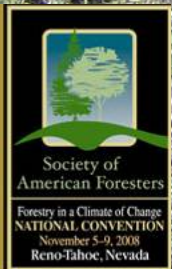




- Tribal Forestry-



**Increasingly Important
yet Underappreciated**

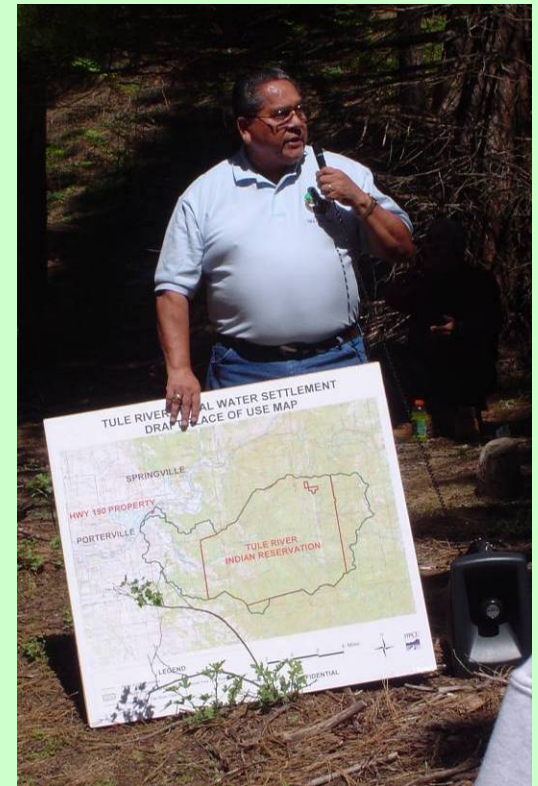


**Larry Mason
University of Washington
College of Forest Resources**



Quick Stats:

- 18 million acres
- > 2 million acres added since 1991
- 6 million acres – timberland
- 550- 600 MMBF/year – timber harvest
- 15 tribes with processing capacity
- 19 tribes pursuing bioenergy projects
- Enduring management for sustainability of...



Tule River, CA

Cultural, Environmental, & Economic Values



Wood is an historically important Native resource





Tribal forests are managed today with significantly less funding than their Federal neighbors

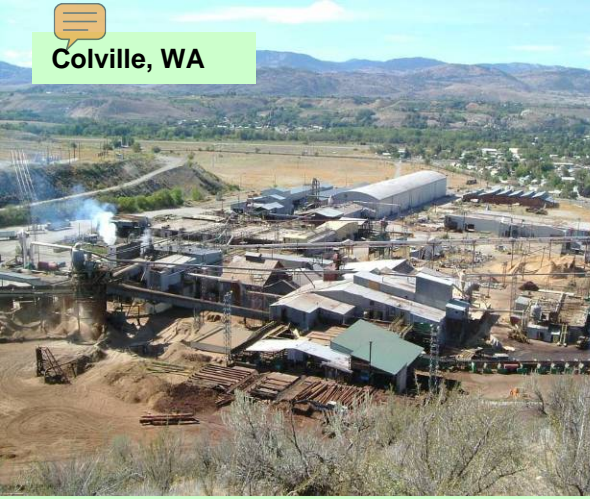
USFS

Mescalero

Mescalero Apache, NM



Colville, WA



Yakama, WA



Warm Springs, OR



Harvested logs create jobs for Tribal members and support important regional process infrastructure

Mescalero, NM



San Carlos, AZ



Menominee, WI





Tribal Stewardship provides ecosystem services

- Clean Air & Water
- Species Habitats
- Carbon Storage
- And more...
- **A Sense of Who We Are**

Yakama Nation, WA

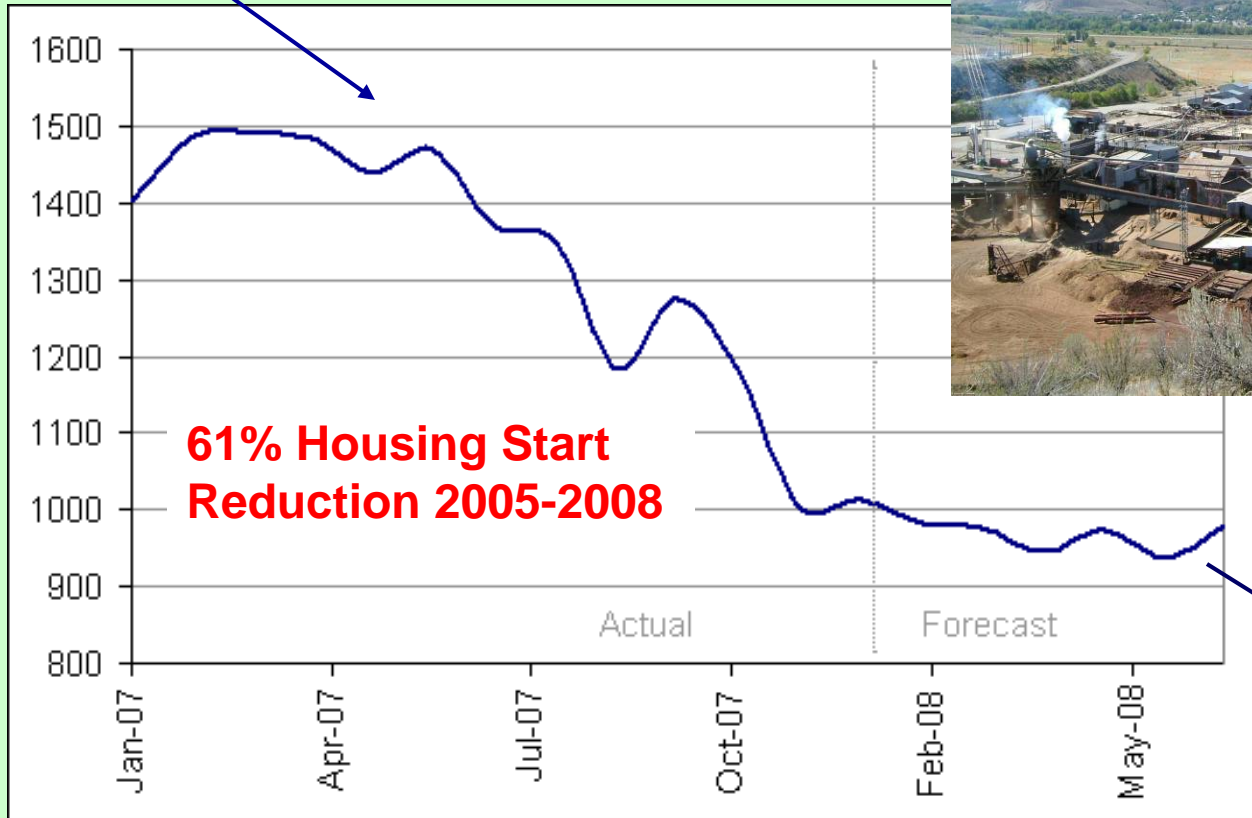


When markets are poor Tribal Enterprises are the first to suffer

2005 = 2068

2006 = 1801

U.S. New Housing Starts – Thousand Homes



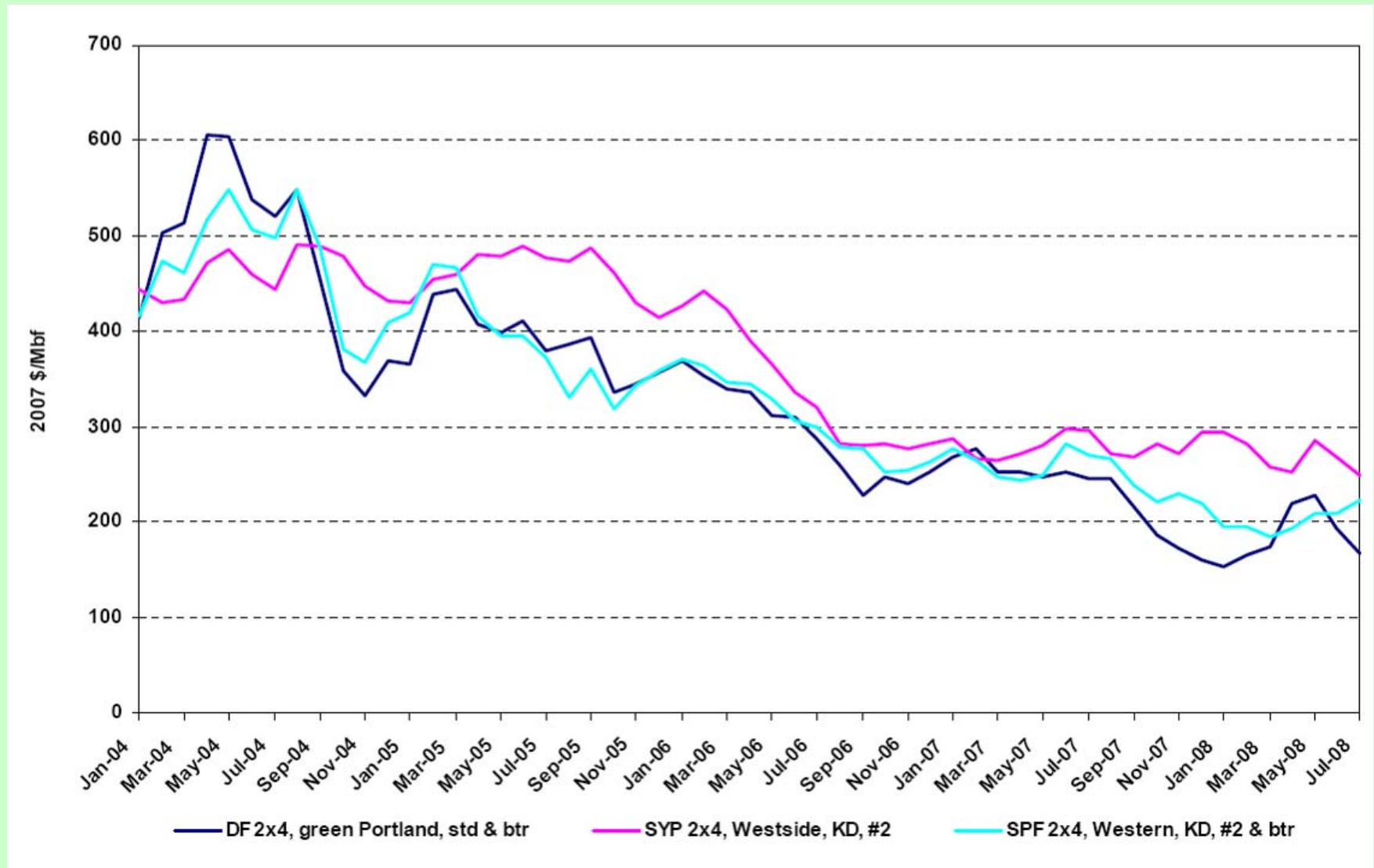
61% Housing Start Reduction 2005-2008



***2008 = ~800**

*** 2008 Forecast**

Softwood lumber prices for US West Coast (DF), the US South (SYP), and Interior BC (SPF)





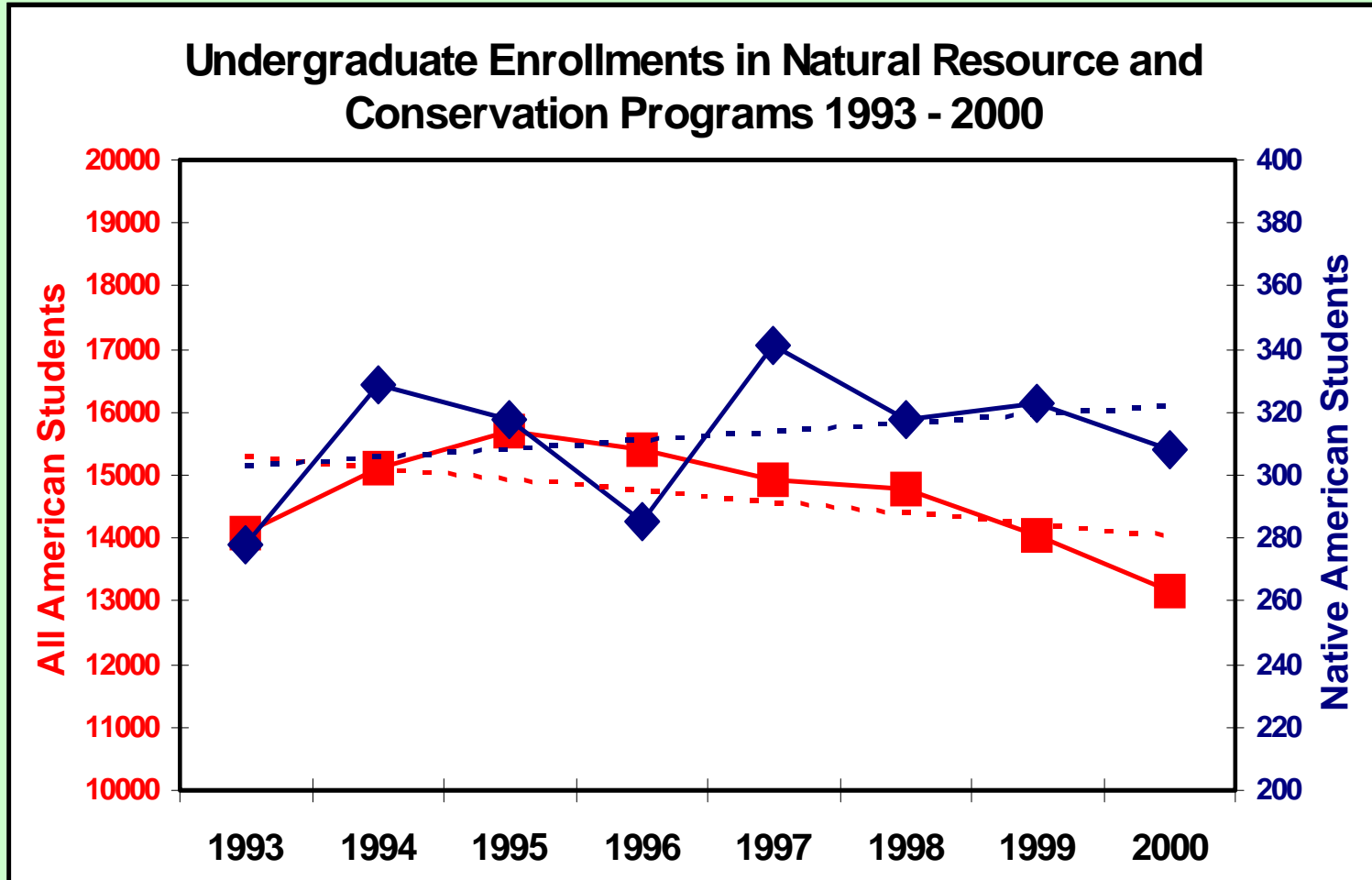
New Opportunities & Recommendations to Value and Support Tribal Forestry

- Tribal Education Programs
- Native Self-Certification
- Sustainable Stewardship Partnerships





Education



Source: Sharik and Earley, 2004. Utah State University. Food and Agriculture Education Information System (FAEIS). 2005



Salish Kootenai College



Johnny Arlee / Victor Charlo Theater



Flathead, MT

**Salish Elder, Louis Adams, with '07 & '08 SKC grads (BS Forestry)
Educational Achievement worthy of respect and SAF accreditation**



Flathead, MT



Certification

Native American Forest Products originate from a uniquely mature commitment to sustainability that should not require costly outside certification.

*The "Leader" in Sustainable
Forest Products is:*

Celebrating

100 Years!

 **MTE**
Menominee
Tribal Enterprises
P.O. Box 10
Neopit, WI 54150

Hardwoods
Softwoods
Kiln Drying
Surfacing

1908-2008
www.mtewood.com
(715)-756-2311



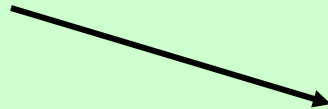
Partnerships for Sustainability: Stewardship Contracts



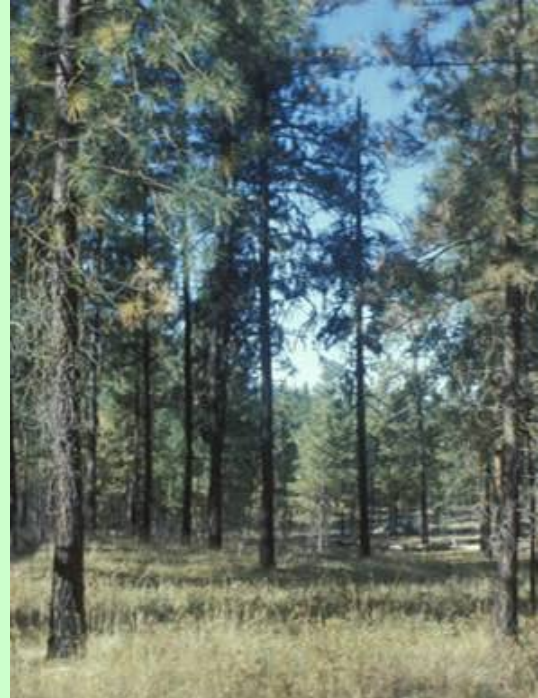
This



Or



This



The choice for the Inland West



Management for Forest Health

Before




After



“Tribal lands demonstrate creative approaches in meeting forest health strategies. Tribal management procedures include tribal community consensus and a focus on both biological and economic goals.”

- A Desirable Forest Health Program for WA Forests



Mescalero Apache

Lincoln National Forest

Tribal Stewardship Contracts should be encouraged

Partnerships for Sustainability: Conservation Purchases

Largest Tribal Timberland Owners					
Reservations	Total Trust Acres (000 Acres)	Total Forest Acres (000 Acres)	Milling Facilites	Resource Education	BIA/Tribal Mgmt.
Navajo	17,170	5,312	Recently Closed		1900's
San Carlos Apache	1,822	841	Yes		1920's
White Mtn. Apache	1,684	1,370	Yes	Community College at White River	1920's
Yakama	1,133	516	Yes	Heritage college	1920's
Colville	1,064	822	Yes		1920's
Jicarilla Apache	916	651	In Development	SW Indian Polytech Institute (SIPI)	1920's
Red Lake	807	440	Yes		1900's
Flathead	789	459	Yes	Salish Kootenai College	1910's
Warm Springs	644	440	Yes	Central OR Community College	1920's
Mescalero Apache	461	411	Yes	SW Indian Polytech Institute (SIPI)	1920's
Northern Cheyenne	442	155	Recently Closed		1920's
Menominee	235	220	Yes	College of the Menominee	1900's
Quinault	183	174	No		1900's

Source: BIA

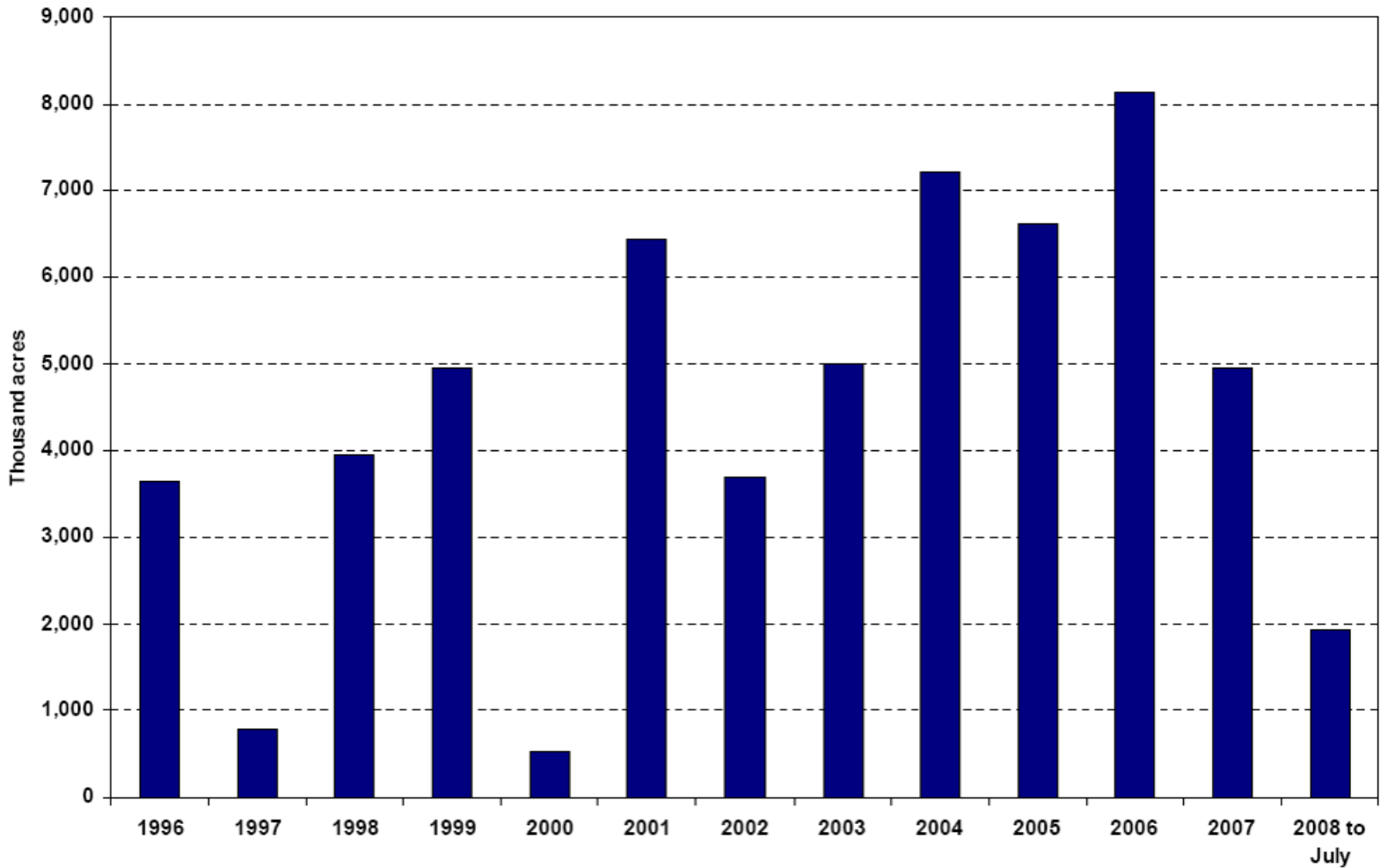
Conservation Partnerships

Largest Private Timberland Owners/Managers					
Company	2007 Forest Acres (000 Acres)	2008 Forest Acres (000 Acres)	Organization Type	Milling Facilites	Established
Plum Creek	8,406	8,200	REIT	Yes	1999
Weyerhaeuser	6,800	6,400	FP-Company	Yes	1900
Hancock (HTRG)	3,315	2,400	TIMO	No	1985
Forest Investment Assoc.	2,738	1,900	TIMO	No	1986
Wagner Forest Mgmt	2,500	2,000	TIMO	No	1955
Resource Mgmt Services	2,479	2,600	TIMO	No	1950
Forestland Group	2,704	2,104	TIMO	No	1995
Forest Capital Partners	2,500	2,100	TIMO	No	2000
Temple Inland	2,061	0	FP-Company	Yes	1983
Rayonier	2,200	2,200	REIT	Yes	2004
Sierra Pacific	1,700	1,721	Family	Yes	1951
Potlatch	1,700	1,700	REIT	Yes	2006
Global Forest Partners	1,400	1,400	TIMO	No	2003

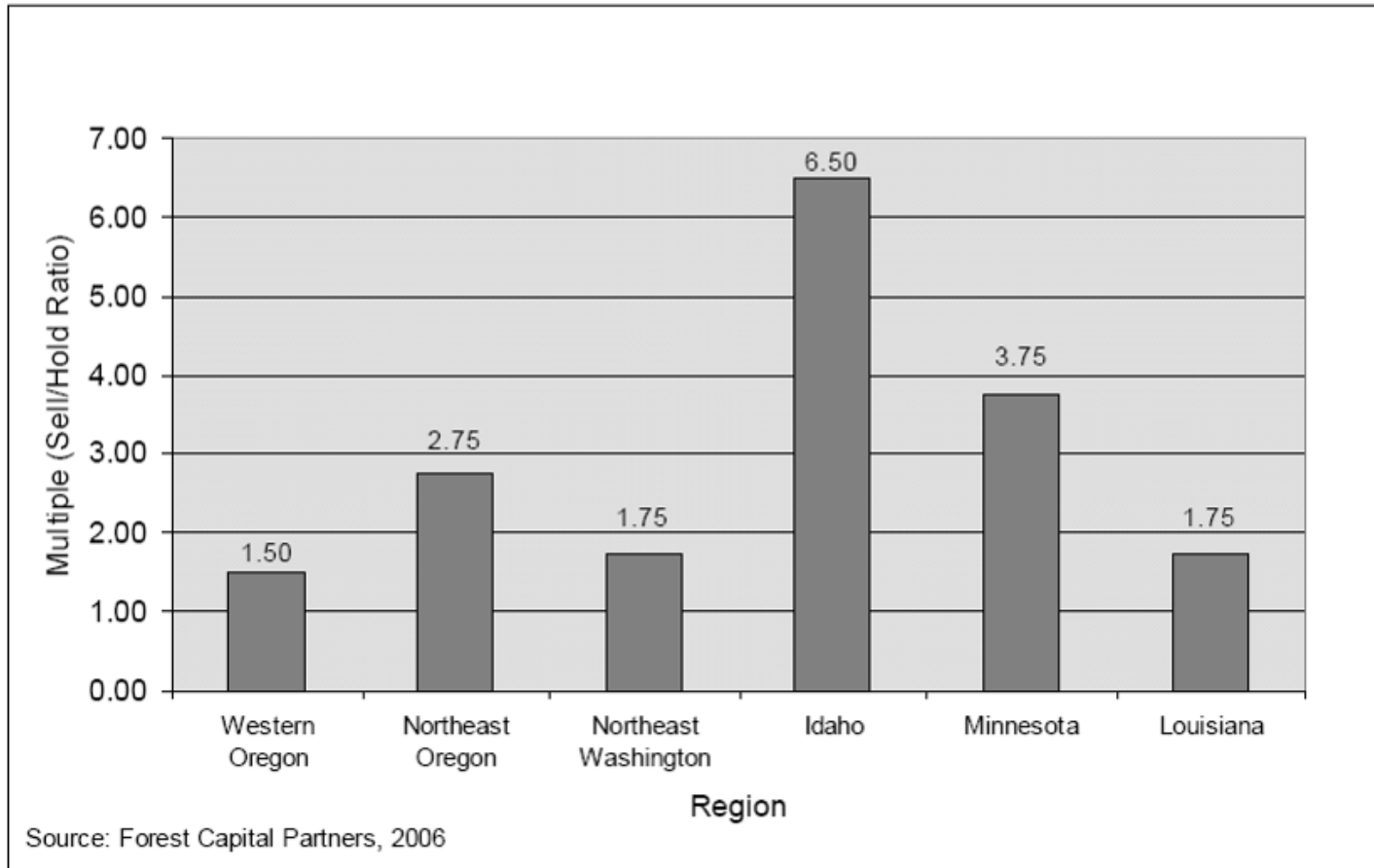
~ 6 MM Acres Less in 2008



Annual Area of US Timberland Transactions



Ratio of Forest “Sell” Verses “Hold” Values Throughout Forest Capital Partner’s Areas of Operation



Landowners face strong incentives driving sales, fragmentation, and potentially deforestation. Average sell values range from 150% to 650% of hold values.

Outlook for Timberlands

- Declining returns
- Marketplace has digested a lot of transactions
- Demand for forest products has been flat since 1982
- Some financial investors are exiting
- TIMO cash flows can be unstable
- TIMO funds are approaching maturity (7-15 year average land tenure)
- Enough buyers?
- Off Shore



And...

- **US Market Problems Worsen**
- **Less Liquidity – Values Low/Finance Tight**
- **Greater Urgency for Cash Flow from Harvest**
- **Pressure from Wall Street to “Unlock Value”**
- **Declining Public & NGO Funding for Conservation**

Result: Forestlands at risk!

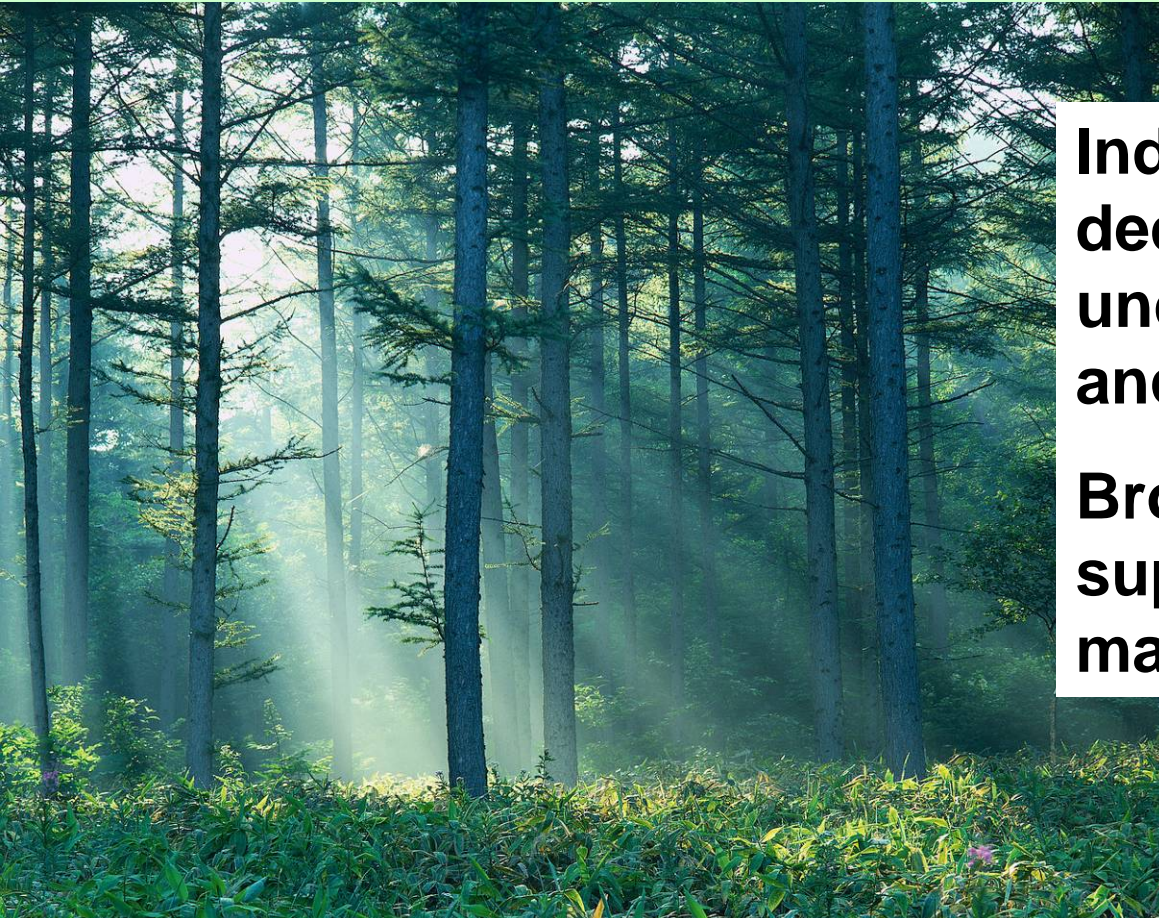




A New Approach:

- **Matching Funds for Tribal Land Purchases**
 - **Reduce Costs of Conservation**
 - **Ensure Sustainability**
 - **Help Struggling Tribal Enterprises**

Political and economic uncertainties create questions about the future of Public and Private forestry



Indian Nations are a dedicated but underappreciated anchor for sustainability.

Broader recognition and support could provide many public benefits.

**Forest Policy may be guided from afar, but...
Stewardship comes only from those that live on the land.**



Thank You