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

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STARTING OFF IN 2026

By John K. Bartow, Jr.

This year certainly came in with snow and cold like a good New York winter and it set the tone for the Governor's State of the State and Executive Budget for 2026. This is the middle of our Biennial Legislative Session, so the tempo from last year beats on with little change in legislative members. One new dynamic is a newly elected Mayor Zohran Mamdani in New York City which brings new downstate dynamics and demands to Albany from downstate.

Governor Hochul kicked off this session with her State of the State message on January 13th (see Page 3) where she outlined her agenda for 2026. A week later she delivered her 2026-27 Executive Budget where she proposed yet another record budget of \$260 billion, \$6 billion over last year's budget and more than \$60 billion more than the 2016 State Budget (see page 4). She continues to espouse about affordability but spends like the purse is bottomless. While avoiding new broad tax hikes is welcomed, the 2027 budget includes increased spending in many areas including health care, education, housing and childcare. All laudable causes, we wonder where does the spending end or curtail and tax relief begin. The business community has previously raised concerns about the high cost of doing business, including taxes and regulatory mandates.

Fortunately, this year the Governor's policy agenda and Article VII bills are very light. Our priority is to see her efforts on insurance reform move forward. To her credit, she is taking on tort reform and the Trial Lawyers. If she succeeds, this could be a significant dent in the tort armor and could lead to further reform and relief.

We also have a lot of regulatory activity before us in 2026. After two years, new Forest Tax Law regulations come into play. The Governor has delayed implementation of climate related regulations on Cap & Invest, electric vehicles and all electric buildings, but later this year (conveniently after election) these will come back to the forefront. DEC is

also contemplating a host of regulations on emissions, endangered species and wildlife (see page 5) that we will be monitoring and commenting on.

The State Legislature carries over bills from last year and we will face continued pressure on a number of fronts. Our legislative summary is on page 5. Top on our list is Extended Producer Responsibility and several bills that may impact markets (good and bad). On **March 10th we will have Forestry Awareness Day**, so if you can please join us. Remember, "eighty percent of success is showing up!" This is a great opportunity for you to help us tell our story and to personalize our message in Albany.

On the federal front the Trump administration has completed its first year in term two and it's been a mixed blessing. We have experienced a tumultuous ride on trade and tariffs and as we go to print, we are just seeing the Supreme Court decision declaring many of the tariffs as illegally imposed. We have also witnessed some of the most dramatic regulatory repeals in decades both in Supreme Court decisions as well as in regulatory rule makings such as the Endangerment Finding (see page 9).

We are also working with our national affiliates on several pieces of federal legislation ranging from the Farm Bill to legislation on trade and markets that impact our sector. Some of these come from legislation that started in New York such as working forest conservation easements that are being considered in the Farm Bill for which our experience is helping to shape this policy. We will also be working on legislation related to tariff and trade relief, and renewable fuels.

We are also in the middle of our 2026 membership drive and thanks to many of you, we are seeing many renewing and some new memberships rolling in. It is the membership that supports our efforts and we appreciate the trust and

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The Empire Envoy

Empire State Forest Products Association
47 Van Alstyne Drive, Rensselaer NY 12144-8465
tel: 518.463.1297 • fax: 518.426.9502
www.esfpa.org

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ESFPA STAFF

Executive Director

John Bartow
jbartow@esfpa.org

Communication & Member Services Director

Gabriella Ferrera
gabriella@esfpa.org

Office Manager

Dorian Johnson
dorian@esfpa.org

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 NEW ESFPA BOARD CHAIR

Jeff Denkenberger, ESFPA Chairperson of the Board



I am humbled to be sitting here typing this letter as your newest Chair for ESFPA. I have some big shoes to fill after Jennifer's highly successful four years in this position.

I am the North Region Operations Director for the Molpus Woodlands Group based in Saranac Lake, NY. My responsibilities include the management of approximately 600,000 acres throughout northern Minnesota, the UP of Michigan, and New York.

As I start this new position for the organization, I would be dishonest if I said our industry is booming. We face many uphill battles in the coming years as New York State has created mechanisms to make our jobs challenging. Whether it be what you must go through to obtain a stream crossing permit or keep your mill running with the threat of fines if your emissions are not in compliance, our everyday jobs are changing.

Only the strength of our organization will help us through these challenging times. We must be innovative, take on challenges with a positive outlook and focus on the end goal which is to maintain our industry so the hundreds of families our industry supports are able to live and continue to work in our hometowns. What we must work on to strengthen even more is our voice. We need to be better at talking about what we do to the right people. This is not comfortable for most foresters; we did not go to forestry school to find a job where we must talk to people. But if we don't find our voice, our industry could suffer greatly.

What has allowed me to have the strength and positive outlook on the things to come is the people I work with. Our industry is well equipped with strong leaders in this state. We are fortunate to have, I believe, the best of the best working everyday to make our industry stronger. I would not have the confidence to take this position if I didn't believe I had good people working beside me. You have all helped me along the way in some way, shape or form to get where I am today. I can't thank you all enough for the support throughout my career and I am excited

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ESFPA Sustaining Members



A MESSAGE FROM THE CHAIRPERSON *(continued from page 2)*

to have this opportunity to lead you in this organization.

I want to challenge all of you to reach out to me. The more conversations we have the better I will be at fulfilling the obligations of Chair. I want to challenge you to become involved, share your ideas so we can all work together at navigating through whatever issue arises.

I want to thank all our members for their continuous support; without it we are nothing. Please take my advice and become more engaged with the board and myself. If we don't hear from you, we can't listen to you. The days of tailgate sessions where we complain to only the people you see every day must come to an end. If you have an issue, we can't help if we don't know.

I want to thank our staff for their continuous support and keeping our organization moving forward. They work hard every day to

stay on top of the issues at hand and continue to do a remarkable job of keeping us informed.

Lastly, I want to thank Jennifer. As I said at the beginning, I have big shoes to fill. Jennifer gave 4 years of her career to being the chair and she worked tirelessly in moving our organization forward during some very challenging times. Because of her leadership and love for our industry, we are better today.



Jennifer DeFrancesco passing the gavel to Jeff Denkenberger.

STARTING OFF IN 2026 *(continued from page 1)*

confidence you all have in us. If you have not yet considered your 2026 ESFPA membership please do so. All of us at ESFPA and your Board of Directors appreciate the years of support you have given us. If you have pledged your dues, thank you!

Finally, I will be retiring in June following this legislative session. After almost eleven years here at ESFPA and over fifty years in the workforce, I plan to spend more time with my wife Janet and family. Working with ESFPA has been an incredible and enjoyable journey. The Board is actively

seeking a new Executive Director and I will work the next four months to ensure a smooth transition and the continued success of this organization.

For now, there is much work to be done. Be well and be safe out there. If there is anything that we can do for you or your business, please do not hesitate to contact us.

STATE CORNER

2026 GOVERNOR'S STATE OF THE STATE MESSAGE

On January 13th Governor Kathy Hochul delivered her 2026 State of the State Message, themed ***"Your Family, Your Future, My Fight"***. As with all such annual messages the State of the State introduces the Governor's policy and fiscal agenda for the legislative session and this year it also sets the tone for Governor Hochul's re-election campaign. The Governor and all 233 State Legislators are up for election in November.

The Governor's message played strongly on the national political message of the day: "affordability". While her message delivered heavily on spending more money on everything from agriculture to childcare to welfare, one promising note was she did not mention anything about increasing taxes. While the chatter from the Legislature has been on "tax the rich" and "tax corporations", at least for now the Governor and her minions are holding firm on no new taxes. Time will tell.

The Governor spent considerable time outlining priorities on universal childcare, protecting renters, tackling utility costs, affordable housing and putting food on tables, and addressing urban crime of which are all downstate priorities of the 2025

New York City election. These all have costs which will be very interesting to see how she plans to deal with the State Legislature and Mayor Zohran Mamdani through the budget process.

Proposals for labor included combating wage theft (which we have had issues with in the past), removing taxes on tips, and fighting workers' compensation fraud. We know that the legislature has other priorities such as increasing minimum wage, adding more to paid family leave (part of universal childcare) and short-term disability, among others. We will be watching closely on the tradeoffs and impacts.

On the economic development front, the Governor did layout some proposals for a Manufacturing Modernization Program for small and medium manufacturers. These efforts would be aimed at innovation and technology investments in adopting new technologies. She also proposed developing an industrial hemp pipeline to support hemp farmers in diversifying their

(See "State of the State" continued on page 4)

STATE OF THE STATE *(continued from page 3)*

supply chains towards growing sustainable and affordable hemp-based building materials. We have concerns as to why we need to invest in hemp fields when we have millions of acres of forest that could supply more saw timber and fiber for building materials. But we will see what this means.

The Governor spent considerable time on “cutting red tape to better serve New Yorkers”. While much of the talk was on streamlining the State Environmental Quality Review Act (SEQRA) for housing project reviews, there was a lot on reforming permitting processes at the state and local level. Both of these proposals could stimulate housing development, which could be good for our sector. Some proposals might also result in regulatory reform overall, which would not hurt. But we will have to see details.

The Governor also proposed some redevelopment of underutilized state-owned sites in the North Country (e.g., Camp Gabriels). This certainly could help economic development in the North Country and may in fact stimulate some housing and manufacturing that helps our sector.

On the energy front the Governor committed further for a nuclear future in New York. She committed to a total of 8.4 gigawatts of nuclear generation to establish a “Nuclear

Reliability Backbone” to support grid reliability in New York. The vision is a redundant renewable and nuclear system that supports a reliable grid for the State. Extremely expensive and very long-term. The Governor also committed to supporting a State School Aid package to invest in solar energy projects (watch your school tax bills) and cut emissions. The Governor also is proposing a sales tax exemption for installing EV charging stations for public use.

The Governor was noticeably silent on climate proposals outside of the energy generation sector which is a welcome sign. While it would have been nice to hear her call for some changes to New York’s climate legislation (the CLCPA), it was encouraging to at least not see pursuit of more costly climate policy. That is not to say the Legislature will not propose their own climate mandates in an election year.

The Governor’s environmental agenda was pretty light. She is proposing level, yet record, funding of the Environmental Protection Fund (EPF) at \$425 million. We will be watching to see that those EPF categories we have supported are funded in the budget. She is continuing to put funding into water quality for local governments, storm resiliency coastal flooding and erosion and state and local parks. Otherwise, her environmental agenda seems exceptionally light.

SFY 2026-27 EXECUTIVE BUDGET

On January 20th Governor Hochul released her SFY 2026-27 Executive Budget which sets the stage for her fiscal and policy agenda for the legislative session. It also includes the Governor’s priority legislative proposals, known as Article VII Bills, which provide her significant leverage in enacting key legislation she wants to accomplish her goals for 2026.

All in, the SFY 2026-27 Executive Budget totals roughly \$260 billion, about \$6 billion more than SFY2025-26. The Governor’s spending plan comes a week after her 2026 State of the State proposal, focusing on universal childcare, public safety and ghost guns, child online safety, immigration and more.

On the business, energy and environment fronts there is not a lot in the SFY 2026-27 budget at this time. That could be good. Here is a summary of where we see things that we normally watch in the budget:

\$10 million in funding for the new Manufacturing Modernization Program, which will support the State’s small and mid-size manufacturers. This new program will establish a network of Centers across the State, focused on assisting small and mid-sized manufacturers in adopting new technology. It is not clear how this may affect the existing New York Manufacturing Extension Partnership network and we will have to see how the proposal unfolds.

\$2 million in funding to support New York’s Future Bioeconomy. The funding will create a research and development consortium and pilot a greener economy for industrial hemp by constructing a processing facility and workforce training center. In the State of the State, the Governor noted this would focus on hemp-based construction and building materials, but the budget documents do not mention this.

\$425 million for the Environmental Protection Fund (EPF) is again provided to support critical projects that work to mitigate the effects of climate change, improve agricultural resources, protect our water sources, advance conservation efforts, and provide recreational opportunities. Breakdown includes:

- Wood Products Development Council – \$20,000
- Regenerate NY cost share program – \$500,000
- Hemlock Woolly Adelgid – \$500,000
- Climate & Applied Forestry Research Initiative (CAFRI) – \$1.5 million.
- Community Forests – \$500,000
- Easements for Land Trusts – \$1.5 million

\$50 million is included to support New York’s ongoing efforts to reduce its own carbon footprint. This continued investment will accelerate State facilities’ decarbonization efforts and provide resources to initiate procurement practices that prioritize sustainable and climate-resilient design initiatives. We will be looking to see if some of this will be devoted to reducing embodied carbon in State buildings through the use of more wood in construction.

The Governor’s budget is surprisingly silent on any new climate funding initiatives.

The Governor’s policy and legislative agenda in this budget is very light compared to previous years. This is always a good sign and one that should be welcomed by the Legislature. Whether this leads to a timelier budget or not, who knows, but it does take some major policy issues out of the deliberations.

(See “Budget” continued on page 5)

BUDGET (continued from page 4)

The Governor's State of the State message proposed regulatory reform related to housing and possibly some other state and local government reforms. The Article VII legislation on the Environment appears to be limited to proposed changes to State Environmental Quality Review Act largely limited to housing and some limited mixed-use development. While these reforms may have some indirect market benefits in stimulating housing development that may benefit our sector, there are no real regulatory reform benefits that benefit us.

The Governor in her Public Protection legislation has proposed significant changes in insurance law dealing with intentional fraudulent insurance claims that she feels are driving insurance rates for automobiles, affecting individuals and commercial carriers. These changes are aimed at reducing claims and payouts for fraudulent and staged accidents. We will monitor these proposals, but already the Trial Lawyers have geared up to oppose these measures.

NYS DEC 2026 REGULATORY AGENDA

Each year, pursuant to State Administrative Procedures Act (SAPA), the Department of Environmental Conservation (DEC) publishes a Regulatory Agenda in the State Register and on its website. This is a listing of the regulations that may be proposed for adoption or amendment within that calendar year that may impact the forest management and wood product manufacturing sector. It is important to note that this is prospective and not necessarily everything which may be promulgated.

Division of Air Resources

6 NYCRR Part 218: Revisions to Part 218, "Emission Standards for Motor Vehicles and Motor Vehicle Engines," will be revised to incorporate updates to the State of California's Heavy-Duty Low NOx Omnibus Regulation. California adopted amendments to this regulation in 2024 that include additional manufacturer compliance flexibilities for legacy engines.

6 NYCRR Part 218, "Emission Standards for Motor Vehicles and Motor Vehicle Engines," and Section 200.9, "Referenced Material" will be revised to incorporate updates to the State of California's Advanced Clean Trucks (ACT) regulation. California adopted amendments to this regulation in 2025 that include additional manufacturer compliance flexibilities and minor clarifications. Note the ACT rule in 2025 was delayed two years by Governor Hochul.

6 NYCRR Part 242, "CO2 Budget Trading Program." The regulation will be amended, as necessary and appropriate, to be consistent with the Regional Greenhouse Gas Initiative 2025 Program Review. The public comment period runs through February 17, 2026.

Division of Fish and Wildlife

6 NYCRR Part 182, *Endangered and threatened fish and wildlife*. The existing regulation will be updated to revise the lists of endangered, threatened and special concern species.

6 NYCRR Part 10, *Pertaining to inland trout stream regulations by reference*. The Department may propose an amendment to streamline the regulations and incorporate stream reach classification criteria, consistent with the New York State Trout Stream Management Plan.

Division of Lands and Forests

6 NYCRR Part 193, *Trees and Plants*. Amend section 193.3, *Protected Native Plants*, by updating the lists of endangered, threatened, rare, and exploitably vulnerable plants to reflect changes in population status that have occurred since the last update in 2012. Scientific names will also be updated to reflect current taxonomic nomenclature.

6 NYCRR Part 575, *Prohibited and Regulated Invasive Species*. Amend sections 575.3, *Prohibited Invasive Species* and 575.4, *Regulated Invasive Species* to update these lists. The purpose of this Part is to establish procedures to identify and classify invasive species and to establish a permit system to restrict the sale, purchase, possession, propagation, introduction, importation, and transport of invasive species in New York, as part of the Department of Environmental Conservation's statewide invasive species management program, as required by ECL sections 9-1709 and 71-0703.

2026 PRIORITY LEGISLATION

On January 7th, the 207th Session of the New York State Legislature convened for the biennial period of 2025-2026. To date, over 19,000 bills have been introduced. ESFPA is following over 250 bills that may have an impact on one or more aspects of wood product manufacturing, our supply chain, or the forests that we depend on.

The following summarizes priority bills ESFPA is tracking in the 2026 legislative session. (A thumbs up means we have formally supported the legislation, a thumbs down we have opposed). NPAT means we have "No Position At This Time" for which we have not written a memo for or against the bill but it is very high on our radar and we are actively talking with sponsors and staff of the legislature.

Packaging Reduction and Recycling Infrastructure Act (EPR) – NPAT – A. 1749 (Glick)/S. 1464 (Harckham)

Enacts the "Packaging Reduction and Recycling Infrastructure Act" to require companies selling, offering for sale, or distributing covered packaging materials and products to reduce consumer packaging, improve recycling and recycling infrastructure, including supporting reusable and refill infrastructure, financially support municipal recycling programs, reduce toxins in packaging and require producers of products to bear the onus for end-of-life solutions to product packaging.

ESFPA remains pleased that non-packaging paper is not included in the bill, and it remains a packaging proposal. The

(See "Priority Legislation" continued on page 6)

PRIORITY LEGISLATION *(continued from page 5)*

bill passed the Senate in 2024 and again in 2025, but has not been able to pass in the Assembly. There is pressure from municipalities and environmental groups to amend the bills to include all paper products. If that happens the bill includes provisions related to rates and dates, post-consumer content, mandatory product reductions, and toxics that we could not support. ESFPA has not issued a memo on this bill, but we have signed a memo of concerns lead by the Business Counsel of NY and we have actively meet with legislators in meetings to oppose the legislation.

Waste Affordability Act – NPAT – A. 6191 (Jackson)/S. 5062 (Martinez)

Enacts the affordable waste reduction act; defines terms; provides for registration of producer responsibility organizations and service providers; establishes the producer responsibility advisory board; provides for department of environmental conservation responsibilities; provides for producer responsibility advisory board, organization, producer and service provider responsibilities; creates a recyclable or compostable covered materials lists and exempt materials list; establishes producer fees; provides for service provider reimbursement.

Introduced as an alternative bill to the Packaging Reduction & Recycling Infrastructure Act in hopes to draw the moderate majority of members away from the bill that business groups do not like. The bill does include all paper products but also has paper exclusions that would remove many of our virgin fiber products from the bill. ESFPA has not commented on this bill yet.

Tropical Rainforest Economic & Environmental Stability Act (TREES Act) – OPPOSE – A. 8673 (Glick)/S. 7203 (Krueger)

Enacts the tropical rainforest economic & environmental sustainability act requiring that companies contracting with the state do not contribute to tropical forest degradation or deforestation directly or through their supply chains; establishes the supply chain transparency assistance program to assist small and medium-sized businesses and minority and women-owned businesses in achieving compliant supply chains.

ESFPA objects to this legislation based on definitional concerns, impact on businesses, DEC new role in procurement and the fact that North America accounts for >4% of all consumption of Tropical Forest and agricultural commodities.

Prohibits Use of Tropical Hardwoods in State Contracts – NPAT – A. 9598 (Glick) S. 8851 (Krueger)

Further prohibits the use of Tropical Hardwoods by any state or local government in the construction, maintenance, or reconstruction of any public works, building or structure and closes loops holes for such use and procurement. Allows limited exceptions for the continued use of certain tropical hardwood species by the Metropolitan Transportation Authority, Staten Island Ferry, and New York City on certain bridges for limited time periods until suitable material replacement can be found. The intent of the legislation is to eventually prohibit the use of most any tropical hardwood species in any state or local government project. ESFPA has no objection to the prohibition on use of tropical hardwood species by the state or local governments.

Climate Corporate Data Accountability Act – OPPOSE – A. 4282-A (Glick)/S. 9072-A Harckham

Establishes the climate corporate data accountability act requiring certain business entities operating within the state to annually disclose scope 1, scope 2 and scope 3 emissions. This legislation would require US-based businesses conducting business in New York with annual revenues greater than one billion dollars to annually report GHG emissions from their business, including direct emissions, electricity use, and indirect emissions from the supply chain and other sources. The emissions reports will be made public. Establishes the climate accountability and emissions disclosure fund to receive funds from reporting entities.

ESFPA has joined a broad coalition of businesses in opposition to this legislation.

Clean Fuel Standard – SUPPORT – A. 472-A (Woerner)/S. 1343-A (Parker)

This legislation would establish a Clean Fuel Standard (CFS) to reduce greenhouse gas emissions in the transportation sector. ESFPA has supported this for the heavy-duty transportation and aviation sector consisting of vehicles that presently do not have electrification alternatives. These heavy-duty sources account for as much as one-third of New York's transportation emissions. ESFPA has backed this legislation on how a CFS can achieve emission reductions while supporting our agricultural and forest-based economy, localizing sources of fuel within New York, and helping to use our agricultural and forest landscape as a solution to climate change.

The Clean Fuel Standard passed the Senate in 2024 in an amended version pushed by Senator Parker. These amendments are not as favorable for bio-based feed stocks. ESFPA is supporting the bill as introduced in 2025.

FRAME Act – SUPPORT – A. 9255 (Barrett)/S. 8918 (Kavanagh) – The "Facilitating Resilient Affordable Mass Timber Expansion Act" (FRAME) would help to spur the development of mass timber in New York by creating tax credit investment incentives into affordable housing and investment supply chains for mass timber housing development. It would also create a Build Up New York Pilot program to incentives accessory dwelling units made of mass timber in designated Pro-Housing Communities.

PFAS Discharge Disclosure Act (water) – OPPOSE – A. 5832-B (Kelles)/S. 4574-B (May)

This legislation would require all existing and new water discharge permits to monitor for one year their discharges and to report any level of PFAS documented. This legislation has been amended several times to include general permits for multi-purpose stormwater permits.

ESFPA has opposed this legislation since it added the Multi-sector General Stormwater Permit. This legislation has passed the Senate in 2023 and 2025.

(See "Priority Legislation" continued on page 7)

PRIORITY LEGISLATION *(continued from page 6)*

Management and Testing of Biosolids and Soils – NPAT – A.10138 (Kelles/S. 9115 (Harckham))

Enacts a comprehensive biosolids testing protocol and testing of soils, water and groundwater of areas previously and to be treated with biosolids. Establishes a moratorium on the spreading and sale of biosolids until protocols can be established with limited exemptions. Provides for farm relief of remedial and testing costs. ESFPA has not taken a position on this bill but has concerns about the impact on biosolids from WWTPs at papermills from Sylvamo and Finch.

Relates to Property Tax Exemptions Under RPTL 480a for Preservation of Forest Land and Payments to Municipalities – OPPOSE – A. 7550 (Kelles)/ S. 5603 (May)

Amends RPTL 480 and 480a and would allow conservation easements to be “certified properties” under 480a where such easements would allow for the provision of “wild forests” and prevent timber harvesting.

ESFPA is opposed to this change to RPTL 480a and has had meetings with Legislative Directors for both MoA Kelles and Senator May. ESFPA has “commented” on the bills and not Opposed, yet. ESFPA has also spoken to Protect, and Protect has responded to ESFPA’s comments. ESFPA worked with NYFOA on a response to Protect’s article in Adirondack Explorer.

Adirondack Clear Cut Bill – OPPOSE – A. 1252 (Glick)/S. 4710 (Fahy)

Requires forest management plans, subject to the approval of the Department of Environmental Conservation, for certain lands subject to a conservation easement purchased by the state; forbids clearcutting on such lands without such forest management plan; increases the jurisdiction of the Adirondack Park Agency (APA) over clearcutting.

ESFPA has opposed this legislation for the past 6 years due to the regulatory mission creep and removal of APA’s General Permit for clear cuts.

Reclaimed Lumber – NPAT – A. 3029 (Kelles)/S. 2091 (Kavanagh)

Establishes structural standards for the reuse of deconstructed building materials (i.e. reclaimed lumber); requires the uniform building code to set standards for the use of solid-sawn lumber in construction and for the grading of used solid-sawn lumber; requires the Secretary of State (i.e. Codes Council) to develop a program for grading reclaimed wood for structural purposes.

State Code Council and NYS Building Officials Council (NYSBOC) have issues with this legislation. It was introduced in the Assembly in 2024. Senate cosponsor in 2025.

Sustainable Aviation Fuel Tax Credit – SUPPORT – A. 7308-A (Barrett)/S. 4065-C (Parker)

Establishes a sustainable aviation fuel tax credit and eligibility criteria for such tax credit.

ESFPA supports this legislation as a means to incentivize new low-grade markets and recognize renewable, sustainable biofuels.

Bio heating Fuel Requirements – NPAT – A. 9677 (Cashman)/ S. 2411 (Parker)

Relates to bio heating fuel requirements; allows B100 or B99 biofuel and R100 or R99 renewable fuel to be used to blend with or replace fossil heating oil in order to create bio heating fuel.

ESFPA supports this legislation as a means to incentivize new low-grade markets and recognize renewable, sustainable biofuels. Some question regarding reference to EPA “Approved Pathways for Renewable Fuels” as it relates to cellulosic feedstocks.

Cap & Invest – NPAT – A. 3975 (Kelles)/S. 4651-A (Parker)

Establishes an economy-wide cap and invest program to support greenhouse gas emissions reductions in the state by setting a maximum allowable amount of greenhouse gas emissions by covered entities and regulating the sale or auction of greenhouse gas emissions allowances to covered entities.

ESFPA has been participating in the DEC Cap & Invest rulemaking for 3 years. We do not believe that adopting legislation on Cap & Invest is the way to go at this time. We are working with the Business Council of NY and other industry-related groups to have this adopted as a rule. The Governor has put Cap & Invest off for now and directed DEC to pursue a broader Greenhouse Gas Emissions inventory before proposing regulations. ESFPA prefers that Cap & Invest be promulgated by rulemaking.

Embodied Carbon Decarbonization Program – NPAT – A. 8202-A (Epstein)/S. 8000 (Comrie)

Directs state agencies to adopt an embodied carbon decarbonization program; requires the office of general services to issue operational directives and guidance for common construction materials to reduce the amount of embodied carbon in such materials.

Focus on State procurement to reduced embodied carbon in year-round buildings 3,000 sq. ft. or larger. Directs OGS to develop product and facility specific EDPs. Does not include wood as an explicit “common construction material.” These are new bills this year. Hear that Executive and OGS have issues as drafted. The State has been slow in adopting embodied carbon standards beyond concrete.

Embodied Carbon in Buildings & Building Materials – NPAT – A. 8456 (Kelles)/S. 7998 (Kavanagh)

Amend the State Building Code to reduce the embodied carbon emissions of buildings and building materials; provides that construction permitted under the state building code shall achieve a 15 percent reduction in embodied carbon emissions by 2030; 30% by 2033 and provides three options for compliance.

This is the first session for these bills. Executive and DOS do not like legislative changes to the Building Code.

(See “Priority Legislation” continued on page 8)

PRIORITY LEGISLATION *(continued from page 7)*

Sustainable Building Materials Act – NPAT – A. 6566-B (Carroll)/S. 7648-A (Kavanagh)

The “Sustainable Building Materials Act” enacts into law components of legislation relating to reducing greenhouse gas emissions in construction of buildings 25,000 sq. ft. or larger. Part A amends the tax law to create a sales and use tax exemption for qualifying low-carbon building materials and products. It requires that materials meet specific global warming potential (GWP) benchmarks, as verified by Type III Environmental Product Declarations (EPDs). Part B sets forth definitions, establishes a grant program for EDPs for concrete only, and directs the development of a “whole building lifecycle assessment program” (WBLCA).

Temperature Extreme Mitigation Program Act (TEMP Act) – OPPOSE – A. 3527 (Bronson)/S. 3412 (Ramos)

Provides for the regulation of indoor and outdoor worksites with temperature protection standards and education, training, and reporting requirements to ensure that employers provide safe conditions for their employees. Attributes extreme temperatures to climate change. This legislation includes temperature standards to be followed by employers within the scope of avoiding undue harm to employees.

ESFPA had not opined on this legislation as it does not define manufacturing or loggers or foresters in the scope of covered “industries.” In 2024 and 2025 we did agree to sign-on an industry letter opposing this legislation in that the legislation is not aligned with already required OSHA requirements and several absurdities included in the legislation. In 2025 we became aware of some concerns relating to warehousing and have since opposed this legislation under our own memo.

PFAS Monitoring as High Toxicity Air Pollutant – OPPOSE – A. 4373 (Tapia)/S. 1493 (Fahy)

Relates to regulation of PFAS as a toxic air pollutant; requires the department to ensure certain process operations use appropriate control technology for PFAS emissions; establishes a fence line monitoring program to monitor PFAS emissions in disadvantaged communities, to provide public reports, and related duties.

ESFPA opposes this in relation to inconsistencies with Title V permits. Pollutants are also already covered under the CLCPA. This legislation is a priority for our facilities, and we remain aligned with our partners in opposing it. We do need to get a handle on PFA legislation and build consistency in our responses to proposals.

Establishing Contractual Requirements for Logging Agreements – OPPOSE – S. 5439 – (Oberacker)

Enacts provisions to protect property owners from timber theft; establishes contractual requirements for logging agreements.

ESFPA has serious concerns on the scope of this bill on private commercial agreements and contracts. We spoke with Senator Oberacker’s Legislative Director and expressed concerns, and they are rethinking the bill. Their intent is consumer protection from bad actors.

Renewable Energy and Transmission in State Forests – OPPOSE – S. 4408 (May) No Same As

Relates to agreements, such as leases or easements, related to renewable energy development rights on State Reforestation areas.

ESFPA opposes this legislation as it undermines the statutory intent of State Reforestation Areas for fiber and timber supply and recreational and wildlife activities.

FEDERAL CORNER

TRADE & TARIFF RELIEF PACKAGE

A top priority for a number of our federal affiliated and other State trade associations was our effort to persuade the U.S. Department of Agriculture to provide relief to the industry due to losses caused by trade and economic uncertainties of tariffs, retaliatory trade actions and supply chain disruptions of 2025. Led by the Hardwood Federation and supported by hundreds of associations and companies, this was a major push as we saw the Trump Administration propose assistance for agriculture and Congress began to respond.

Establishing a Congressionally approved funding program and mechanism for wood producers and log brokers was never viewed as an easy task...nor one that would happen overnight. The Federation staff and their partners and Monument Advocacy worked closely with members of the industry, U.S. Department of Agriculture officials, and Congressional leaders to craft language earmarking funds for a hardwood specific program that would be included in the greater agriculture financial support package currently under consideration in the

Senate. These funds would be outside of the funds announced by the Trump Administration in December (Farmer Bridge Payments). The first \$11 billion of the \$12 billion designated were earmarked primarily for row crops. The remaining \$1 billion was recently allocated to specialty crops with existing programs. More recently, the Federation has been pushing to be included in a Senate proposed additional \$15 billion to support the agriculture community.

The Federation has reported that we have cleared the first hurdle...getting agreement on language and securing champions in both the House and Senate. This has required compromising with both the Administration and Congress on scope and intent, but never on commitment to long-term viability of the industry. The next challenge is ensuring our language is included in the larger package (as noted above, currently projected at \$15 billion) and that the funding remains in any legislation that moves forward. This will be the focus

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TRADE *(continued from page 8)*

in the first months of 2026 and potentially for the greater part of the year depending on how fast Congress decides to act. There is significant competition for relief funding from multiple agricultural sectors, including softwood producers and landowners, but we are continuing to make the point that forest related companies are facing unprecedented challenges on multiple fronts and action is needed to ensure the viability of the industry and those they employ. Although we have made significant progress, nothing is assured, but we will remain laser focused on this very important issue for the industry.

Establishing a program will give the industry a long-term relief mechanism that can be adapted and refunded to meet future needs. If we are successful, it is important to remember

that is will be one more step in a continuing journey...not the end. Once a program is established it puts to bed the historic argument that there is no "easy way" to trigger relief and that there is no precedent for helping processors. What we are attempting is certainly not easy, but as we all know, few worthwhile things are.

The Hardwood Federation and all of us who have partnered with them are incredibly grateful to the companies and industry leaders that have signed letters, sent e-mails, written op-eds, called their members of Congress, and provided support and guidance as we have worked on this initiative. We anticipate there will be continuing need for the industry to engage and reach out. Stay tuned for our next call to action!

EPA ENDANGERMENT FINDING

The Environmental Protection Agency (EPA) Endangerment Finding is a foundational scientific and legal determination that greenhouse gases (GHGs) endanger public health and welfare. Established in 2009, it has served as the legal basis for federal climate regulations under the Clean Air Act for over 16 years. On February 12, 2026, the Trump administration officially rescinded the 2009 Endangerment Finding, a move described by the EPA as the "single largest deregulatory action in U.S. history".

EPA Administrator Lee Zeldin finalized the repeal, arguing that the original finding exceeded the agency's statutory authority. The administration relied on recent Supreme Court rulings, such as *Loper Bright v. Raimondo* (ending Chevron deference which we have reported on in 2025) and the "major questions doctrine" from *West Virginia v. EPA*, asserting that such sweeping climate policy requires clear congressional authorization. The EPA now contends that the Clean Air Act's definition of "air pollution" refers only to local or regional exposure, not global climate effects.

With the decision, the EPA repealed all federal greenhouse gas emission standards for light-, medium-, and heavy-duty vehicles for model years 2012 to 2027 and beyond. This will have a significant impact on EV mandates, at least from the federal government. While the rescission specifically targets the motor vehicle standards, it effectively undermines the legal basis for regulating GHGs from power plants and industrial sources as well.

The EPA estimates this action will save Americans over \$1.3 trillion in regulatory costs, including an average of \$2,400 per new vehicle.

Within hours of the final rule, environmental and public health groups filed lawsuits in federal court to challenge the repeal. Critics argue the move ignores established climate science and violates the Supreme Court's 2007 decision in *Massachusetts v. EPA*, which was the basis for the original rule. We can expect New York and California to lead legal opposition.

How much this rule repeal will impact New York is debatable. New York has already adopted significant climate legislation regulating emissions under the Climate Leadership & Community Protection Act (CLCPA). It has also adopted its own set of emission reporting regulations for greenhouse gas emission sources. It has also participated in the multi-state Regional Greenhouse Gas Initiative (RGGI) for over two decades which regulates and trades emissions from major power generators. New York has also adopted the California Light Duty and Heavy-Duty vehicle emission standards for decades as well as the light and heavy-duty EV requirements (albeit they have been delayed by Governor Hochul for two years).

New York will also undoubtedly take this regulatory repeal by the Trump Administration as a mandate for New York to yet further adopt stricter climate and greenhouse gas standards to protect New Yorkers and the world from both President Trump and climate change. It will likely take years for this decision to unfold, in the meantime we will keep you informed of changes.

FARM BILL

The 2018 Farm Bill expired in 2023 and has been extended three times. Due to expire on September 30, 2026, these extensions have kept base and critical programs such as SNAP, crop insurance, and disaster assistance to continue. The repeated extensions reflect ongoing Congressional delays in passing a new five-year, comprehensive bill, with major policy hurdles regarding funding and program priorities yet to be resolved.

On February 13th, House Agriculture Chair Glenn "GT" Thompson (PA-15) released the following statement after

releasing the Farm, Food, and National Security Act of 2026:

"A new farm bill is long overdue, and the Farm, Food, and National Security Act of 2026 is an important step forward in providing certainty to our farmers, ranchers, and rural communities. We made historic agricultural investments last summer in the Working Families Tax Cuts (H.R. 1), but there are many key policy components that remain to be addressed. With that in mind, the House Committee on Agriculture will

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FARM (continued from page 9)

begin marking up a new farm bill February 23.”

Following mark-up, the bill will go for a vote and then needs to move to the Senate where another bill is moving. Whether we can see a negotiated bill between the House and Senate get passed and sent to the President before September 30th is a big question. The following summarizes the draft bill and what the House is prioritizing for forestry related matters.

Protects and enhances working lands conservation programs to ensure they remain producer-first, flexible, and locally led.

- Enhances EQIP by incorporating proven technologies and innovative programs.

Creates the Forest Conservation Easement Program (FCEP). Something ESFPA has advocated for years.

- Repeals the Healthy Forests Reserve Program and creates FCEP.

Supports capacity funding for research, extension, and education activities.

- Maintains the McIntire-Stennis Act of 1962 which supports forestry research at state forestry schools and colleges.

Creates new and enhances existing market opportunities for forest products, including leveraging data sources and tools, investing in innovative wood products, and expanding the use of biochar.

- Reauthorizes, renames, and enhances the Community Wood Facilities Grant Program, by increasing the maximum grant for a project, the maximum capacity of a community facility energy system, and the federal cost-share.
- Reauthorizes and modernizes the Wood Innovation Grant Program, reduces the non-federal match, and authorizes grants for hauling hazardous fuels reduction materials to locations that can utilize it.
- Supports innovative wood products through Wood Innovative Grants and establishes a platform to track forest and wood products data.

- Proposes to modernize and standardize Forest Inventory Analysis data collection and increase data accessibility, usability and transparency.
- Authorizes a biochar application demonstration project to facilitate the use of biochar, develop new biochar applications, and support the commercialization of biochar.

Revitalizes rural communities and improves forest health through cross-boundary authorities.

- Allows the flexible use of funding for the development and implementation of state forest action plans.
- Reauthorizes the Landscape-Scale Restoration Program.
- Reauthorizes and modernizes the Collaborative Forest Landscape Restoration Program.

Streamlines program delivery and enhances program integrity for biobased market programs and biofuels and bioproducts development programs.

- Directs the relevant agencies to develop NAICS and NAPCS codes, establishes a report to recommend bioeconomy related changes for the 2027 NAICS and NAPCS codes revisions, and assesses the development of a national measurement of the economic contributions of the bioeconomy.
- Affirms sustainable aviation fuel as an advanced biofuel.
- Reauthorizes the Bioenergy Program for Advanced Biofuels and the Biomass Crop Assistance Program.

Addresses concerns about the conversion of private forestland and prime farmland into ground-mounted solar panel installations.

- Requires the Administration to study the impacts of solar installations on private forestland and prime farmland.
- Limits USDA's ability to invest funding in projects that convert private forestland or prime farmland into ground mounted solar installations.



ESFPA NEWS



DENNIS J. PHILLIPS ADIRONDACK FORESTS GALLERY

The Adirondack Experience (ADKX) is one of the largest and most unique regional history museums in our country. The tens of thousands of artifacts, documents, photographs, and other materials in their collections chronicle the incredible lives of the people who have lived or spent time in the Adirondacks over centuries. Their stories are brought to life in more than 60,000-square-feet of exhibitions, wide-ranging educational programs, and extensive online offerings. ADKX is uniquely positioned to create an interactive experience that unambiguously demonstrates the importance of looking to the past as we consider the complex choices that will determine our future.

As our ESFPA members know, Dennis Phillips was an icon of the forest products industry and Adirondack community. A lifetime advocate for and litigator of Adirondack property rights, he practiced forest and land use related law for over 50 years representing many Adirondack landowners and businesses. He was an outstanding professional, gentleman, and family man. In his honor, The Adirondack Experience (ADKX) will be opening an exciting new 6,000-square-foot interactive exhibition, **Adirondack Forests**, in 2028.

The Dennis J. Phillips Adirondack Forests Gallery is a \$5,000,000.00 project that will link the Adirondack's iconic

(See "Gallery" continued on page 11)

GALLERY *(continued from page 10)*

logging industry to 21st-century visitors' intense concerns about conservation, sustainability, and climate change. This permanent reinstallation will replace an outdated exhibition from 1989 and add almost 2,500 square-feet of additional space.

Adirondack Forests will be multi-sensory including sound, tactile features, and even smells of the forest. It will be fully accessible for the benefit of visitors with mobility issues, and it will be enlivened throughout with interactive features. The exhibition will look to the past through a contemporary lens, encouraging visitors to imagine a future that is deeply informed by recognizing changes in human values and what we can learn through careful examination of the past. It will examine the region's logging and forest products industries; on-going efforts to sustain Adirondack forests; the impact of changing technology on land use; and the stories of individuals who

worked in this industry in the past many of them immigrants and Indigenous Americans, and those who are pursuing professional careers in natural resource management today.

Creation of the Adirondack Forests exhibition will be the next step in the modernization of all of ADKX's visitor experiences, which began in 2017 with the introduction of the organization's first major interactive exhibition: *Life in the Adirondacks*. ADKX will use a visitor-centered approach in developing *Adirondack Forests*, as it showcases the region's logging tradition and its central role in shaping conservation efforts around the globe.

The Adirondack Experience is currently seeking donations to make this undertaking possible. If you are interested in donating or would like more information about Adirondack Forests, call or email Seamus Collins, ADKX Director of Advancement: scollins@theadkx.org, 518-352-7311 x 119.

NEW LEADERSHIP FOR NY LOG-A-LOAD FOR KIDS



We are pleased to announce that Trevor Keough, Forest Resource Development Analyst with

The Baillie Group, has been appointed as the new Chairman of NY Log-A-Load for Kids. Trevor succeeds Mark Mowrey, who recently stepped down from the position after many years of leadership and dedication to the program.

Trevor shared the following about his new role:

"Log-A-Load for Kids is a great organization that has a meaningful impact on the communities where we practice forestry, live, and have strong connections. As an industry, it

gives us an incredible opportunity to stay involved, create real change, and continue to grow while giving back. I've been fortunate to volunteer with Log-A-Load over the past few years and have personally felt the reward of supporting a cause that's bigger than any one of us. Looking ahead, we want to expand our impact and presence across the state, and that will take a collective effort from all of us. I'm excited and grateful for the opportunity to be more involved in such a worthwhile cause. If you, or anyone you know, would like to get more involved with Log-A-Load for Kids, please reach out—I'd be happy to connect."

Big things are ahead, and we look forward to continued growth under Trevor's leadership!

FORESTRY AWARENESS DAY 2026

On Tuesday, March 10th, ESFPA will be hosting our annual Forestry Awareness Day (FAD) in the Legislative Office Building in Albany. FAD is our annual "lobby day" with the New York State Legislature.

This is the opportunity for ESFPA members to put a face on our forest and wood products manufacturing sector; educate legislators and policy makers on the importance of forests and harvested wood products; and the contribution we have in New York's economy, environment (including climate change) and the quality of life of all New Yorkers.

This year, our highest priorities within the SFY 2025-26 Budget and for the balance of the Legislative Session are:

1. Environmental Protection Fund:

ESFPA supports the Governor's request for funding the EPF at \$425 million. Since 2018 New York has added lines in the EPF for forests and the forest-based economy. Every line has demonstrated its value and return. ESFPA supports the following funding in existing lines in the EPF:

- a. Wood Products Development Council at \$200,000.

- b. Regenerate NY cost share to private landowners at \$500,000.
- c. Urban Forestry at \$3.2 million).
- d. Climate & Applied Forestry Research Program at \$1.5 million.

2. Addressing Auto Insurance Fraud and Reducing Rates (PPGG Part G):

- a. ESFPA supports the Governor's auto insurance proposals which aim to lower premiums by combating fraud and reforming legal liability, aligning with business community goals for enhanced affordability. Key measures include cracking down on fraudulent claims, tightening the significant injury threshold, and reforming joint and several liability.

3. Extended Producer Responsibility Legislation:

- a. ESFPA is looking for better recognition of the unique characteristics of paper under any proposals for Extended Producer Responsible (EPR) program.

(See "Awareness Day" continued on page 12)



ESFPA
Empire State Forest Products Association
New York Forestry Resource Center
47 Van Alstyne Drive | Rensselaer, NY 12144-8465
518.463.1297 | www.esfpa.org

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“The People Behind New York’s Healthy Forests and Quality Wood Products”

AWARENESS DAY *(continued from page 11)*

- i. Paper has a high recovery and recycling rates (67% in 2023)
- ii. Paper recovery has in place an advanced and working private sector model.
- iii. Paper is the only covered product that cannot be infinitely recycled. Constant need for new fibers.
- iv. Avoid unintended consequences of mandated rates & dates, minimum recycled content, toxicity requirements in paper and packaging, and the lack of manufacturer producer engagement.
- v. Potential unintended impacts on New York’s two (Sylvamo and Finch) vertically integrated mills and the role that low-grade markets have on healthy forests.

4. Wood Product Market Incentives:

- a. ESFPA is advocating a number of legislative incentives to enhance wood product markets and diversify forest-based economic opportunities:
 - i. **Clean Fuel Standard** – supports **A 472-A/S 1343-A** as it directs New York to develop a Clean Fuel Standard (CFS) to reduce greenhouse gas emissions in the transportation

sector. New York’s transportation sector is the leading source of greenhouse gas (GhG) emissions in the State, contributing over 35% of the State’s annual emissions. A CFS also has co-benefits that protect working forest and agricultural lands and provides potential recent technology and jobs in refinement and production of biofuels in New York.

- ii. **Mass Timber** – Supports **A 9255/S 8918** which would stimulate the use of mass timber in public housing projects and spur investment in facilities and machinery that produce mass timber.
- iii. **Embodied Carbon** – ESFPA would support legislation that includes Whole Building Life-Cycle Assessments (LCAs) that encourage the reduction of carbon emissions throughout the supply chain and construction process. ESFPA is supportive of material agnostic and objective LCA standards and environmental product declarations that lead to whole building LCAs.

Please consider attending this year’s Forestry Awareness Day, *“the world is run by those who show up.”* For more information, please call Gabriella Ferrera at the Empire State Forest Products Association at (518) 463-1297 or email gabriella@esfpa.org.