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Press Release:

Natural Resources Agency Working Group Issues Recommendations to Expand Wood Products Markets and Promote Forest Health

SACRAMENTO – With an unprecedented tree die-off posing critical challenges in Sierra forests, a working group convened by the California Natural Resources Agency today issued recommendations aimed at utilizing dead and dying trees, promoting long-term forest health and carbon sequestration, and promoting rural economic development.

The recommendations, submitted to the Legislature today as directed by 2016 legislation, are contained in a <u>report</u> that outlines actions, policies and pilot programs to increase demand for California forest products and expand knowledge and skills needed to develop and manufacture them.

"There is a critical need to bolster our biomass processing capacity and expand uses for wood products not only to handle dead trees in the short term but also to assist with ongoing forest management and restoration," Natural Resources Secretary John Laird said. "This can and should be done in a manner that advances California's climate change goals and creates opportunities for rural communities."

The report notes that increased forest management and associated wood and biomass processing infrastructure is needed in every forest-dependent region of the state. Expanding markets for higher-value wood products and promoting localized manufacturing would help serve parts of the Sierra hardest hit by tree mortality and other forested regions where limited wood processing infrastructure exists.

The report includes the following recommendations, organized around three key strategies:

- Remove state barriers and create pathways to success, with a focus on the challenges inherent in redeveloping sites, permitting both new manufacturing operations and the use of new wood materials, and gap financing to incentivize broader investment.
- Promote innovation, with a focus on building the institutional infrastructure necessary to bring new wood products to market.
- Invest in human capital, with a focus on assuring that the necessary workforce is available and trained appropriately to staff new wood products operations, and that the building blocks of innovation in this sector exist in the California's public technical and higher education systems.

In addition, the report recommends four pilot projects aligned with the above strategies. The projects include facilitating mill site redevelopment and promoting wood products manufacturing; holding a mass timber building competition; initiating a California Conservation Corps wood products workforce training program; and convening a wood products summit for state and federal entities, industry partners, entrepreneurs, community organizations, and private investors.

Background

SB 859 (Committee on Budget and Fiscal Review) of 2016 directed the Natural Resources Agency to establish a working group on expanding wood product markets to utilize woody biomass, especially biomass removed from high hazard zones identified through the state's <u>Tree Mortality Task Force</u>. It also directed the agency to submit recommendations to the Legislature on actions to encourage the development of wood product markets, including identification of potential pilot projects.

The SB 859 Working Group included representatives of the Natural Resources Agency, California Department of Forestry and Fire Protection, California Governor's Office of Business and Economic Development, California Department of Resources Recycling and Recovery, Sierra Nevada Conservancy, California Department of Finance, the U.S. Forest Service and others.

The working group is one part of the state's overall effort to address tree mortality. Gov. Edmund G. Brown Jr. declared a <u>state of emergency</u> in 2015 to respond to the die-off crisis and issued an <u>executive order</u> last month to bolster the state's efforts and mobilize additional resources to mitigate its impacts.

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