



ESFPA *"The People Behind New York's Healthy Forests and Quality Wood Products"*  
the **Empire** ENVOY

The Official Publication of the Empire State Forest Products Association

## END OF SESSION OVERVIEW

By John K. Bartow, Executive Director, ESFPA

The 2021 New York State legislative session commenced in early January with the state facing an ongoing COVID pandemic and its economic restrictions, a sharp falloff in state and local tax revenues and a wide range of social and economic challenges. There was a new Administration in Washington, a new Democrat supermajority in the State Senate, and a state legislature with forty new members. Our summary of the 2021-22 adopted State Budget and key 2021 legislation that can be found on page 7.

As the session unfolded, the legislature approved a massive state budget, and focused more on social justice rather than economic recovery issues. And even as COVID restrictions were lifted and the state's economy recovery continued, regardless of its other accomplishments, the legislative session left New York a more challenging and expensive state in which to do business.

Overall, the Senate and Assembly gave two-house approval to 892 bills, and in typical Albany end-of-session fashion, passed the majority of them – 634 – during just seven session days in June.

The legislature conducted their business largely removed from New Yorkers, with the Capitol and Legislative Office Building remaining off limits to lobbyists and other members of the public throughout the six-month session. In fact, even though virtually all other aspects of the state's economy have reopened in stages, the Capitol and LOB remained closed to the public since March 2020.

The highlight of the first half of session was April's passage of a \$212 billion all funds budget reflecting billions in increased federal aid but also billions in increased state taxes (estimated at \$3.5 billion in FY 2022, rising to \$4.3 billion in FY 2023 – leaving New York as one of the only states to enact any level of tax increases this year.) Higher personal income tax rates – up to 10.9 percent – on upper income earners will generate most of these new receipts (\$2.8 billion this year). Increased corporate franchise tax rates will raise another \$750 million this year and \$1 billion in each of the following two years. The corporate rate increases sunset in 2024, the increased PIT rates expire after 2027, after which the once "temporary" 8.82 percent "millionaires" tax rate is made permanent. High

earners in New York City will pay the highest combined state and federal tax rates in the U.S.

As part of the budget, the legislature provided \$1.2 billion in targeted small business COVID relief (to help offset the impact of forced shutdowns), and also provided \$2 billion in benefits to "excluded" workers ineligible for other federal or state benefits. The Environmental Protection Fund included funding for priorities that matched ESFPA, but at a scale that has a long way to go in order to address forest issues that we prioritized. The largest payouts went to schools – a total of \$29.5 billion in state funded assistance to school districts – an increase of \$3 billion (11.3 percent) compared to the prior year, coming on top of \$13 billion in one-time federal ARPA funding to elementary and secondary schools. The budget also included increased spending on health care, childcare, roads and bridges and other major programs. Even though the state kept nearly \$7 billion in ARPA funds in reserve, the impact on this year's spending increases on future state budgets – and the need for future tax hikes – is unclear.

The state will also see increased business activity and revenues from expanded sports betting, approved as part of the budget, and the legalization of adult recreational use of cannabis, approved in separate legislation just prior to the budget's adoption. Importantly, ESFPA together with other business advocates secured important protections for workplace safety as part of the cannabis bill.

When the legislature returned to its post-budget session, the state's business community respond to several major, even massive, proposals that we were able to prevent from receiving two house approval. These included: the "Climate and Community Investment Act," or CClA, and its \$10 to \$15 billion in new carbon assessments and facility permit fees; "expanded producer responsibility," legislation that shifted the cost and operational responsibility for recycling from municipalities to businesses (estimated direct cost of \$800 million and economy wide costs up to \$4 billion – separate Senate and Assembly bills failed to advance); among the more prominent.

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Founded in 1906, ESFPA is dedicated to improving the economic climate for the forest products industry and to promote management of New York's Forests to meet the resource needs of today and for future generations. ESFPA counts among its 400 members furniture companies, lumber manufacturers, forest landowners, timber harvesters, pulp and paper companies, and other wood products manufacturers from across New York State. Members own and manage 1.5 million acres of New York's forests and employ over one-third of the 60,000 individuals who work in the forests and wood-using mills around the state. **The Empire Envoy** is the newsletter of the Empire State Forest Products Association, Copyright© by ESFPA. Articles may be reproduced with permission of the publisher. **The Empire Envoy** is produced monthly for ESFPA members and interested parties. For information on subscriptions or membership, please contact ESFPA.

**A MESSAGE FROM THE CHAIR**

*Michael McLarty, ESFPA Chairman of the Board*

If you are like me, in many ways the last 18 months was a blur. We went through many different stages of “the new normal” during this time. Initially, we were in crisis mode. We spent those first few weeks trying to make sense of it all, keep our businesses functioning and our families, friends, and employees safe. We thought it would be short term. It was easy to “make do” when we thought it would not last long. But...it did. We had to change our mindset again and settle in.

A few months in, the shock wore off, we worked on getting the things done that we typically had to do. We were still restricted; we had no vaccine in sight and no end to social distancing and no idea when life as we had once known it would return. We focused on the issues that HAD to be done and we had to find new ways to deal with them. That took time, effort and a lot of getting used to. Many, along with our Association, made this change quickly and successfully, pivoting to the technology available and getting business accomplished seamlessly. Our Association served our members with the same level of service they always had. Many of us in our work and personal life did the same. We knew it would be for the long haul. We made it work. But we did so in a secluded way and mainly thinking only close to home. Although it was different, many embraced some facets of that stage of “the new normal.” After all, it was efficient. No traveling to and from meetings or the office. Meetings on zoom tend to be fast, and many can be fit into one day. Family time was increased, and work levels remained the same! In terms of our Association, we were able to leave a lot of the heavy lifting to staff. And they rose to the challenge. We ended this legislative session relatively well, despite a significant amount of detrimental legislation on the table, many did not come to the floor for a vote.

Now, we are emerging, slowly, back to personal contact and public life. The pandemic is still out there, variants are still developing, and rules are ever-changing. The vaccine has enabled many to resume a life very similar to that which we led prior to March 2020. It is time to get to the next “new normal” stage. But what does that mean? Do we abandon the technology we have all become experts with? Do we go back to sitting in all day meetings and endless hours travelling to get there? Do we lose some of that efficiency which the pandemic afforded us? You will find as many answers as people you ask. Regardless of

*(See “Chairman” continued on page 3*

**ESFPA Sustaining Members**



**The Forestland Group, LLC**



## END OF SESSION OVERVIEW *(continued from page 1)*

Additionally, the legislature passed a handful of sector specific regulatory relief measures, including the so-called "HERO Act," which will impose year-round airborne pathogen safety mandates on employers, and allow employees at all worksites of 10 or more employees to demand worker safety committees. Other issues not addressed include amendments to the Freshwater Wetlands Act, protection of streams regulatory program and the clean fuels standard.

Many of the legislative proposals that did not advance in the 2021 session will be back in January (if not later this fall) and ESFPA and our members will need to remain strong in our position on many of these proposals. We will be arranging meetings and tours with key members of the Legislature this summer and fall and we will also be engaging our members in regional meetings and briefings in the coming months.

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## CHAIRMAN MESSAGE *(continued from page 2)*

how it is accomplished, our focus has to resume to include the bigger issues which still loom ahead of us. The time of looking only at our inner circle is ending.

One thing for certain, it is time to get back to "fighting the good fight" and returning to the involvement which has made ESFPA so successful in the past. This effort takes all of us. We need to take what we have learned through the last unprecedented 18 months, embrace all the technology ESFPA has been utilizing and make the effort when we can to have those face-to-face meetings with each other and our legislative leaders whenever possible. ESFPA is making it easy for us to do so.

You will certainly have seen the OneClickPolitics campaigns our Association has put out. They are e-mail letter writing campaigns that automatically send correspondence to your local representatives. They are an invaluable tool to let our leaders know how we feel on certain issues. These letters

resonate with elected officials, and it is a technology those organizations who work against us have mastered. It takes very little effort to fill in your personal information and the benefits are significant.

The issues before our industry are considerable. We all need to be involved. The time of thinking small, and close to home due to Covid is behind us. When you are asked to participate in an e-mail writing campaign, a local legislative visit or tour, or even for Forestry Awareness Day, I challenge you to participate. We can proceed with caution due to Covid, but no less vigor. Our industry is in our hands, all we need to do is show up!

Best Regards,



Michael McLarty  
ESFPA Chair

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# FEDERAL NEWS

There are plenty of policy, regulatory and legislative activities occurring at the federal level but with such tight margins in the majorities of both the Senate and House of Representatives it is hard to believe that anything major will get done in the next 12-18 months, at least outside of the Budget process.

The Biden Administration is placing a lot on climate policy in their COVID recovery initiatives, and we will likely see more as the President puts together his budget package. Congress is

also shaping climate related policy with over 150 climate related proposals floating around. We are seeing the bureaucracy making proposals as new Biden appointments are getting in place and agencies respond to Presidential Executive Order 14008 tackling the "Climate Change Crisis at Home and Abroad."

The following are just some of the items that ESFPA is working on with our national affiliates and monitoring as Congress and the Biden Administration take on any number of climate and energy related issues.

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## CLIMATE SMART AGRICULTURE AND FORESTRY STRATEGY: 90-DAY PROGRESS REPORT

In response to President Biden's Executive Order 14008, the U.S. Department of Agriculture has issued its first progress report on "Climate Smart Agriculture and Forestry." This report outlines strategies the USDA can undertake immediately in addressing climate change within their existing authorities and

programs. It is a major effort to kick start climate mitigation across the agriculture and forestry sectors. They also start to outline possible future strategies that will take Congressional action, such as the Carbon Bank.

## AMERICAN JOBS PLAN

Otherwise known as the “infrastructure bill,” this is President Biden’s massive \$2 trillion proposal to invest in infrastructure and significant investments in mitigating climate change through clean energy investments and land conservation. The package is focused on job creation, traditional infrastructure spending, and investment in many other things that stand to redefine infrastructure as a political issue, such as funding for care workers, as well as incentives for childcare to be provided at American workplaces. Biden plans to couple it with a tax increase for corporations, meant to offset the bill’s spending over 15 years. On the heels of a \$1.5 trillion American Jobs

Plan, Congressional members and leaders remain far apart on the massive infrastructure proposal. Earlier in June, a group of Democratic and GOP senators and the bipartisan House Problem Solvers Caucus are trying to put together possible compromises. Both contingents have an idea of what they want to put in an infrastructure bill. Neither has agreed on funding methods. Everyone agrees that there is a need for infrastructure investment and that such investment would be good for a post-pandemic recovery but achieving consensus on both scope and cost remains very challenging.

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## CLEAN FUTURES ACT

The House Energy and Commerce Committee Chairman Frank Pallone, Jr. (D-NJ), Environment and Climate Change Subcommittee Chairman Paul Tonko (D-NY) and Energy Subcommittee Chairman Bobby L. Rush (D-IL) have introduced the Climate Leadership and Environmental Action for our Nation’s (CLEAN) Future Act (H.R. 1512) – ambitious new climate legislation that ensures the United States acts aggressively to tackle the climate crisis this decade and achieve net zero greenhouse gas pollution.

The CLEAN Future Act would achieve net zero greenhouse gas pollution no later than 2050, with an interim target of reducing pollution by 50 percent from 2005 levels no later than 2030. The targets come from the United Nations Intergovernmental Panel on Climate Change, which has said we must cut carbon pollution to net zero by 2050 to avoid the most catastrophic consequences of climate change. The bill presents both sector-specific and economy-wide solutions to meet those targets, offering a sweeping set of policy proposals that will put the United States on the path to a cleaner and more economically prosperous future.

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## RURAL FOREST MARKETS ACT

U.S. Senator Stabenow (D-Mich.) and Senator Braun (R-Ind) and Congressional Members Pingree (D-ME) and Stefanick (R-NY) have introduced the Rural Forest Markets (RFMA) Act in 2021. The bipartisan RFMA would provide a federal loan guarantee to support innovative projects that help small forest owners address the warming climate and other environmental challenges by adopting sustainable land management practices. Project developers are already using private capital

to band together small foresters, provide expertise, and offset the upfront financial costs producers face in participating in these innovative marketplaces. By establishing a federal loan guarantee to back these private investments, new capital and forestry jobs will flow to rural communities and landowners, all while improving the environment and storing more carbon in our forests.

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## BIOMASS THERMAL UTILIZATION ACT

The Biomass Thermal Utilization Act (BTU Act) of 2021 seeks to recognize and promote the many economic and environmental benefits that biomass thermal energy provides by extending the biomass thermal (residential - 25d) achieved in 2020 legislation and opening the door to Section 48 of the Internal Revenue Code to incentivize biomass thermal

(business). Currently, a host of renewable energy technologies (wind, solar, hydro) qualify for investment tax credits for capital costs incurred in residential and commercial installations. Simply, this legislation seeks to achieve parity between biomass thermal and other renewable systems.

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## BIOMASS CARBON NEUTRALITY

In late May, a coalition of anti-biomass groups sent a letter to EPA Administrator Michael Regan. The letter is specific to the Renewable Fuel Standard (RFS) and advocates that forest biomass, landfill gas, and biogas from hog and dairy farming operations not to be eligible as renewable energy sources under the mandate. The inaccuracies in the letter’s characterization of the carbon footprint of forest biomass energy underscore the need for reauthorization of the carbon neutrality appropriations

rider that directs federal departments and agencies to recognize the carbon-neutral nature of forest biomass in federal environmental and energy policy. ESFPA has worked for several years with our national affiliates and Senator Susan Collins (R-ME) on this issue, and she is committed to securing a successful outcome in the FY 2022 Interior Appropriations bill.

## GROWING CLIMATE SOLUTIONS ACT

In late June the U.S. Senate passed the "Growing Climate Solutions Act" (S. 1251) which authorizes the Department of Agriculture (USDA) to establish a voluntary Greenhouse Gas Technical Assistance Provider and Third-Party Verifier Certification Program to help reduce entry barriers into voluntary environmental credit markets for farmers, ranchers, and private forest landowners. A voluntary environmental credit market is a market through which agriculture and forestry credits may be bought or sold. Entities eligible to participate in the program are (1) providers of technical assistance to farmers, ranchers, or private forest landowners in carrying out sustainable land use management practices that prevent, reduce, or mitigate greenhouse gas emissions, or sequester carbon; or (2) third-

party verifiers that conduct the verification of the processes described in the protocols for voluntary environmental credit markets. Among other requirements, USDA must publish (1) a list of protocols and qualifications for eligible entities; (2) information describing how entities may self-certify under the program; (3) information describing how entities may obtain the expertise to meet the protocols and qualifications; and (4) instructions and suggestions to assist farmers, ranchers, and private forest landowners in facilitating the development of agriculture or forestry credits and accessing voluntary environmental credit markets. This legislation will likely not see House action this session but does set a bipartisan tone for climate carbon market legislation going forward.

## LOGGER RELIEF

The Emergency Coronavirus Relief Act of 2020 was passed by a bi-partisan vote in both the House and Senate. The bill included language from the Logger Relief Act appropriating \$200 million in funding for logging and log trucking businesses who saw a greater than 10 percent loss in revenues from January 1 through December 1, 2020, related to the COVID-19 pandemic, as compared to revenues for the same period in 2019. For several months ESFPA has been working with our

national affiliates to get this money released by USDA. In mid-June, Agriculture Department Secretary Tom Vilsack announced finalized plans for extending pandemic relief payments to farmers, ranchers and loggers who were left out of previous coronavirus response programs. The payment programs will be implemented within 60 days and includes the full \$200 million for loggers. As soon as we see the details of the program, we will inform members of the funding availability.

## WATERS OF THE UNITED STATES (WOTUS)

On June 9th, the Environmental Protection Agency and US Army Corps of Engineers announced intent to revise the definition of "Waters of the United States" (WOTUS), specifically as changed by the Trump Administration. EPA Administrator Regan has pledged to craft a "middle ground" policy. No specifics have been announced. Less than 24 hours after the

announcement, a flurry of reactions has arisen from both sides: those who advocate for a complete gutting back to the Obama rule, and those who promise court action against any such changes. The drama continues! In any case, ESFPA will continue to work with national affiliates to review and respond to any proposed changes.

# STATE NEWS

## LEGISLATIVE SESSION CONCLUDES (FOR NOW)

Early morning on June 11th the NYS Legislature concluded its the final day of the Legislative Session for 2021, or at least for the winter/spring of 2021. ESFPA and our members worked on a number of legislative proposals that would impact our forests and production of harvested wood products. While we effectively prevented some measures from being enacted by both houses, many of these issues still have a lot of support among stakeholders. Here is where some of our legislative priorities ended up as the Session closed:

**Constitutional Amendment for the Right to Clean Air and Clean Water and a Healthful Environment**, Concurrent Resolution of the Senate and Assembly to amend Article I of the State Constitution (Bill of Rights). This legislation (A. 1368/S. 528) has now passed two consecutive Legislatures and will be on the November 2021 Ballot. This proposed constitutional amendment would provide that clean air and water and a healthful environment are treated as fundamental rights for New Yorkers and necessary to protect the overall health of the people and the environment - A self-executing provision

of the Constitution that creates a legally enforceable right and standing to every citizen of the State.

**Extended Producer Responsibility (EPR) Act**, the major shift of responsibility and cost of recycling from municipalities to producers of paper, plastic and metal recyclable products is not moving this Session. Our thanks to national and State affiliates including AF&PA, The NY Farm Bureau and Business Council of New York State for all their efforts in backing our position on paper and paper-based packaging. The proposal will be back in Committee in January, and we will be working with the sponsors over the coming months to try and get amendments for paper and paper-based packaging.

**Freshwater Wetlands Act Amendments**, would have amended the Act to make maps educational and informative and that each regulated wetland would have to be flagged before permitting. As originally written the bill eliminated the 50+ year exemption for silviculture activities. We successfully got an amended version of the Legislation in S. 5116-C/ A. 7850,

*(See "Legislative Session" continued on page 6*

## LEGISLATIVE SESSION *(continued from page 5)*

this bill passed the Senate on May 24th, but ultimately did not pass in the Assembly. The bills have been reported back to their respective Environmental Committees.

**Stream Bills** (A. 6652/S. 4167), which would add all Class C streams to the DEC Protection of Waters regulatory program did not pass either house and has been recommitted to their respective Environmental Committees. This is good and we remain hopeful that we can negotiate an amendment that would provide an exemption for agriculture and silviculture like what we now have for wetlands.

**Birds & Bees Act, S. 699-B** which would prohibit and limit the use of neonicotinoids in most cases has passed the Senate. There is language that would allow the Commissioner of DEC to allow the use of neonicotinoids for treating invasive species, but it is not clear that it would apply to forest uses such as for Hemlock Wholly Adelgid. The Senate sponsor Senator Brad Hoylman, and his staff tell us that yes, the noted amendments they included would allow this use by the NYS DEC, but in reading the bill it really is not clear. Despite our best efforts more clear language was not agreed upon and included in the bill. S. 699-B passed the Senate but did not get reported out of Committee in the Assembly. We will continue to work on language along with our agriculture partners to address remaining concerns.

**Deforestation-free Procurement Act**, which would have prevented state agencies from procuring products made from wood and fiber from Boreal forests, is not moving this session. ESFPA, AF&PA, SFI Inc. and the Canadian Forest Products Association worked hard to convince sponsors Senator Liz Krueger (S. 5921) and Assembly Member Kenneth Zebrowski (A. 6872) on the poor merits of this legislation and that these forests are among the most sustainably managed and environmentally protected forests on the globe. These discussions provided a good opportunity to educate legislators on sustainable forest management and where and why we should be supporting sourcing wood and fiber from such forests. We will be working with both sponsors over the summer on getting this legislation stalled permanently.

**Climate & Community Investment Act (CCIA)**, sold as the revenue mechanism to the 2019 Climate Leadership & Community Protection Act (CLCPA), this legislation is also not moving this session. We have reported on this a lot recently and testified in May on the impacts this legislation would have on the wood products manufacturing sector and forests in general. This is a complex and broad bill and will be revisited in the 2022 session along with a host of other climate financing related proposals.

**Clean Fuel Standard**, is a technology neutral consumer financed mechanism for clean fuels and electrification of the transportation sector. ESFPA among other trade associations, environmental organizations and academics was part of the Clean Fuels Coalition that worked across party lines to advance this legislation. The bills ((A. 862/S. 2962-A) would have allowed for biofuels to be included, we continue to support the proposals. It, along with the CCIA, were tabled along with a host of climate related proposals.

**30 X 30 Land Acquisition Policy** which would have established a goal of protecting 30% of the State's land area by 2030 through a combination of acquisition (fee and easement) and programmatic conservation (e.g., RPTL 480a) ultimately

did not move after Assemblywoman Fahy amended (A. 5390-B) to remove private working lands from being included in the conservation measure. ESFPA supported Senator Kaminsky's version (S. 4629) which did include working lands in the effort. We will continue to work on supporting the role that working forests and farms bring to landscape conservation, addressing climate change and creating natural resource-based economies.

**Community Preservation Funds**, which would authorize individual towns and cities to adopt real estate transfer tax revenue mechanisms to then purchase lands within their municipalities, including forests. These have been enacted as one-offs for individual towns (e.g., Newburgh in 2020) and two more Hudson Valley towns, Blooming Grove and Chester, had legislation passed by the Senate and Assembly this year. A proposal (A. 7632/S. 7041) to enact this statewide thereby allowing any city or town to adopt a Community Preservation Fund did not get passed this year. ESFPA has expressed concern that these proposals are too "preservation" focused and do not value and could threaten working forests and farms. A similar recommendation for these funds is within the Land Use and Local Government Advisory Panel of the Climate Action Council.

**Carlos's Law**, which would make it a felony crime against a business owner or supervisor who created an unsafe work environment and a worker was injured. This legislation (A. 4947/S. 621) passed the Assembly but at the last minute failed to pass the Senate. It is unclear how this legislation will fare in the coming months.

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## SFY 2021-22 ENACTED BUDGET 4/8/21

A week late and a record level of funding at \$212.2 billion (up \$18 billion from last year), increased taxes on the wealthy and corporations, and extraordinary (one time) federal aid for recovery from the COVID-19 pandemic, New York adopted the SFY 22 State Budget in April 2021. The 10-bill package includes a wide range of policy changes, ranging from offering early retirement incentives for state employees to lowering the age of deer hunting to 12 to withholding funds from local police departments that do not formulate reform plans to address bias and improve community relations.

The state received \$12.6 billion in aid from the latest federal stimulus bill, most of which will be deployed in the 2021-22 fiscal year. Of the \$212 billion overall figure, \$112 billion comes from state funds, an \$8 billion increase from last year. Of the growth, nearly half stems from two primary tax hikes: a 0.75 percentage hike in corporate tax rate and three new income tax brackets for high earners. The highest tax rate for all earners has been 8.82%. Under the budget deal, rates for households earning \$2 million or more annually or individuals making \$1 million would rise to 9.65%; for \$5 million or more, 10.3%; and for \$25 million or more, 10.9%.

The following reports on those items ESFPA has been tracking for the 21-22 fiscal year budget:

### Capital Budget

**The Environmental Protection Fund (EPF)** remains at \$300 million. Highlights include:

- **Land Acquisition - \$30 million.** For fee and our priority for State Working Forest Conservation Easements. It also includes \$1 million for Urban Forestry and \$1.5 million for the Land Trust Alliance Conservation Easement program
- **Biodiversity /Landowner Habitat Conservation Programs - \$1.35 million.** Our private forests represent over 14 million acres of habitat and biodiversity and we hope to see some of this effort benefit private forest lands to encourage sustainable forestry and achieve these goals.
- **Invasive Species - \$13.238 million.** Funding invasive plants, diseases and insects in the state's waters and terrestrial forest environments including funding for Hemlock Wholly Adelgid and Southern Pine Beetle.
- **Regenerate NY Grant Program - \$500,000.** For project cost sharing with private forest landowners to help address forest impacts from deer browsing, invasive species and to ensure the next generation of New York forests
- **Wood Products Development Council - \$200,000**
- **Community Forest - \$500,000.** For municipalities and NGOs to acquire in fee or easement community forests.

We realize that in 2020-21 much of the EPF funding did not get deployed and we are hopeful that re-appropriations of the SFY 21 budget will be forthcoming and we can get these funds deployed as part of an overall recovery of New York's economy.

**Restore Mother Nature Bond Act:** Authorizes a \$3 billion Restore Mother Nature Bond Act. If approved by voters in the November 2022 (note not this November) general election, this historic environmental initiative will make significant investments across the state to combat climate change, reduce flood risk, invest in resilient infrastructure, and revitalize critical fish and wildlife habitats. It will do this by connecting streams and waterways, right-sizing culverts, and dams, restoring

freshwater and tidal wetlands, reclaiming natural floodplains, restocking shellfish populations, and upgrading fish hatcheries, preserving open space, conserving more forest areas, replanting more trees, reducing contamination from agricultural and storm water runoff, and expanding renewable energy.

### Economic Development

**A 10th Round of Regional Economic Development Council Funding.** \$750 million in loans and tax credits. \$525 million in resources from State agencies available to support community revitalization and business growth consistent with the existing Regional Council plans through the Consolidated Funding Application process.

**New York Works Economic Development Fund.** A sixth round of investment equaling \$220 million for the New York Works Economic Development Fund will provide additional statewide capital grants to support projects that facilitate the creation of new jobs or retain existing jobs, or fund infrastructure investments necessary to attract new businesses or expand existing businesses in support of economic recovery.

### Environment

**Extended Producers Responsibility Act (TED Part CCC) Intentionally Omitted.** This was removed from the budget bill and we will resume work on S. 1185-B and a similar, but not the same, A. 5801 when the Legislature resumes session on April 14th. The Senate included the Extended Producer Responsibility (EPR) Act in its one-house budget bill. The EPR Act is also found in Senate bill S.1185-B and a similar, but not exactly the same, Assembly bill A.5801 which ESFPA has filled Memorandum of Objection to. The EPR Act would establish an "extended producer responsibility" program for paper and packaging, among other products (e.g., glass, metal, and plastic). The impact of the legislation is a fundamental shift of recycling responsibilities from municipalities to product manufacturers and distributors. This places the burden and expense of recovering and recycling products on producers and distributors in the state, raising costs across the economy and ignoring the substantial successes the forest and paper products industry has achieved and continues to achieve as environmental stewards. If the bill is ultimately passed into law, it will be the only EPR law for paper and paper-based packaging in the nation.

**Hunting Expansion.** The final budget included the provision to allow all junior hunters ages 12-15 to hunt deer with a rifle, shotgun or crossbow when accompanied by a parent, guardian, or mentor. Under existing law, junior hunters are authorized to hunt small game with a rifle or shotgun and big game with a bow when under supervision of a licensed adult mentor. The legislation entails a two-year pilot program that takes effect June 1 and expires Dec. 31, 2023. The change will impact most of the state, excluding Long Island, New York City and Westchester County. The Governor had proposed a broader proposal to allow youth to hunt all big game with a firearm or crossbow and to extend crossbow hunting through the entire bow season, but these did not make the final budget bills.

(See "Budget" continued on page 8)

**SFY 2021-22 ENACTED BUDGET 4/8/21** *(continued from page 7)***Labor**

**Encourage Part-Time Work through Partial Unemployment Insurance Benefits** (Labor Part T). The Senate and Assembly both omitted the Governor's proposal to permit a claimant who is partially unemployed and eligible for benefits to be paid a reduced benefit amount equal to the difference between the claimant's benefit amount and that part of the claimant's wages for such week more than one hundred dollars or forty percent of the claimant's weekly benefit amount, whichever is greater. Under current law, there is a disincentive for workers to try to return to the workforce through part-time work which can otherwise serve as a bridge to full-time employment.

**Provide Paid Leave for COVID-19 Vaccination** (TED Part W). This proposal was omitted from the Budget since separate legislation was passed by the Legislature and signed by the Governor on March 12, 2021 (Chapter 77 Laws of 2021). This new legislation requires public employers to provide up to four hours of paid leave for up to two COVID-19 vaccinations for each employee. Over the past couple of years New York and the federal government have adopted several mandatory leave requirements for workers in the private sector, including sick leave. This measure originally applied to both public and private sector employers but could not garner enough support to include the private sector. Most private sector employers offer paid or unpaid leave for workers to get health care appointments covered, including vaccinations.

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## STATE REGULATORY REPORT

**Statewide Greenhouse Gas Emissions** (6 NYCRR Part 496)

Effective January 1, 2021, DEC has adopted 6 NYCRR Part 496, Statewide Greenhouse Gas Emission Limits. The rule adopts limits on the emission of greenhouse gases in 2030 and 2050, as a percentage of 1990 emissions, per the requirements of the Climate Leadership and Community Protection Act. It applies to all emission sources in the State, but the rule does not itself impose compliance obligations.

DEC has also developed its guidance for the Annual Reporting of Greenhouse Gases as called for in the CLCPA. This is not a regulation but guidance on how DEC will report on achieving the CLCPA targets of reducing greenhouses gases by 40% by 2030, 85% by 2050 and Net Zero by 2050. In the draft guidance the Department is proposing that it will not report on biogenic greenhouse gases recognizing the benefits of biogenic sources in achieving net zero by 2050.

**Stationary Combustion Installations and Part 200 General Provisions** (6 NYCRR Part 200 & 227-1)

Department has repealed Subpart 227-1, Stationary Combustion Installations and adopted the replacement 6 NYCRR Subpart 227-1, as well as attendant provisions under Part 200, General Provisions. These new requirements became effective February 25, 2021. The adopted Subpart 227-1 includes lower particulate matter (PM) emission limits for existing and new stationary combustion installations that either predate, or are not subject to, a federal new source performance standard and/or national emissions standard for hazardous air pollutants. In addition, the Department has adopted revisions to Part 200 which incorporate by reference the applicable federal rule provisions. Adopted Subpart 227-1 will be submitted to EPA as a revision to the PM State Implementation Plan for New York State

**Lake George Basin Stormwater & Stream Protection Regulations** (6 NYCRR Part 645)

New requirements within the Lake George Basin go into effect on April 1st and will impact any timber harvest 5,000 sq. ft. or larger and within 50' of streams. While ESFPA was successful in keeping silviculture and timber harvests as exempt under the

new stormwater and stream regulations, the NOI must be filed at least two weeks prior to commencing of a harvest or logging activity. Stream crossing regulations will still be under the DEC Protection of Streams regulations, but an NOI must also be filed if crossing a stream. Note that in the Towns of Bolton, Queensbury, Lake George, or Lake George Village, you do not have to file an NOI with the Commission but must contact the planning or zoning administrator of that municipality for requirements related to logging activities.

**Endangered Species Regulations** (6 NYCRR Part 182)

DEC continues to look at revisions in the Endangered Species Regulatory Program, but we have not seen any draft regulations since last fall. In late 2020 DEC updated 6 NYCRR Part 182 to reflect some administrative procedures as well as "experimental populations." ESFPA supported these changes. DEC is next supposed to look at revisions to the listed species as endangered, rare, or threatened and species of greatest conservation concern. Late in 2020 DEC solicited a pre-proposal for list revisions and ESFPA provided comments. We expect to see these draft regulations sometime in 2021.

**Invasive Species Regulations** (6 NYCRR Part 575)

The Departments of Environmental Conservation and Agriculture and Markets have been discussing possible regulatory changes to the lists of Regulated and Prohibited Species. Through the Invasive Species Advisory Council, ESFPA, among others, has submitted suggested revisions. We have not seen any proposed regulations to date but do expect to see something in 2021.

**Section 480-a Forest Tax Law** (6 NYCRR Part 190)

DEC Division of Lands & Forests continues to draft regulations for changing the 480-a forest tax law program. Draft regulations are not yet available, but DEC staff have met a couple of times with foresters around the State. The goal of the amendments is to streamline the program for both Department administration and landowners. We will look to Spring 2021 for draft regulations.

## CLIMATE ACTION COUNCIL

The Climate Action Council (CAC) recently completed the work of the seven Advisory Panels and their recommendations for policy, programs and legislation to be considered in the CAC development of the “Scoping Plan” to be developed by the Council by year’s end. The seven Advisory Panels presented their recommendations at CAC meetings in April, May, and June.

ESFPA Executive Director John Bartow, ESFPA Board member Tom Gerow and International Paper Communications Director Donna Wadsworth were member of the Agriculture & Forestry Advisory Panel. Recording and PowerPoints of all the Advisory Panel recommendations can be found at the CAC website at <https://climate.ny.gov/> and you can find a summary presentation of the Ag. & Forestry Panel at ESFPA’s website at <https://www.esfpa.org/>.

The Ag. & Forestry recommendations fall in three broad categories – improved forest management; avoided forest conversion; and the bio-economy. Improved forest management recognizes that a well-managed and sustainably managed forest can yield the greatest benefit of increasing both storage and sequestration of carbon dioxide in our forests. Avoided forest conversion is aimed at both keeping the forest as forest as well as increasing forest land cover through afforestation and reforestation. The bio-economy recommendations focus on retaining current forest markets for harvested wood products as well as emerging potential markets that yield substitution benefits of bio-based substances and materials in a decarbonized economy.

Several other Advisory Panels also included recommendations involving forests and harvested wood products. ESFPA participated in many of these panels and helped to ensure that their recommendations complimented the Ag. & Forestry recommendations and advanced the benefits of wood products in the climate economy. Some of those recommendations included:

- **Transportation** – recommendations include the Clean Fuel Standard and the role of biodiesel and other bio-based fuels. ESFPA is seeking a technology neutral set of transportation policies going forward.
- **Land Use & Local Government** – recommendations include local government efforts of keeping forests as

forest and encouraging improved forest management. There was an effort in this advisory panel to adopt a “Proforestation” policy which ESFPA was able to influence and while there are recommendations to enhance biodiversity and mature forests, a blanket Proforestation policy was not included.

- **Energy Efficiency and Housing** – recommendations include increasing the use of wood used in buildings and infrastructure. Specifically, in proposed amendments to the State building codes and procurement policies of state and local governments.
- **Energy Intensive & Trade Exposed** – recommendations include measures by which New York can prevent leakage as a result of new climate related regulations and requirements. There is still a lot of work in this set of recommendations and ESFPA will remain engaged in this issue going forward.
- **Waste Management** – This panel included recommendations regarding incineration as well as pyrolysis, but the recommendations have been removed from the web site. It is not clear where the CAC will go in regard to end-of-life solutions, and we will remain engaged in this effort.

Following the Advisory Panel recommendations the Climate Justice Working Group will make recommendations regarding environmental justice concerns of all the Advisory Panel recommendations. Starting in late June the Climate Justice Working Group began providing input to the CAC.

Over this summer the CAC will also be undertaking an “integrated analysis” of all the Advisory Panel recommendations. ‘Integrated analysis’ is a strategy in which analysis of environmental, social and economic issues contributes to better cost/benefit analysis by identifying additional sources of risk and opportunity. The intent is that the analysis will lead to better decision making on the part of the CAC in drafting the Scoping Plan.

According to the CLCPA, the CAC must produce the scoping plan by the end of 2021 and then conduct at least 6 public meetings on the draft plan. A final scoping plan is due by the end of 2022 and must be presented to the Governor and Legislature by January 2024.

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## FRA IS PLANNING TO STUDY WORKFORCE NEED OF THE INDUSTRY



FRA is beginning a project to examine “Training Our Next Generation of Forest and Mill Workers”, citing nation-wide difficulty most companies are having locating loggers, truckers, and workers as the impetus.

The goal of the study is to develop an inventory of those post-secondary workforce training programs for loggers, forest products truckers, mill workers, and others that make our industry operate smoothly from the woods to the mill.

To read the full story, please go to FRA’s website at <https://forestresources.org/resources>.

## WELCOME NEW ESFPA MEMBERS (AS OF MARCH 2021)

<b>Adirondack Forest Management</b> .....	Moriah, NY
<b>North Country Timber Management Co</b> .....	Northville, NY
<b>Nate Baker Logging</b> .....	Corinth, NY
<b>Randy Hunt</b> .....	Wellsville, NY
<b>Ewald's Logging &amp; Land Clearing</b> .....	Pine Bush, NY
<b>Watershed Woodworks</b> .....	Salem, NY
<b>JTL Forestry, LLC</b> .....	Lowville, NY
<b>JB Farms Logging and Firewood</b> .....	Pennellville, NY
<b>Jeff Phillips</b> .....	Springville, NY
<b>Allen Logging</b> .....	Hadley, NY
<b>Brian Miller Logging</b> .....	Williamson, NY
<b>Graham Logging</b> .....	Randolph, NY
<b>Mark Williams Logging</b> .....	Randolph, NY
<b>Hemmerich Tree Service</b> .....	Lowville, NY
<b>Derek Crouse Logging</b> .....	Lowville, NY
<b>Derrick Towne Logging</b> .....	Potsdam, NY
<b>Wilson Logging</b> .....	Endicott, NY
<b>Pocobut Timber Harvesting</b> .....	West Rutland, VT
<b>NoCo Tree Services</b> .....	Canton, NY
<b>Adam Lovenduski Logging</b> .....	Boonville, NY

*Members are approved quarterly at each Board of Directors Meeting*



## NCX PROGRAM FOR LANDOWNERS – FOREST CARBON EXCHANGE PROGRAM FOR FALL 2021



**NCX** – (formerly SilviaTerra) is excited to be launching the **Fall cycle** of the Natural

Capital Exchange, the third commercial-scale iteration of its innovative forest carbon program. NCX is the first forest carbon program to feature **1-year harvest deferral terms, no acreage minimums, and no enrollment or participation fees.**

NCX pays forest landowners to retain forest carbon on their properties by deferring timber harvest below a “business-as-usual” level. Many factors influence the “business-as-usual” harvest level assessment for a property, such as the property’s age class distribution, past harvest activity, and regional timber market conditions. While this means that the potential

payment per acre will be different on each property, you can **easily get an estimate of the economic opportunity for your landholdings by submitting a request for a fast and free eligibility assessment at [landowners.ncx.com](http://landowners.ncx.com).** NCX conducts assessments entirely remotely using satellite imagery and other remote-sensing technologies to determine harvest likelihood across your property.

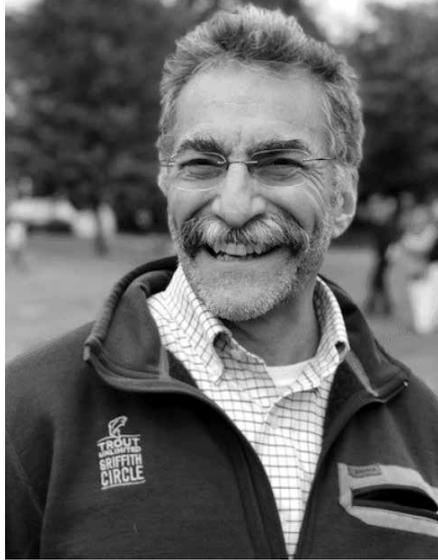
**So far in 2021, NCX has conducted remote assessments for nearly 2,000 landowners, including over 100 landowners in New York for our recent Summer cycle.** The NCX team is looking forward to working with landowners and foresters across the Empire State as they evaluate participation in this exciting program opportunity.

To read more about the NCX program, you can visit [ncx.com/landowners](http://ncx.com/landowners).

## CARBONETTI RECEIVES ACF AWARD

Longtime ESFPA Member and advocate of the forestry industry was recently recognized by the Association of Consulting Foresters of American (ACF). The ACF awarded Richard “Carbo” Carbonetti the Distinguished Forester Award, which marks a forester’s contributions to the application of forestry on private lands, to the advancement of the profession, to private ownership of forestlands, and to the national organization.

A member of ACF since 2001, Carbo served as ACF President from 2010 to 2012, and was a member of ACF’s Executive Committee from 2008 to 2014. He has served on many ACF committees including the search for the new Executive Director, the branding/certification, membership requirements, member benefits, national office, and compensation committees. Currently,



he serves on ACF’s Ruffed Grouse Society collaboration committee. Additionally, as a forestry expert, Carbo has delivered speeches and testified before legislative committees on forestry and property rights issues.

*Richard “Carbo” Carbonetti is a partner, Senior Vice President Timberland, and Director of Management & Consulting at LandVest, a brokerage, consulting, and timberland services firm. He is responsible for the forest management and consulting on over 2.2 million acres in Maine, New Hampshire, Vermont, New York, and Pennsylvania. A licensed forester in Maine, New Hampshire, and Vermont, Carbo earned his BS in Forestry from the University of Maine at Orono where he also received a Distinguished Alumni award in 2014.*

## ESFPA JOINS ASSEMBLYMEMBER SIMPSON ON TOUR OF FINCH PRUYN

On July 7th, ESFPA Executive Director joined Assemblymember Matthew Simpson on a tour of the Finch Pruyn facility in Queensbury. Ben Povak of Finch organized this successful tour, which was lead by Finch Tour Leader, Glenn Erskine.

This tour is part of a concerted effort to help our legislators understand all sectors of the forest products industry. During our Forestry Awareness Days events, several legislators made a point of asking for a tour. We need to be proactive and help educate our leaders.



L to R Ben Povak, Matt Sampson, Glenn Erskine, John Barto

If you have any interest in providing a tour of your facility or property and would like help with the arrangements, please let us know! Additionally, we have a list of legislators we plan on taking on tours late summer and early fall. We may be contacting YOU!

*Matt Simpson was elected to the New York State Assembly on November 3, 2020. His district is comprised of Essex County, Warren County, and parts of Saratoga and Washington counties.*

## HERO ACT UPDATE

In early July, the New York State Department of Labor released the **Airborne Infectious Disease Prevention Standard, Model Airborne Infectious Disease Prevention Plan**, and **industry specific templates** to facilitate compliance with the recently enacted HERO Act.

The HERO Act requires employers to adopt and maintain an airborne infectious disease prevention plan to be implemented when the NYS Commissioner of Health designates an infectious disease as “*highly contagious communicable disease that presents a serious risk of harm to the public health.*” This plan will not apply to any seasonal or endemic infectious agent or disease, such as the seasonal flu.

The law requires employers to adopt a written plan within 30 days of the release of these documents. with a written plan in place no later than Thursday, August 5, 2021. Employers then have 30 days after adoption to communicate the plan to their employees.

A second part of the HERO Act. Labor Law §27-d will be effective November 1, 2021 and will require employers with “at least 10” employees to permit the establishment of workplace safety committees to address airborne infectious disease in the workplace. It is expected that the DOL will be presenting guidance on this topic sometime this summer.



ESFPA  
Empire State Forest Products Association  
New York Forestry Resource Center  
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