

BURNS FORESTRY NEWSLETTER

PRESIDENT BIDEN AND FORESTRY

A recent article in Forest Landowner Magazine (January, February 2021) explores what we might expect in forestry legislation with the incoming Joe Biden Administration. President Biden has pledged to repeal Trump’s Tax Cuts and Jobs Act (TCJA), which provided regulatory relief and provisions to sustain forestry and forest products in rural economies such as a lowered effective tax rate for pass through entities and timber-tax provisions.

President Trump’s Tax Cuts and Jobs Act has increased the death tax exemption to \$3.5 million for singles and \$7 million for married couples from 2018 through 2025. This exemption was of benefit to heirs inheriting timberland. The Biden-Sanders Unity Task Force proposes raising the “Death Tax” back to its original position.

Biden’s tax plan is thought to also eliminate “step-up in basis” rules where the basis of inherited property is “stepped up” to the property’s fair market value on the decedent’s death. The change will eliminate capital gains on predeath appreciation.

The Biden Administration may also reverse President Trump’s deregulatory agenda through agency rulemaking and executive orders. President Biden is expected to face calls to reinstate and strengthen the Obama-era WOTUS (Waters of the United States) rule. This step could mean a repeal of the federal government expanding its regulation of private landowner’s management activities.

Concerning immigration policy, President Biden has indicated he would revoke President Trump’s ban on H1-B visas. Also, Biden is unlikely to reinstate the seasonal workers H-2 B visa ban. Seasonal workers are important to forestry in the role they play in planting trees, suppressing wildfires, and contributing to the wood supply chain. Actually, the State Department named forestry as an exemption to the ban in August of 2020.

Environmental groups may put pressure on the Biden Administration to address green gas emissions and deter oil and gas leasing on public lands. Other factions of his party are advocating higher taxes, a Green New Deal, and a return to Obama-era regulations through executive order and regulatory agencies.

PAPER DEMAND

While the pulp and paper industry has continued to take a hit with the decline of printing and writing paper, some specialty paper has seen an increase in demand. Workers at home use only about 25% of copy paper that office worker do, but 2020 has seen a trend of at-home activities such as renovations, cooking, art, etc., which require specialty papers, not to mention the enormous demand for disposable masks.

The increase in online purchases has also created a demand for packaging specialty papers, and this trend is expected to continue even after restrictions cease. So, it seems that specialty grades are a bright spot in the paper industry.

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WEST FRASER BUYS NORBORD

West Fraser Timber Company has announced it will acquire Norbord Inc. in an all-stock transaction of \$3.1 billion. West Fraser, based in Vancouver, British Columbia, is one of the largest lumber manufacturers in North America and has 24 facilities in the Southern United States.

Norbord, based in Toronto, Canada, is the world's largest oriented-strand board (OSB) producer. It has 17 plants, including seven in the United States. The company also makes medium-density fiberboard (MDF) and particle board.

LINCOLN LUMBER

The Crockett City Council and Crockett Economic and Industrial Development Corporation (CEIDC) Board of Directors have agreed to upgrade and expand water and sewer lines for construction of the Lincoln Lumber sawmill at the 200 block of West Austin Street. Sawmill construction is expected to be completed by summer.

The cost of materials, labor and equipment to upgrade the water line is \$12,892 and the estimated cost of materials, labor, and equipment for the sewer line extension is \$2,714. The CEIDC has agreed to pay the \$11,748 estimated cost of materials and the city will cover the \$3,858 estimated cost of labor and equipment. Lincoln Lumber will also receive a 100% tax abatement in 2022, 80% in 2023, 70% in 2024, 60% in 2025, and 50% in 2026.

Lincoln Lumber, headquartered in Conroe, Texas, has been in operation for 40 years, providing lumber and forest products. Its investment in the Crockett mill is estimated at over \$11 million. The sawmill is expected to add 18 new jobs with an estimated payroll of \$692,600.

EQIP

The USDA Natural Resources Conservation Service (NRCS) in Texas has announced a second funding application deadline of February 12, 2021 for the Environmental Quality Incentives Program (EQIP). Applications received by February 12 will be ranked for funding by early June. While applications are taken year-round, deadlines rank and fund eligible conservation projects.

You may submit an application at your local USDA Service Center. The USDA Farm Service Agency may require a copy of your deed as proof of ownership before issuing you a Farm Tract Number. If you are already a USDA client, you may submit an application online at [Farmers.gov](https://www.farmers.gov).

After receiving a Farm Tract Number, the NRCS can assist you in completing the following EQIP documents:

- Form NRCS-CPA-1200, Conservation Program Application
- Form SF – 1199A Direct Deposit Authorization
- Form AD – 1026 “Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification.”
- Form CCC – 931 “Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information
- If an entity (Trust, etc.) is applying, Form CCC – 901A must be completed.

- If the applicant files taxes with an EIN (Employer Identification Number) then the applicant must provide a Dun and Bradstreet DUNS (Data Universal Numbering System (DUNS), number and register the DUNS number with System Award Management (SAM) at the website. If an applicant receives a contract, the DUNS number must be annually re-registered with SAM. No fees are associated with DUNS numbers or SAM registration. Request a DUNS number from at Dun and Bradstreet website, <http://www.dnb.com>. Register the DUNS number with SAM at <https://www.sam.gov/portal/public/SAM>.

U.S. WILDFIRES

Wildfires have continued in 2020, particularly in the West. The past forty years of a hand-off preservationist policy has resulted in overstocked forests with a buildup of fire fuels, resulting in large intense forest fires. The construction of houses, and even businesses, in the fire-prone landscapes has exacerbated the problem.

Some authorities claim that the real problem is climate change. Forests can be a solution to climate change by removing CO₂ from the atmosphere. However, they became a source of carbon release from the smoke and dead trees left. They also can release carbon from organic soils.

How does wildfire affect wildlife? Birds can fly away, small animals can go underground, and large animals can run overland or seek water. Still some don't make it. The young, old, and sick are most vulnerable.

Then there is the problem of habitat loss after the fire. The reduced cover may make it easier for raptors to find small mammals and birds. Species depending on a mature forest habitat are at a disadvantage when there is a devastating fire. When a new forest repopulates the area, however, many species like deer, elk, bear and insectivorous birds thrive in this young forest habitat.

BASTROP FIRE SETTLEMENT

The Texas Parks and Wildlife Department has received a \$20 million settlement from Asplundth Tree Expert LLC to restore Bastrop State Park after the 2011 wildfire. The fire burned 34,000 acres, damaging 96% of Bastrop State Park. It also destroyed 1,700 homes and killed two people.

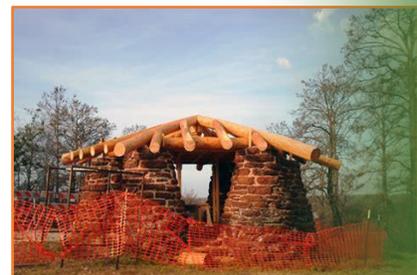
Texas officials blamed Asplundth, a tree pruning and vegetation management company, for not maintaining trees which damaged power lines. Texas Parks and Wildlife Department Executive Director Carter Smith indicated that the Department would be investing in land acquisition and restoration around the park.



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NEW TEXAS A&M DEPARTMENTS

Two Texas A&M departments are restructuring. The Department of Ecosystem, Science and Management and the Department of Wildlife and Fisheries Sciences, along with a portion of the Department of Recreation, Park and Tourism Sciences have been reorganized into the Department of Ecology and Conservation Biology (ECCB) and the Department of Rangeland, Wildlife and Fisheries Management (RWFWM).

The ECCB department will offer undergraduate and graduate degrees in ecology and conservation biology, with multiple areas of specialized training. A graduate degree in these fields is often necessary, and the ECCB will prepare students for entry into graduate programs in organismal biology, ecology, conservation ecology and veterinary school.

The RWFWM department was created to apply scientific principles of ecology and conservation biology in natural resource management, business and policy for fisheries, forestry, wildlife and range management. The department will offer an undergraduate major in rangeland, wildlife and fisheries management. The department will also offer graduate programs with master's degrees. Doctoral degrees will be interdisciplinary degrees focused on natural resource management and policy.

RCW DOWNLISTING

The U.S. Fish and Wildlife Service announced its proposal in September to change the status of the red-cockaded woodpecker from "endangered" to "threatened." It had been listed as endangered under the Endangered Species Act (ESA) since its passage in 1973. Efforts have been taking place for nearly 50 years to increase RCW population numbers on both public and private lands.



abcbirds.org



nature.org

LOUISIANA PINE SNAKE RELEASE

Forty-one zoo-hatched Louisiana pine snakes (*Pituophis ruthveni*) were released into the Kisatchie National Forest in Louisiana this past June. The Louisiana pine snake is a non-venomous constrictor usually 4-5 feet long. The snake, which originally occurred in at least nine Louisiana parishes and 14 Texas counties in a disjunct longleaf pine ecosystem west of the Mississippi River, is now found in only four Louisiana parishes and five Texas counties.



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