



Northeast Texas Forest Landowners Association Newsletter

January 2003 Published by the Northeast Texas Forest Landowners Association Vol. 23 Issue 1

A MESSAGE FROM THE PRESIDENT

From my study I can see that winter has settled in. The leaves have fallen and around the house are raked. The hardwoods in the forest are gray ghosts silhouetted against the sky. Winter birds add bits of color to an otherwise dull landscape of various shades of gray and brown. The dog days of summer are but a faint memory now as I toss another log on the fire. Winter is a dormant season and the time that we have to prepare for the spring and summer. I am sure more than one of you have settled down in your easy chair with a stack of seed company catalogs and planted and harvested the greatest garden ever without ever leaving the chair. Every year I order too many seeds and then wonder why I was so ambitious in the middle of winter. Winter is also the season when we contemplate and reflect on what we did last year and take real steps to prepare for a new growing season. Around our place, it's been a time to plant wild flower seeds, flowering bulbs, and a few new trees. I selected a number of hardwood seedlings that came up from seed last spring and tagged them to transplant this winter. Oh I know it will take about 50 years for anyone to see the result of my effort, but it will be nice for someone some day. That's the magic in planting a tree. Winter is a great season, but it just does not last long enough to do all the things you want to do. I hope you are making the best of it this year.

With all this reflection and planning going on, your association board of directors has also been busy. We were so excited about the number of interested forest landowners that attended the November meeting. Over 50 attended the meeting in Pittsburg. Building off that, we are planning our 2003 association meetings. We will meet in Gilmer Saturday, February 1 at 10:30 AM. Ron Hufford, from the Texas Forestry Association, will present our program. Ron will focus on private timber landowner's interest that may be affected by changes in tax law and other legislation by the Texas Legislature in this current session. Many of you have read that the legislature may consider removing property tax valuation reductions for timber and agriculture land. The state faces some serious financial challenges and you need to be aware how this may affect you so you can voice your view to your representatives and senators early in the session. We will also have a short update on the lakes planned in our area as part of the Texas Water Plan and what options the DFW metroplex and legislature may be considering.

Also at this meeting, we will present to you several recommendations from your board based on feedback we received at the November meeting. One recommendation will be for the association to fund up to six \$75 scholarships for school teachers to the TFA Teacher's Conservation Institute this summer. There will be a recommendation to increase annual

dues from \$10 to \$15. We will nominate and elect candidates to be board directors representing Upshur and Wood counties. We desire to appoint a Publicity Committee to handle press releases, membership drives, and other similar activities. We hope someone will step forward to be chairman of the committee and others will volunteer as members.

On the business side of the association, the board served as an audit committee and reviewed the financial statements for 2002. We can report all is in order and there are no audit exceptions. We are looking into options to have an association website with links to the Texas Forest Service and Texas Forestry Association. It is important that we have current email addresses for all association members. If you have not done so, please send us your email address.

At our February meeting, we will also discuss with the membership options for a field day tour in May. Options under consideration are the Texas Utilities mines and reforestation project near Mt. Pleasant, an OSB mill near Jefferson, a paper mill near Atlanta, and a multi-purpose facility in southern Oklahoma. We hope to have enough information for you to decide where we go in May. For our August meeting, we are preparing for a program based on state and federal tax implications for timberland ownership.

We are an association of members with similar interests and if we work together and make our voice heard, we can influence the laws and regulations that affect our ownership of private timberland. Our newsletter gets just a part of the information we have to you. The meetings we have quarterly really are the place to learn about timberland ownership issues, management techniques and share with each other so we have a common knowledge base. To get more of our members interested in attending meetings and as a reminder that it is time to pay your 2003 association dues, ***we are offering a \$50 cash door prize at our next meeting. You must be present to win. Tear off the coupon on the back page and bring it with you to the meeting.***

My comments are a bit longer than usual, but there is so much exciting news to share with you. As always, I have an interesting quote that is also a quiz from G. A. MacDunelmor. "They are beautiful in their *peace*, they are wise in their *silence*. They will stand until after we are dust. They *teach* us, and we *tend* them." What are they? If you want to be sure of the answer, please attend our association meeting February 1 in Gilmer. Well, that's the view from my study this cool winter day.

Sid Greer

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Director of Upshur County?

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Ken Conaway
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(903) 734-7007 Gilmer

MIKE'S MIND

This is my last article of "Mike's Mind". After years of writing this little column it is time that my mind comes to a close. My "Mike's Mind" was originally designed to keep each of you informed of the activities occurring within the Pittsburg District from the Texas Forest Service aspect. Forestry from my point of view with my little flare put on it. I have enjoyed this immensely but with me in Lufkin, you the reader, no longer get a view of forestry from the district.

Now that the Texas Forest Service has made Kevin Rankin the official District Forester for Pittsburg it is time I pass this duty over to Kevin. The district perspective is a necessary part of the article. Also to help Kevin will be Kenneth Conaway, the District Forester for the Gilmer District. I think they are going to swap off writing since the recent change in the Landowners Association has occurred. Congratulations by the way to the Executive Committee of the New "Northeast Texas Forest Landowners Assn." for a job very well done. The new by-laws looked great and hopefully all 6 counties in the association will benefit from the new changes. I have been so pleased and proud to be a part of such a wonderful Association. I just beam with pride at the progress this group of landowners has been making to better themselves and all the landowners in the six county area. It is truly an honor to be a part of such a great Association. Thank you all for the opportunity to be your forester and best wishes to each you in the upcoming year. May all your forests grow green and fast.

Thanks — Mike

Mike Murphrey
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PS — Please keep me up to date on activities that occur with all my old friends and pass on the word that some of the old timers that remember Richard Harrison (972/385-7731) need to call him. I called him right before the holidays and it sure lifted his spirits.

Richard was chairman of the Association in the early to mid 90's. I think he served a 3 year tour because we couldn't get anyone to take his place. He was on the TFA Landowners Council for several years. He always brought back an excellent report from the council meetings. Richard got sick with cancer and several other things. His life consists now of Dr's appointment after Dr's appointment. I think he misses the good old days of forestry and being active in this arena. Plus I'm sure he misses all his friends at the meeting.

Thanks again — Mike

Editor's Note: Many, if not most, of us have Mike to thank for our being a part of this organization and teaching us how to better manage our forests.

Moreover, Mike has been instrumental in the education of the general population in the way woods really work, as is shown by the demonstration forests in the Pittsburg ISD.

This is only goodbye to a regular column, not a death notice. Never know when Murphrey may contribute a thought or show up at a meeting — right, Mike?

Program Notes and Directions

The meeting will be on Saturday, Feb. 1, start time at 10:30 AM in Gilmer, Texas. Meeting place is at the Upshur County Library Activities Building, located at the intersection of Hwy 154 and N. Bledsoe St. Our program should be completed by noon. The free lunch was last year, so we'll be on our own for lunch this time. Pot luck is an option for the August meeting, since we'll be on tour in May.

Gilmer is undergoing major, major road construction along Highway 271. 154 West from 271 intersection is blocked off, as are a few other roads at this writing. Please pay close attention to the maps, and cheer up — Gilmer ain't that big a town. Just allow an extra 5-10 minutes travel time in case you get blocked.

We chose this location in an effort to rotate meeting sites around the district, and the library activities building should give us plenty of room.

As Sid said, Ron Hufford will be our speaker. He has been the Executive Director of the Texas Forestry Association for many years, and he and I, and hopefully some of our members, will have just come from a conference on the future of the Texas forest industry the day before. There will be time for Q&A after his presentation and we may be able to get into this topic, but —

The primary focus will be on the Texas Legislature's session, how it affects us, and how we may be able to at least protect the gains forestry has made in the last two sessions, as well as secure equitable tax treatment with the rest of agriculture. You didn't know forestry wasn't agriculture? Then you need to make this meeting.

We face a drastic budget deficit this session, and that Capitol will have to face some hard realities and will probably look like a hill of fire ants with your fresh footprint on it. No telling what may happen right up to the last day. TFA maintains a lobbyist in Austin and is writing a timber bill. We do have some friends, including Sen. Ratliff, but the long knives are out. Ron maintains a daily presence either in person or by phone during the session, and we'll have a rare and precious chance to get his fresh report and analysis, along with recommendations on what we as an Association and as individuals can do to both develop Texas Forestry and protect our interests.

We will also have a brief update on the Marvin Nichols Situation. Although our Region D voted against the reservoir, the Dallas Region C may still be a problem.

2003 MEETING CALENDAR

Sat, Feb 1 10:30 AM
 Gilmer Library
 Report on Texas Legislative Session and election of interim County directors.

Sat, May 3 10:00 AM (tentative)
 Tour

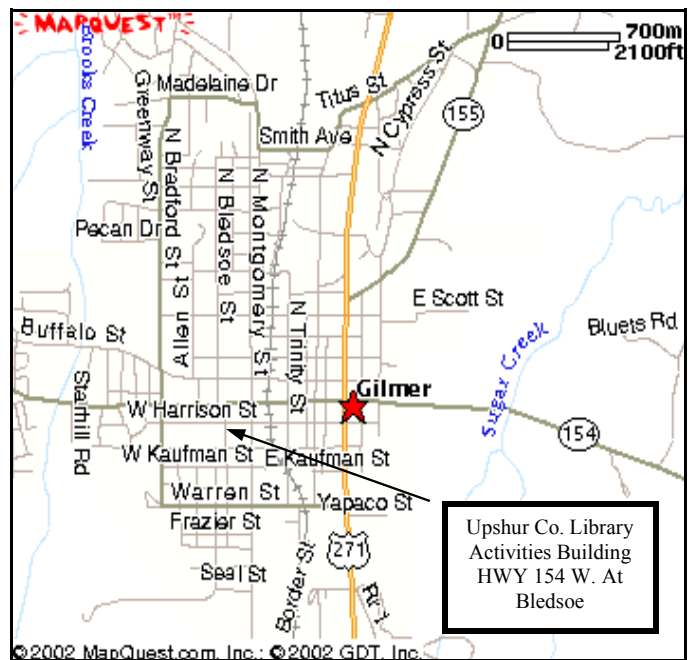
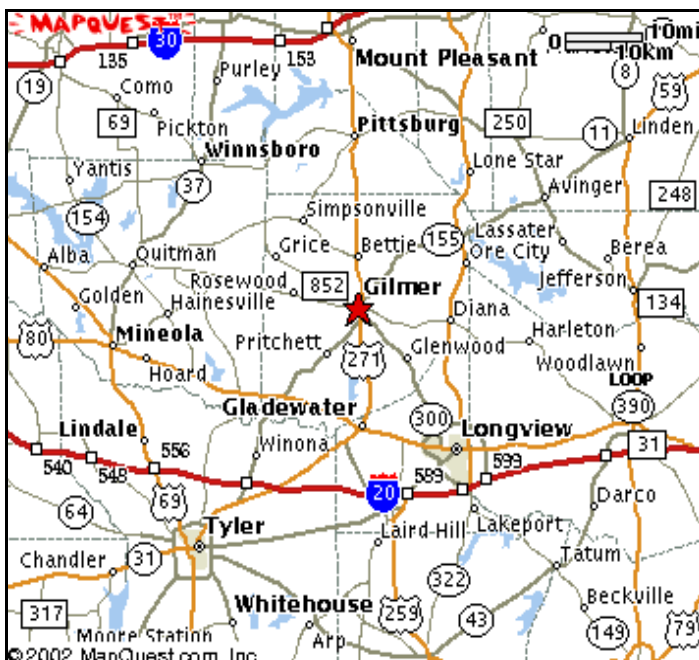
Sat, Aug 2 10:30 AM
 Pilgrim Community Room
 Pittsburg
 Timber Tax Workshop

Sat, Nov 1 10:30 AM
 Election of NETFLOA officers and County directors
 Additional program not set yet

2003 DUES PAYABLE THIS MONTH

Betty asked me to remind everyone that this year's dues were payable as of Jan 1, '03 in the amount of \$10. Mail address:

NE Texas Forest Landowners
 PO Box 715
 Pittsburg, TX 75686



Tips for Claiming Sales Tax Refund

Dr. Linda Wang, Texas Forest Service

Some landowners sent in their sales tax refund requests on seedling purchases to the Comptroller's office but did not get the refund back (33% of sales tax refund on qualified timber-related purchases from October 1, 2001 through December 31, 2003). The most common problems are that the request did not state the basis for the refund, or provide the required information such as the social security number or the mailing address. A request merely having a copy of the receipt is not sufficient for claiming a refund.

The following standardized letter helps a landowner correctly file a claim with the Comptroller's office. Note the Comptroller's office does *not* require a refund form to claim sales or use tax refund. A written letter with all required information is acceptable. Therefore, this is not an official form but simply a claim letter that puts together all of the required information to assist private landowners with their refund claims.

Texas Sales and Use Tax Refund Claim on Timber

**To: Sales Tax Refund Verification Section
Comptroller of Public Accounts
P.O. Box 13528**

Purchaser's Name:	Social Security Number:
Address:	

Austin, TX 78711-3528

Seller's Name:	Sales Tax Permit Number:
Address:	

Date: _____

The amount of sale taxes paid: _____

Date of Purchase: _____

Description of timber items that have been purchased:

- ___ Seedlings of trees
- ___ Defoliant, desiccant, fertilizer, fungicide, herbicide, insecticide
- ___ Equipment and machinery

Purchaser claims this refund for the following reason:

- ___ Seedlings of trees commonly grown for commercial timber (§151.3162, Tax Code)
- ___ Defoliant, desiccant, fertilizer, fungicide, herbicide, and insecticide exclusively used in the production of timber to be sold in the regular course of business (§151.3162, Tax Code)
- ___ Equipment and machinery exclusively used in the production of timber to be sold in the regular course of business (§151.3162, Tax Code)

Signature: _____

Tips for Claiming Sales Tax Refund - Continued

Your claim is complete with the signed request letter and the supporting documents (copy of the original receipts) and schedule of overpaid taxes if applicable (explained below)). Once you have filed your complete claim with the Comptroller's office, a refund check will be normally mailed to you in approximately six to eight weeks.

Please note these additional tips when preparing your claim:

- ▶ The copy of the receipt should clearly show the name of the products purchased. If the receipt only shows serial or product number, please mark clearly the name of the products corresponding to each serial or product number.
- ▶ Schedule of overpaid taxes: If you have **more than ten receipts** that you are requesting a refund, please provide a schedule of overpaid taxes. Here's an example:

Date of Purchase	Item Description	Amount of Taxes Paid
11/2/2001	Seedlings of Trees	\$135.23
1/2/2002	Fertilizers	\$42.56
...

- ▶ The deadline for taxpayers to request a refund is December 31 of the calendar year following the year when tax was paid. For example, if you purchased herbicides on October 1, 2001, you will have until December 31, 2002 to postmark the refund request by mail. If the same purchase is made on January 2, 2002, the deadline for requesting a refund is December 31, 2003.
- ▶ **A seller is not allowed to charge only 67% of the sales taxes at the point of purchase. The law stipulates a partial refund or credit (33% for purchases on 10/1/2001 through 12/31/2003) rather than an exemption for the phased-in period. The full amount of sales tax should be paid upon purchase. The purchaser must request the refund of 33% from the Comptroller. If a claim is not sent to the Comptroller by the required deadline, there will be no refund. Purchases made prior to October 1, 2001 are not eligible for a partial refund or credit.**

If you have questions and need to contact the sale tax refund staff at the Comptroller's office, please call 1-800-531-5441, extension 3-4545 and mention "timber refund request" to be forwarded to the staff familiar with timber.

Other Tax Information Available from:

Larry Bishop (Tax Tips for Forest Landowners for the 2002 Tax Year)
US Forest Service, Suite 850S, 1720 Peachtree Road N.W., Atlanta, GA 30309, (404) 347-2067 or lbishop@fs.fed.us or <http://www.southernregion.fs.fed.us/spf/coop/taxation>

Internal Revenue Service publications and forms – <http://www.irs.gov>

National Timber Tax Site – <http://www.timbertax.org>

"Forest Landowners Guide to the Federal Income Tax", Ag. Handbook 718. \$20.00. (404) 347-1900 or downloadable from <http://www.southernregion.fs.fed.us/spf/coop/taxation>. Also available at this website: "Sample Timber Sale Contract", "Summary of Casualty Loss Provisions", "Federal Income Tax on Timber: A Key to Your Most Frequently Asked Questions".

Forests plan put to test in Texas 7,500 acres to be thinned, burned

By DINA CAPPIELLO
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NEW WAVERLY -- The Sam Houston National Forest will be a testing ground for a Bush administration policy to expedite timber harvesting and controlled burns in fire-prone federal forests.

About 7,500 acres of dense pine forest 60 miles north of Houston are to be thinned and burned this year after undergoing a scaled-down environmental review that advocates say masks the true impact and opens publicly owned lands to timber companies.

The woodland is one of 10 forests nationwide that will be subjected to the new policy, the Healthy Forests Initiative, which is aimed at reducing the paperwork and lawsuits that U.S. Forest Service officials say have hindered management and led to one of the worst wildfire seasons on record in the West last summer.

Besides the streamlined review, the initiative, first announced in August, expands the number of projects exempt from environmental oversight and makes it tougher for advocacy groups to file appeals.

The other test projects are in Idaho, Nevada, California, Oregon, Utah, Michigan and Washington.

Eventually, however, the policy will be applied to as much as 190 million acres of public land that is at high risk of fires and debilitating insect infestations.

"It will speed up the process. It will make it harder for the public to figure out what is going on," said Brandt Mannchen, forestry chairman for the Houston Sierra Club. "It will make it seem like everything is benign and innocuous when, in fact, over a period of time, we are converting the forest." Forest managers and timber companies call the changes necessary to reduce fire risk.

"These common-sense reforms would reduce the overlapping studies required by current law that result in undue delay," said James Houser, president of the Texas Forestry Association, a trade group of timber and wood-product companies.

At the Sam Houston forest, management efforts will be focused on a 15,555-acre area known as Four Notch that has a long history of controversy. Here, the forest borders private homes, a church camp and the gymnastics training facility of world-famous coach Bela Karolyi.

But over the past decade, only 20 percent of the area has been thinned and slightly more than 2,000 acres burned -- actions that foresters say were delayed by Southern pine beetle infestations, weather, protests and lawsuits.

The controversy erupted in the 1980s, when a beetle outbreak destroyed 2,600 acres. When the Forest Service attempted to clear and replant the area, environmentalists chained themselves to trees and equipment in protest.

Now, forest rangers say, it is only a matter of time until the beetle, or a catastrophic fire, breaks out.

"We have areas where we feel we have to be doing more management of vegetation, and we are not moving very fast with it," said Tim Bigler, the district ranger for the Sam Houston National Forest. "The process has really slowed us down. We need to take action whenever biology is dictating something needs to be done."

And in the Four Notch area, the trees are telling foresters they need help. Patches are so dense -- what biologists call "dog-hair stands" -- that it is difficult to walk and the canopy above blocks the light from the younger trees below.

These young, scraggly stands drive away the endangered red-cockaded woodpecker while encouraging Southern pine beetle populations to explode and fires to burn out of control, biologists say.

Still, over the past five years, only two of the 53 fires that broke out in the 162,000-acre Sam Houston National Forest were in the Four Notch area.

Under the expedited review, foresters here plan to decide on what will be thinned and burned by August, after a biological survey and 30 days of public comment. Then, depending on the degree of the impacts, the Four Notch project could require a full environmental impact statement.

Bigler says the new policy won't affect what he does. Starting next week, he and other foresters will begin studying the area slated for thinning. They will determine how many trees are on a given acre, measure the diameter of their trunks and assess whether the area is home to any threatened or endangered species, such as the woodpecker, which could be affected by logging and burning.

Using this information, foresters will decide which trees -- and how many -- should be cut down, and seek bids from timber companies.

Environmentalists worry, however, that not all of the information gathered will be present in the pared-down environmental assessment, making it difficult to judge the environmental impacts and whether further analysis is needed.

"I'm concerned that a lot of information won't show up on the radar screen for folks," said Mannchen. "They are just zipping projects right through."

Ed note: This comes from Walter Hyde, TFA LOC rep, last known in Italy on temporary assignment, and relayed through the TFA Grassroots Network. Email me or TFA for details about the Grassroots Network — Bill

TFA MEMBERSHIP DRIVE

We were too late and didn't have good enough records to get in on this deal in 2002, but TFA is sponsoring a membership drive for Landowners Associations for 2003 based on percentage of members of the Association that are also members of TFA at the end of the year. All members of both organizations, of course, must have dues paid for the year.

The winner had 38% of their Association as concurrent TFA members.

The winning Association got a free lunch for their Association and a plaque in the TFA office. Can we win this year — you bet!

Forestry Acronyms

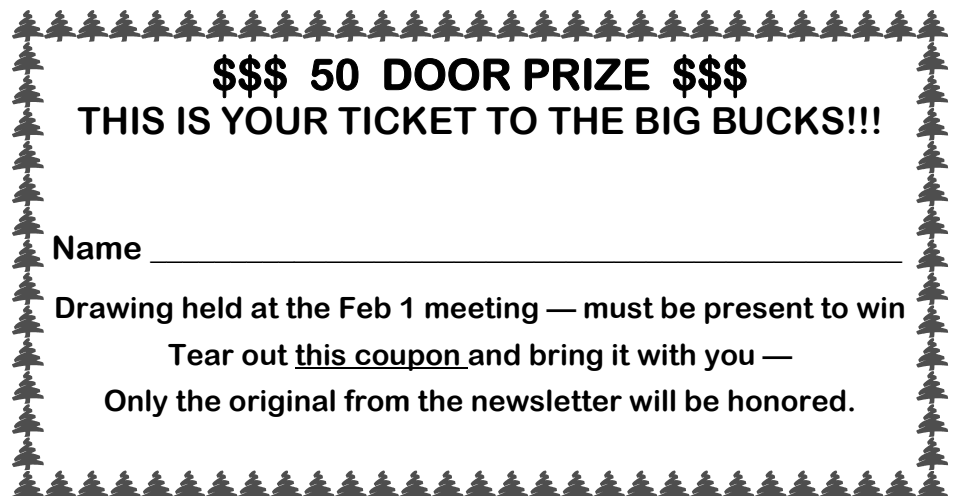
BMP	Best Management Practices	TFA	Texas Forestry Association
CFLOA	County Forest Landowner Association	TFS	Texas Forest Service
FIP	Forestry Incentives Program	TLC	Texas Logging Council
FSA	Farm Services Agency	TMDL	Total Maximum Daily Load
NIPF	Nonindustrial Private Forest (landowner)	TNRCC	Texas Natural Resource Conservation Commission
NPS	Nonpoint Source (pollution)	TRe	Texas Reforestation Foundation
NRCS	Natural Resources Conservation Service	TSSWCB	Texas State Soil and Water Conservation Board
SFI	Sustainable Forestry Initiative	WHIP	Wildlife Habitat Incentives Program
SIP	Stewardship Incentives Program	WQMP	Water Quality Management Plan
SMZ	Streamside Management Zone	WRP	Wetlands Reserve Program
SPB	Southern Pine Beetle		
SWCD	Soil and Water Conservation District		

Market Report – September/October, 2002

Product	Statewide High	Statewide Low	Weighted Average (WA) July/Aug., 2002	Weighted Average Sept./Oct., 2002	WA Change From July/Aug., 2002
Pine-Sawlogs	\$387.41/mbf	\$263.50/mbf	\$315.94/mbf	\$325.19/mbf	+2.9%
Pine-Pulpwood	\$27.56/cord	\$8.03/cord	\$10.67/cord	\$17.20/cord	+61%
Pine-Chip'n'Saw	*	*	\$43.89/cord	*	*
Hardwood-Sawlogs	\$216.00/mbf	\$133.00/mbf	\$145.38/mbf	\$212.28/mbf	+46%
Hardwood-Pulpwood	\$22.40/cord	\$7.50/cord	\$13.27/cord	\$21.81/cord	+64%

* Fewer than 3 sales reported

See [Timber Price Trends](http://txforestservicetamu.edu) at <http://txforestservicetamu.edu> for more detailed information. Copies can be purchased from the Texas Forest Service, Office of the Director, John B. Connally building, 301 Tarrow, Suite 364, College Station, TX 77840-7896. It is recommended that you use the services of a professional consulting forester in managing any timber sale. Important factors affecting timber prices include the type, quality and volume of timber for sale, accessibility, distance to mills/markets, weather conditions, economy/market conditions, who is handling the sale, who is buying the timber, and contract requirements by the landowner.



\$\$\$ 50 DOOR PRIZE \$\$\$

THIS IS YOUR TICKET TO THE BIG BUCKS!!!

Name _____

Drawing held at the Feb 1 meeting — must be present to win

Tear out this coupon and bring it with you —

Only the original from the newsletter will be honored.

Northeast Texas Forest Landowners
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