation strategy. A family who is able to generate income from their land in order to pay their taxes and other expenses is far less likely to be forced to permanently convert their forest stand into some other use. This model, however, depends on the availability of markets for these wood products, including low-grade wood. More than 65% of the standing timber is considered low-grade. With the decline in paper manufacturing in New England and significant drop in demand for biomass energy, low-grade markets are under stress.

The Forest Society believes state policy should aim to find new markets for low-grade wood and maintain the current ones. The result will help keep the State's working forests as forests and maintain their ability to provide deep scenic beauty, recreation opportunities, wildlife habitat, clean water and a more diverse economy.

The passage of HB 1005 will help meet those goals. Thank you for your support of the bill and for accepting this testimony.

Sincerely,

Matt Leahy, Public Policy Director

Society for the Protection of New Hampshire Forests