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WALTER E. WHITCOMB
COMMISSIONER

07 November 2016

Town of Vinalhaven
ATTN: Jacki Robbins, Assessor
P.O. Box 815
Vinalhaven, ME 04863

RE: Review of Tree Growth Tax Law properties on Vinalhaven

Dear Jacki:

The Maine Forest Service (MFS) has concluded its review of properties enrolled in the Tree Growth Tax Law program (TGTL) on Vinalhaven.

When we began our review earlier this year, there were 28 parcels enrolled in TGTL. During the course of our review of forest management plans, 11 parcels either were transferred to the Open Space program or withdrawn from TGTL. Our field review in September addressed the remaining 17 parcels.

Our key finding is that of the 17 parcels currently enrolled in TGTL on Vinalhaven, MFS believes that the owners of 10 parcels should give serious consideration to transferring their parcels to the Open Space program or withdrawing from TGTL. We are concerned that a lack of active, commercial forest management activity on these parcels indicates that the landowners' objectives may not be consistent with the program's requirement for enrolled forest land to be used "primarily for growth of trees to be harvested for commercial use." The attached spreadsheet summarizes our findings and recommendations for specific parcels.

Forest management on Vinalhaven, as with other islands, presents an array of challenges in terms of historical land use (past farming and resulting forest structure & composition); forest conditions (especially poor soils, insects and diseases, and, abiotic factors including high winds, ice and salt spray); and, economic conditions (lack of island markets for wood, transportation costs to markets off-island). Nonetheless, landowners enrolled in Tree Growth can and should make a good-faith effort to "regenerate, improve, and harvest timber" as the program requires.

We present our general observations, findings, and recommendations below.

1. In general, forest management on Vinalhaven appears to be largely custodial and/or reactive, e.g., landowners hire someone to clean up individual blowdowns for aesthetic purposes or to salvage damaged or windthrown stands. We found little evidence of regular stand tending and thinning which likely would result in forest stands more resistant to the frequent natural disturbances that characterize the island environment. Some harvesting appears to have removed only larger, more valuable trees (as indicated by

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large scattered stumps), while leaving smaller, declining, but still merchantable trees that should have been removed during an improvement harvest.

2. We found a number of forest management plans that had weak recommendations or no recommendations to harvest, including where the stand conditions as described in the plan and/or on the ground included deteriorating forest health and mortality of merchantable timber. Similarly, "no harvest" recommendations were offered in stands where action clearly is appropriate to maintain or enhance growth rates, regenerate new seedlings, or to improve species composition, tree quality, or windfirmness of the stand. These recommendations make no sense in the context of TGTL's intended goal to "regenerate, improve and harvest a standing crop of timber" on enrolled parcels. Some recommendations included vague language indicating the landowner should "consider" a harvest "if desired." We would expect to find recommendations that are more direct and proactive in their approach. The weak language we found would inaccurately lead landowners to conclude that doing nothing is acceptable, including in declining stands. We will communicate directly with the foresters involved regarding these issues.
3. Several plans recommend light, frequent selection harvests in stands that are so small as to render such harvests uneconomical from both the landowner's and the logger's perspectives. While such recommendations may be silviculturally appropriate (and feasible on the mainland), they have effectively resulted in no harvesting on the islands, because landowners cannot interest loggers in taking on such small harvests. Unless island landowners are willing to make investments in long-term forestry by, in such circumstances, compensating loggers for the added costs that light, frequent improvement or selection harvests on smaller parcels often entail, they will need to implement heavier, more economically viable harvests at longer intervals, while managing regenerating forests in the interim. We will communicate directly with the foresters involved regarding these issues.
4. We believe that many stands not only should have, but could have, been harvested over the past 20 years, during more favorable market conditions than now exist. The fact that many stands were not harvested, particularly when the Verso mill in Bucksport was open, and considering the amount of disturbance from wind and other factors that has caused blowdown, tree breakage, and mortality beginning many years ago, again underlines that some landowners' objectives may not be a good fit for the TGTL program. Although the economics of island forestry are difficult, there have been periods over the past 20 years when landowners could have taken advantage of strong markets.
5. In a few cases, we reviewed plans that indicated a harvest had taken place during the previous planning period, and we found evidence of harvesting during our field review, yet there was no Forest Operations Notification (FON) on file with MFS. We will advise the landowners, loggers, and foresters that a FON for timber harvesting of commercial forest products is required, even if no money changes hands, or even if the landowner pays the logger to haul the wood away. In addition, the FON and the subsequent Landowner Report of timber harvesting provide important documentation of the landowner's efforts to follow the recommendations in their plan.
6. We found other stands in the regeneration phase (with and without past harvesting) which were overtaken by ferns and brush, with little evidence of young trees. These stands clearly need some form of intervention (e.g. planting and competition control, possibly deer exclusion) to be rendered productive and adequately stocked and eligible for TGTL classification. Yet we found no evidence of any such interventions in these stands.
7. In some cases, our field review found that certain stands (or portions of stands) on certain parcels are classified as forest land under the TGTL, even though the stand conditions,

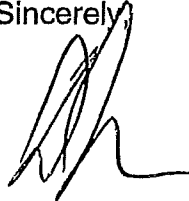
Maine Forest Service to Vinalhaven Assessor re TGTL review

location, operability, and/or recommendations indicate that these stands are not productive forest land, and/or that the landowner's objectives for these areas are not consistent with the intent of TGTL. Therefore, the stands should be reclassified and/or transferred to Open Space.

We intend to send letters to each landowner advising them of our findings and recommendations for their particular parcels. We also plan to send letters to the loggers and foresters involved to advise them on some of the issues identified above, e.g. the need to file a Forest Operations Notification whenever a timber harvest is conducted and the need for stronger recommendations.

Please let me know if you have any questions regarding this review. We appreciate the opportunity to be of assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'DMansius', written over a horizontal line.

Donald J. Mansius
Director, Forest Policy & Management
Maine Forest Service

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