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GENERAL FORESTRY INFORMATION

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Hurricane Damaged Timber Overview

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Introduction

There is a lot of timber on the ground and damaged but still standing as a result of Katrina. This timber represents wealth, jobs, and the future for Mississippians. Our first challenge is getting people, lives, and communities back together, but concern over salvaging as much of the wealth and promise this timber represents will soon come about.

Everyone recognizes that getting the salvage underway as quickly as possible will reduce the amount of the loss. Damaged timber is dangerous; dangerous to leave standing, dangerous to cut, and dangerous even after it is on the ground. Salvage operations are hard on people, equipment, the environment, tempers, and communities. But the salvage must go forward quickly and smoothly to preserve the value of the timber and prepare the land for the next forest.

We need to make certain that the salvage activities do not cause additional loss of life, livelihood, and wellbeing. We have about a six month window to complete the salvage for most species and most markets. Some species can stay fresh longer, and some markets tolerate more degrade, but that will depend on the fall and winter weather.

We are all in this together, the landowners, the loggers, and the consuming mills. Business cooperation among these three financial stakeholders will ensure Mississippi's recovery and build a better future for all of us.

For Loggers:

1. Check your general liability insurance policy and make sure you are covered for emergency and salvage operations. If not, ask for extended coverage.
2. Make certain your workers compensation coverage is adequate for salvage work.
3. Don't take on jobs that require work near houses or other structures unless you are insured and bonded. Doing someone a favor can cost you your business.
4. Make doubly sure that someone offering timber for sale has clear title to the timber. Those who you will be dealing with, like you, have been through a lot and may be frightened, distrusting, and confused. Post storm confusion can lead to serious legal problems.
5. Contract only with known and trusted firms. If you are unfamiliar with the firm, ask for (and check) references.
6. Working storm damage timber requires special precautions.

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- a. Make certain everyone working on the ground is wearing the appropriate personal protective equipment – Hard hat, high visibility shirt or vest, and chainsaw chaps and gloves if running a saw.
 - b. Remind the crew that this is dangerous work and do it often. They need to be doubly careful and alert, the workplace has changed.
 - c. Fatigue and thirst become issues. Everything is more difficult and dangerous, and tired, thirsty people make mistakes.
7. Check out haul roads carefully before sending a loaded truck out. Roads that were fine before the storm may have been damaged by the storm. Check culverts and bridges carefully for flood damage. Traffic on recently opened roads will be different, drivers must be doubly cautious.
 8. Fuel remains a problem.
 - a. There is an IRS waiver that allows the use of off road diesel fuel in over the road trucks through 9/15/2005 in the “Disaster Area”. You may want to check The IRS website (<http://www.irs.ustreas.gov/>) for any extensions, as well as other tax information.
 - b. Those having to use over-the-road fuel in off road equipment can get the federal excise tax refunded (IRS Pub. 378) if they can provide receipts showing that they used \$750 or more of on-road fuel in off road equipment in any one quarter, or they can total the amount used in a year and file with their income tax. The provision that allowed rebates of Mississippi state excise tax lapsed last year, but may be re-instated.
 9. Special, low cost, loans will likely be available from both the Small Business Administration and the US Department of Agriculture to help in post hurricane recovery. Keep your ears open for programs that may help you.
 10. A special task force or working group is being formed at the state level to suggest special, short term, legislation needs, such as an expedited system for permitting wet storage wood yards and higher weight limits for trucks hauling storm damaged timber. If you have suggestions, share them with us and we will get them to the right people.

For Landowners:

1. Be safe. Any one going into the forest in the area affected by Katrina should be especially careful.
 - a. Wear a hard hat in the woods, whether cutting timber or just surveying damage. The storm left a lot of branches twigs and other debris hanging in tree tops that may fall at any time. Look up as well as ahead. Lodged limbs and trees may be falling for months,
 - b. Watch where you step. Areas that were flooded, either by the storm surge or runoff are likely to have displaced critters – cotton mouths, fire ants, etc. that are as upset by the experience as you are.
 - c. Wear a good insect repellent. The storm left a lot of stagnant water, excellent breeding places for mosquitoes. The ticks will be hungry. West Nile Virus, Lyme Disease and a variety of other insect borne diseases are likely to flourish.
2. Perform a “Timber Triage” looking for those stands: a) that are too damaged to recover and salvage is the only option, b) that could recover and provide a reasonable crop with some future silvicultural work, and c) those stands that will do well without any exceptional care.
 - a. Getting someone to salvage the stands that were heavily damaged will depend on the size of the stand and the size and quality of the timber. The market for small amounts of small timber will be very limited.

- b. Don't rush to get the work done on stands that need work but aren't in significant danger. "Good loggers", those with good equipment, trained crews and SFI certification will be in high demand during the salvage period. Things will likely relax by mid-2006, and you will likely have a better chance of getting a quality job done then.
 - c. Leave the stands that will do okay without any exceptional care alone. This may throw your forest management plan off by delaying a thinning for a year, but that is a small issue in these difficult times.
 - d. Document the damage by taking photos and video recordings. You may wish to have a cruise done later, but photos, tapes or CDs are a good first effort.
3. Don't attempt the salvage work unless you are well equipped, healthy, trained, and familiar with the market. Cutting storm felled timber requires special skill and awareness. Trees are valuable, but not worth a life, a limb, or an extended hospital stay. Storm losses are tax deductible, loss of life is not.
4. Be careful of fire. We are approaching the fall fire season and the amount of debris on the ground coupled with the difficulty of finding firefighters, getting them to, and into a stand affected by the hurricane makes this a doubly dangerous year.
5. Watch for beetle outbreaks. Fresh pine debris and stressed standing timber provide an excellent host site for breeding populations of these pests. The chance of a major outbreak this year is small, but a population build-up this year can cause major problems in the future.
6. If approached about selling timber, make certain that the prospective buyer is known in the area and is a reputable buyer. If you are not familiar with the buyer, ask for (and check) references.
7. Make sure that the logger doing the salvage carries both general liability and workers compensation insurance. (Under Mississippi law, firms with four or fewer employees do not have to have workers compensation insurance on employees, but the employer, and potentially, anyone associated with an accident may be found liable for medical and compensatory damages.)
8. BMPs and other environmental restrictions are still in effect, but use common sense during the salvage period. For example, if the storm put a tree top in the creek, it is not the salvage operator's responsibility to get it out. Give consideration to the cost, danger and benefit of the activity. Don't use salvage as a license to abuse the land, water or the resource. Use the consideration carefully; it will likely be needed in the future.
9. Stumpage prices will be affected.
 - a. The storm probably put at least one year's annual cut on the ground. The markets will be flooded, and the price will fall to reflect the oversupply.
 - b. Salvaging bent and down timber is more difficult, slower, and more expensive than harvesting standing timber. Logging costs increase accordingly, leaving less for the landowner.
 - c. The timber that has been through the storm, even if still standing, may have been damaged internally with ring shake and splits, and is therefore less valuable.
10. Fuel costs compound the problem.
 - a. Salvage reduces logging productivity and will likely increase fuel consumption by 25 to 50%, adding to the logging cost.
 - b. Most wood transport in the state is by truck. A diesel truck tractor gets five miles per gallon on the interstate. Fuel mileage decreases with road standard to about one mile per gallon on 'roughed in' roads. Rural roads have been affected, and travel will be slower. Higher fuel use and higher costs will limit the number of markets available from any location.

- c. Rail transport from the area affected by Katrina is limited. Most rail routes run north and south. The hurricane wiped out the east-west line along the coast. Transport options may increase as recovery progresses.
- d. Local, wet storage yards will provide options for salvaging material and limiting truck transport during the emergency period. Building, operating, putting wood into and recovering wood from these yards cost money. They may not help the stumpage price, but they will increase the amount of wood that can be salvaged and used in the rebuilding effort.

For Both:

Demand a contract that covers any business arrangement you get in to. Salvage and recovery operations are just like any other human interaction – everything is all right until someone gets mad or someone gets hurt. When that happens, those involved have selective memories of what was said over the kitchen table, fence, or pick-up hood. Having it in writing is a first defense against misunderstandings and a possible lawsuit.

It doesn't have to be 30 pages long and loaded with legal language. A contract is simply a statement of agreement, one that lays out the rules of the game. Basic requirements are:

- a statement of who is entering into the agreement,
- their addresses,
- their right to enter into the agreement,
- what is to be done,
- who is to do it,
- what the expectations are,
- how the outcome is to be measured,
- who is to pay,
- and how much.

Then get it signed and witnessed. Each party should get a copy, and store it in a safe place.

In another time, one where time is not as critical and money is not as short, a more elaborate and complete contract would be warranted. But, these are unusual times, and having some protection is better than having none.

Mississippi's response to Katrina has earned respect around the world. The forestry community must keep or raise the standard.

We are all in this together!

- Landowners need to salvage as much value as they can from their timber and prepare for regeneration.
- Loggers need work to sustain their businesses and their crews, but they are for profit businesses and must do more than simply cover their costs if they are to survive and be a part of the future.
- The consuming mills will try to utilize as much of the storm damaged timber as they can as quickly as they can. The jobs they provide are an important part of the local economy and they will face raw material disruptions for several years into the future.

How we work together will determine the future of Mississippi forestry and Mississippi.