

Wood product development to support non-industrial land management

Regulations on wood removal, commercialization, and the need for market pathways for wildfire risk reduction, forest resilience, and stewardship-based projects

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Background

New business development in the California forest product sector has received an increase in funding support over the last several years, primarily facilitated through CAL FIRE's Business and Workforce Development (BWD) grant, California Energy Commission's (CEC) Electric Program Investment Charge (EPIC), and the Office of Planning and Research (OPR) Pilot Program. However, a funding analysis of the CAL FIRE BWD program by 3point.yxz (2024)¹ shows that as of December 2023, over \$263 million in funding requests were made but only approximately \$70 million (27%) in grant funds were awarded. Interest to support a more robust wood product industry operates under the assumption that forest health, restoration, and stewardship practices will become more economically viable with improved market conditions and enable landowners to actively manage their land. As more businesses are being developed to tap into this market opportunity, more attention has been given to feedstock availability and the regulations involved in the commercialization of wood.

This guide was developed due to rising questions about the regulatory background on wood procurement from fuel reduction work occurring throughout the state from the perspective of a new wood processing business. Primarily, this guide attempts to illuminate the funding and permit pathways which may restrict the procurement of wood. Additionally, agencies such as the US Forest Service and Investor Owned Utilities (IOU), like PG&E, have expressed interest in mandating the removal of material from fuel reduction projects (personal communication). This guide reviews "donation-based" disposal in situations where wood removal is mandated but markets are still nascent.

This guide will provide more clarity to a variety of questions, including:

- What should I know about existing funding and permitting pathways for procuring wood and generating revenue in California?
- Can the landowner sell the felled wood by right-of-way operations? Including the procurement of abandoned material coming from emergency hazard tree removal along roadways or utility operations
- Do I need a permit if I want to donate woody material (ie. not financially gain from sales)?
- Mandating the removal of woody material?

¹ Research conducted as part of the [Forest Business Alliance](#)

Regulatory overview

Private landowners have various pathways to implementing an operation on their land. A primary question landowners must address is if they intend to sell commercial material. The Forest Practice Rules (FPR) defines commercial benefit as “the cutting or removal of trees that are processed into logs, lumber, or other wood products and offered for sale, barter, exchange, or trade”². If so, then the operations will be considered a “timber operation”, where “commercial species” are categorized by region and defined through 14 CCR § 895.1³.

A timber operation will require submitting project documentation through one of several compliance documents such as; a Timber Harvest Plan (THP), Nonindustrial Forest Management Plan, Working Forest Management Plan, Modified Timber Harvest Plan for Fuel Reduction, or one of the many exemptions used to streamline permitting. These harvest documents are considered functionally equivalent to California Environmental Protection Act (CEQA) compliance. THPs, or any harvest plan to serve as a compliance document, is completed by an Registered Professional Forester (RPF) and serves three purposes: (1) notify the public of operations occurring, (2) rules for loggers to follow in accordance with state laws, and (3) tax documentation. If there is no commercial benefit, landowners should not complete harvest plans for compliance but should go through the CEQA process instead. Given the state of current markets and the interest to manage for non-timber values, more work is prioritizing non-commercial operations.

If there is no commercial benefit or value in a forest operation, then projects have two pathways: (1) the landowner can fully fund the project without public funding and therefore not need a permit for felling trees⁴; or (2) landowners can seek public funding through grants or cost-share programs which then requires adhering to CEQA.

The University of California Cooperative Extension (UCCE) provides comprehensive land management guides, articles, and workshops to help non-industrial landowners better understand how to manage their land. They address topics on the permitting process for managing private timberland, the differences between fuel reduction and commercial harvest, and guidance on how to get started. The UC Agricultural and Natural Resources (UC ANR) online library offers a wealth of information, with the most relevant articles being listed below:

- [Planning and Permitting Fuel Reduction Projects on Private Lands](#).
- Forest Stewardship Series 19: [Laws and Regulations Affecting Forests, Part I: Timber Harvesting](#).
- Forest Stewardship Series 21: [Economic Considerations for Forest Stewardship](#).
- [Recovering from Wildfire: A Guide for California's Forest Landowners](#).

² Section 4527(2)(a)

³ “Commercial Species” means those Species found in Group A and those in Group B that are found on lands where the Species in Group A are now growing naturally or have grown naturally in the recorded past.

⁴ Permits are required from multiple agencies when they involve clearing or grinding land, operating in or near watercourses or wetlands, generating smoke, or affecting sensitive plant or animal species.

However, there are few guides for navigating California permitting when developing a wood supply procurement strategy. The following sections discuss key aspects of setting up a new wood procurement supply chain with a focus on material coming from “**non-industrial management**”. Non-industrial management expands on the definition of a “nonindustrial tree farmer” for the purposes of this guide to include any treatment which is not primarily engaged in the manufacture of *forest products* such as: right of way (ROW); non-commercial management through grants or cost-share programs funded by public agencies; and other forest implementation projects occurring on non-industrial timberland.

It is advised to confer with local RPFs, UCCE Advisors, or a local CAL FIRE office for final guidance on actions.

What should I know about funding and permitting pathways for procuring wood and generating revenue in California?

Grants and cost-share programs

CAL FIRE Forest Health and Fire Prevention Grants

Description: The emphasis of the Forest Health Program (FHP) is to increase the carbon stored in living trees and protect forests, fish and wildlife habitats, native plant species and water. The emphasis of the Fire Prevention Program (FPP) aims to reduce the risk of wildland fires to habitable structures and communities, while maximizing carbon sequestration in healthy wildland habitat and minimizing the uncontrolled release of emissions emitted by wildfires.

Funding pool: California Climate Investments (CCI)

Permitting document: Not applicable. Upon funding award, projects must prove environmental compliance.

Wood removal restriction: There are no wood removal restrictions contained within the grant requirements when operating under the CCI Forest Health or Fire Prevention Programs. Landowners and operators must file appropriate permits to comply with the Forest Practice Rules (FPR) if there is intent to commercialize the wood. Wood procurement managers should work with the legal owner of the material when developing a contract and accounting receipts.

Note: Revenue generated from log sales by the project administrator or timber operator must be reinvested back into the project to offset costs, and not paid to a third party. Typically the amount of the estimated benefit is calculated prior to the contract or grant award. This does not include revenue generated by selling processed or manufactured material by the end-user.

Additional resources:

- CAL FIRE [Wildfire Prevention Grants](#)
- CAL FIRE [Forest Health Grants](#)

CAL FIRE Forest Improvement Program (CFIP)

Description: This program offers cost-share opportunities to assist individual landowners with land management planning, conservation to enhance wildlife habitat, and practices to enhance the productivity of the land. Cost-share assistance is provided to landowners with 20 to 5,000 acres of forest land, otherwise considered “non-industrial” landowners.

Funding pool: California Climate Investments, funded in part by various USDA Forest Service programs such as the Forest Stewardship Program (FSP) or the Forest Health Management Program (FHMP) when funds are available.

Permitting document: Because CFIP is not intended to fund commercial operations, it is not subject to the California Forest Practices Act. CFIP operates under a Programmatic Environmental Impact Report (PEIR). Therefore, material generated from CFIP cannot be sold, bartered, exchanged, or traded as per PRC 4297. CFIP is NOT a dead tree removal program for merchantable size trees.

Wood removal restriction: CFIP projects are non-commercial operations, typically used to modify sub-merchantable trees or ones with no commercial value. CFIP projects may be approved adjacent to commercial operations if commercial operations are outside the CFIP plan boundaries. Work with an RPF or your local CAL FIRE office on filing additional permits and exemptions to legally procure material from these operations outside of CFIP funding.

Additional resources:

- [CFIP webpage](#)
- [CFIP Users Guide](#) (2023)
- [CFIP Fact Sheet](#) accessed through Placer County
- [Forest Management Handbook for Small-Parcel Landowners](#) in the Sierra Nevada and Southern Cascade

NRCS Environmental Quality Incentives Program (EQIP)

Description: This is a voluntary, conservation program that can provide financial and technical assistance to install conservation practices that address natural resource concerns. Environmental Quality Incentives Program funding decisions are based on an evaluation process that includes prescreening and ranking criteria. Prescreening is used to prioritize assistance based on factors such as a history of contract compliance. Ranking considers the anticipated benefit of a conservation system, or practice, to a natural resource concern and national, state, and regional priorities being addressed.

NRCS accepts applications year-round and establishes cutoff dates to batch applications for ranking and funding decisions.

Funding pool: 2018 Farm Bill

Permitting document: NRCS EQIP program operates on a unique PEIR that follows the National Environmental Policy Act (NEPA).

Wood removal restriction: EQIP is not intended to support the commercial sale of wood. Work with the lead NRCS forester, a consulting RPF, or your local CAL FIRE office on filing additional permits and exemptions to legally procure material from these operations outside of CFIP funding.

However, NRCS supports tree mortality projects that cut/remove and commercialize (sell, barter, trade) any size low value dead or dying tree when there is an environmental benefit attained by the treatment. There is no reduction in the EQIP payment made to the landowner due to selling, bartering or trading the value of *low value dead/dying tree debris* (biomass) treated under an EQIP contract when there is an environmental benefit obtained from the treatment. Trees intended to be processed into wood products should be harvested within 1-2 years before becoming susceptible to decay or rot.

Additional resources:

- NRCS [EQIP webpage](#)
- NRCS EQIP [fact sheet](#)
- NRCS [Tree Mortality Guidance](#)
- NRCS [Conservation Practice Standards](#)
- NRCS California [Field Office Technical Guide](#)

Permitting

CAL FIRE Vegetation Treatment Program (CalVTP)

Description: The purpose of the CalVTP is to serve as one component of the state's range of actions to reduce wildfire risk and diminish or avoid the harmful effects of wildfire on people, property, and natural resources within the California Department of Forestry and Fire Protection's (CAL FIRE's) State Responsibility Area (SRA). The CalVTP Programmatic Environmental Impact Report (PEIR) is intended to replace the existing process of preparing a stand-alone CEQA (California Environmental Quality Act) document for qualifying treatment projects proposed in forested fuel types. This streamlined CEQA review process would reduce the need for staff effort and time for approval of individual treatment projects, while incorporating consistent standards of environmental protection, thereby allowing CAL FIRE and other state, regional, and local landowners to treat more acres each year than are currently.

Funding pool: N/A

Wood removal restriction: Under section 2.5.4 ‘Treatment Activities Excluded from the CalVTP’ of the PEIR document, “removal of trees for commercial purposes (timber harvesting)” is not allowed. This is because the PEIR is only addressing non-commercial activities such as fuel reduction and vegetation management treatments. Hauling biomass to bioenergy facilities is an allowable use, as is firewood gathering. The PEIR also states that removing large woody material by hand is an allowable use as well.

Additional resources:

- [CalVTP webpage](#)

Exemptions

Over the last five years, the number and type of exemptions have been changing due to evolving regulatory allowances. They can be categorized in two ways: (1) if a registered professional forester is needed, and (2) by its intent (respond to disasters, prevent disasters, or restoration). Most of the “exemption” regulations are grouped together at 14 CCR §1038 et seq.. Regulations pertaining to less-than-three-acre conversions, public agency and utility right of way operations, however, were grouped together within other regulations. **All 1038 exemptions allow the harvest of commercial size material up to a specific diameter limit.** For a quick reference guide, consult the [Dead Tree Removal and Fuel Reduction under the Forest Practice Rules Permit Chart](#).

In any situation in which a landowner would like to manage their property, RPFs should be consulted in order to understand the latest regulatory guidance on state environmental protection laws. Small wood product businesses looking to procure from small landowners should be cautious if working with a landowner who does not have the assistance of an RPF.

Utility right-of-way:

Tree Service Contractors operate along distribution lines owned by Investor-owned (IOU) or Publicly-owned utility (POU) companies. They fell trees or limb branches, which are either left on-site or hauled to an accepting end-user. ROW permits allow for operations to occur by IOUs, like PG&E, on private property. In 2020, PG&E requested a number of formal revisions be made about how utility line vegetation management could occur, including their interpretation of “commercial operations” as defined by FPR. In 2024 the Board of Forestry determined that PG&E’s vegetation management constitutes the management of “timber for commercial purposes. Utility ROW is subject to FPR as such and will require filing exemption documents as defined through 14 CCR §1104.1. PG&E will also require using LTOs for management.

PG&E has wood management staff to manage some aspects of wood removal, who can help new or existing businesses procure wood by connecting property owners who wish to have their wood cleared from their properties with those businesses. Because PG&E does not own the land they conduct vegetation management operations on, landowners must handle the rights of wood removal. Tree branches and limbs that are less than 4 inches in diameter will either be chipped and hauled away or cut into smaller pieces and

spread on site. Larger wood is the legal responsibility of the landowner. Permission from landowners is required before acquiring or removing wood from a site. This will require additional permitting to be filed by a RPF. If the timber is valued at a price over \$3000 as determined by CDTFA, then a timber yield tax will be required by the landowner.

Additional resources:

- [14 CCR §1104.1.](#)
- [Board of Forestry Monthly Board Binder & Workshop Materials 2024.](#) “Staff Overview: Significant Revisions to Proposed Rule Text for Public Agency and Utility Right of Way Maintenance Exemption”
- [Board of Forestry Monthly Board Binder & Workshop Materials 2024.](#) “Staff Report: Stakeholder Comment Assessment – Public Agency and Utility Right of Way Maintenance Exemption”

Public Agency right-of-way:

Tree Service Contractors are hired to perform vegetation removal operations for public agencies, which is often alongside roads and highways. State-owned roads and highways are administered by Caltrans, and county-owned roads are administered by County Planning departments. Roadside management can be complicated when determining who to enter a supply contract with when seeking to procure wood. For Sonoma County, for example, there are county-owned lands, easements, and right of way. The only time the county owns the material and can legally take it is if the county owns the land. Otherwise it is up to the discretion of the landowner on what to do with the material.

For Sonoma County’s ROW, they bid out for larger fallen trees and chip trees with less than 12 inches DBH. When the County deems a tree as hazardous, they are responsible for its processing and removal, and work with landowners to accomplish these goals. Landowners may still be required to file and sign additional permitting work for the removal and use of this material. All procurement options will need to work with an RPF and the hired contractors working on behalf of the roadside management. Note: these projects may also be completed under a permit that restricts wood removal (i.e. CalVTP).

Additional resources:

- Talk to your local Registered Professional Forester
- Talk to your local CALFIRE staff
- Talk to your local county planning department

Consideration: the intent to sell versus commercial log sizes

The FPR does not regulate commercial trees based on size. Rather, the FPR regulates **the intent to sell.** RPFs end up determining minimum log sizes based on buyer's preferences. One RPF reviewer of this guide said that mills in their area prefer trees with 4-12in diameter inside

bark (DIB), or a "mean diameter" of 6-12 inch DBH at the Scribner segment of 16 feet⁵. While there is general sentiment that small diameter logs (less than 16in diameter) are not preferred by regional sawmills (Mittelstadt, 2023), fuel reduction objectives combined with new milling technology has made small diameter milling a viable option for production.

Consideration: Using an LTO or a Tree Service Contractor?

Non-industrial management can work with either Licensed Timber Operators (LTO) or tree service contractors depending on the type of work being performed. Wood product businesses looking to process commercial tree species should work with LTOs whereas businesses processing non-commercial material can work with either LTOs or tree service contractors. CAL FIRE released a memo on the distinction on October 3, 2024 which is briefly summarized below.

*“The Forest Practice Act and Rules require a timber operator license (Licensed Timber Operator (LTO)) when Timber Operations are conducted on Timberland. Unlike other state licenses issued by the California Department of Consumer Affairs Contractors State License Board (CSLB), where there are few parameters in terms of the use of the license, operating under a timber operator license requires the activity to be conducted on Timberland and it requires a harvest document. **If an LTO is not conducting Timber Operations on Timberland, then they are not operating under their LTO license.** Grant-funded projects and vegetation management that do not propose Timber Operations on Timberland should be utilizing the services of contractors with licenses issued by the CSLB. If Timber Operations are however being conducted, the project will require an LTO and a harvest document issued by CAL FIRE.”*

Donating Woody Material and Environmental Compliance

There is an omission in the FPR that implies “donating” wood could be a way to bypass environmental compliance as no one is technically engaging in the “sale, barter, exchange, or trade” of material. In other words, if engaging in a timber operation that “donates” the wood would not require compliance documents. There is no instance where a landowner should consider bypassing environmental compliance when managing their land with heavy machinery. There are times when a permit is not required, which is different from what is being discussed in this section. Permits are not required if conducting non-commercial activities on one’s own property without the intent to sell. This can include cutting for firewood, cutting small trees, cutting large trees for hazard reduction, or milling lumber to donate.

⁵ Segment lengths are determined by CDTFA’s use of the net Scribner short-log scale (20 feet maximum scaling length). The industry standard of 16-foot short-log segments

The concept of donating wood is not new, but it does have a new dimension of utility given permitting restrictions. Meetings which led to the development of the Biomass Market Adjusting Tariff (BioMAT) in 2012 engaged in these discussions as well. However, regardless of the outcome of those conversations, the regulatory environment is very different today than it was in 2012. Any decision made on behalf of BioMAT, would not be relevant today.

Nevertheless, there continues to be a gray area when it comes to trying to freely give away material on nonindustrial forest management projects. This becomes more salient of a concept when considering entities like the US Forest Service, Utilities, and other agencies conducting vegetation management have expressed interest in *mandating* the removal of material from operations. Given the complicated restrictions to removing wood from funding and permitting pathways, some believe that donating wood could:

1. Provide a pathway for larger vegetation treatment projects to remove material from operation boundaries.
2. Reduce the administrative burden to procure wood in situations where the funding or permit being used for operations is restrictive on wood removal from within project boundaries (ie. CalVTP, CFIP, EQIP).
3. Decrease the cost of procuring wood for small scale wood product operations working with non-merchantable or sub-merchantable material. This incentivizes innovation from the private sector and encourages the type of work that this material would be generated from.
4. Potentially save landowner/manager resources (e.g. decreases staff and equipment costs for chipping or burning) and increases wildfire resilience through the removal of fuel that may normally be left onsite.

Again, there is no instance where a landowner should consider bypassing environmental compliance. Rather, donating wood is seen as a stopgap until additional attention is given to the permits and funding pathways that restrict wood removal and commercialization.

Regardless, a timber yield tax would still be required to be paid by the landowner even in a scenario with completely voluntary labor and the intent to donate milled lumber. See more on this in the next section.

Consideration: Timber Yield Tax

Donating wood does not bypass the timber yield tax⁶. As stated in the *Guide to the California Timber Yield Tax*⁷ written by the California Department of Tax and Fee Administration (CDTFA), timber yield tax applies to the harvest of forest trees “whether you sell, give away, trade, or use the trees yourself”. The timber yield tax applies to the harvest of trees, regardless of the number of trees removed, even if you give the trees away.

⁶ The timber yield tax is a property tax, not an income tax. Income sales are taxed separately. Use the CDTFA Timber Yield Tax [Frequently Asked Questions](#) for guidance

⁷ [Guide to the California Timber Yield Tax](#)

The timber yield tax is a property tax based on the value of your timber. It is not what the mill pays for the timber. Even though timber is a property value, the land value is separated from timber and continues to be taxed every year by the county assessor. Timber is taxed only when it is harvested and is currently taxed at a rate of 2.9%. Although the tax is administered and collected by the CDTFA, the revenue (after state administrative costs) is allocated back to the county of harvest

There are a few exceptions in which you are not required to pay a timber yield tax, including instances where the trees are left lying on the ground, unused. For more details on these exceptions, consult the *Guide to the California Timber Yield Tax*.

Consideration: Economics

The economics of forest restoration often dissuades the donation of wood. Due to the high costs to operate, revenue from the timber is frequently required to cover the costs. In the absence of high-value timber assets, federal or state subsidies are used to complete the project objectives. Every project using state money requires compliance with environmental laws, either under the Forest Practice Rules (FPR), California Environmental Quality Act (CEQA), or the National Environmental Policy Act (NEPA). Under the circumstance that a public subsidy covers the full delivery costs of wood to a wood product business, the wood product business still offers a purchase price to the timber operator. This revenue is either eligible for the timber operator to retain or required to be returned to the project, depending on the type of subsidy. A return back to the operator for the cost of their equipment to cut, deck, skid, and haul the material is still expected. Furthermore, regardless of compensation, the landowner will still need to pay a timber yield tax on the harvest. This is all to emphasize the fact that there is rarely a situation where a donation scheme is economically viable.

Furthermore, under a “donation” pathway, some might be able to scrutinize the fact that there are a wide range of non-cash benefits that can be attributed to forest operations, which can then be more closely defined as a “barter”. Nevertheless, there are situations and landowners who have the ability to financially afford a full timber operation without favorable timber market prices or public subsidies.

Final Comments

New “community-scale” wood product businesses (biomass or sawlog) have increasingly become a topic of interest in order to provide outlets from post-fire recovery, wildfire risk reduction and stewardship-based activities⁸ while also providing higher value markets for lower

⁸ A few examples of small-scale mills that provide a public service for fuel reduction projects are located in Burney Sawmill, Shasta County; Crescent Mills, Plumas County; and Forestree Collective, Sonoma County

grade material other than traditional biomass markets (ie. bioenergy)⁹. “Community-scale” operations can be generally thought to have a production level of less than 15 million board feet (MMBF). They can be valuable outlets to projects operating under utility right of way, road right of way, post-fire restoration, CalVTP, and projects occurring through state and federal cost-share programs. In other words, community scale facilities can be an integral component to making non-industrial land management more viable and accessible. However, while there is considerable attention on providing funding and technical resources to manage land, there is less attention on connecting beneficial land management to a circular economy.

The lack of wood product markets is a well-understood issue at this point. The restrictions to support commercialization of wood is less obvious, yet is becoming more apparent in programs attempting to provide direct support to non-industrial landowners. Two examples are explained below.

1. In 2021, the Professional Foresters Examining Committee’s (PFEC) wrote the *Lumber Grader Training and Certification White Paper* as included in the Wildfire and Forest Resilience Action Plan Task 1.16. The white paper covers the ability to expand lumber certifiers as a way to establish additional small-scale forest product infrastructure, such as portable sawmills, and explored the potential for RPFs to become third-party certified as lumber graders. Report authors recommended the following: “The [Board of Forestry] should consider allowing commercial harvests on CFIP projects where small portable sawmills are employed. Project revenue generated from the sale of lumber products could be reinvested back into the CFIP Fund to help support the fund which in turn, supports California small private forest landowners.”
2. In 2021, a new collaborative approach was developed to assist non-industrial private landowners to restore their forests after high severity wildfires, called Emergency Forest Restoration Teams (EFRT). A report summarizing the successes and challenges of working in three pilot locations included recommendations on “Wood Products Markets and Commercialization”. Report authors stated that EFRT funding should allow flexibility to sell woody material whenever possible, and developing a wood products industry should be prioritized to support both green thinning and effective post-fire restoration.

Current in-state producers of wood products already bear a significant cost of conforming with the state’s environmental laws, which economically disadvantages those producers relative to out-of-state production. The regulatory complexity and administrative cost required to layer multiple permits onto the same project acreage can discourage landowners from wanting to sell their material¹⁰. When intending to set up new markets for wood removal or economic development, additional attention needs to be given to the various funding and permitting

⁹ Research has illustrated the role of being able to commercialize sawlogs in order to offset costs for biomass removal. Referred to as an “integrated harvest”, if there is no opportunity to commercialize sawlogs, the ability to remove biomass becomes 100% dependent on subsidies.

¹⁰ A 2022 report to the FMTF called, “[California’s Small Forest Landowners: Goals and barriers of landowners motivated to manage their forests](#)” listed costs as small landowner’s major barrier to managing their property. However, in the same report, landowners seldomly mentioned permitting as an obstacle. Authors presumed that many of the landowners were performing non-commercial work.

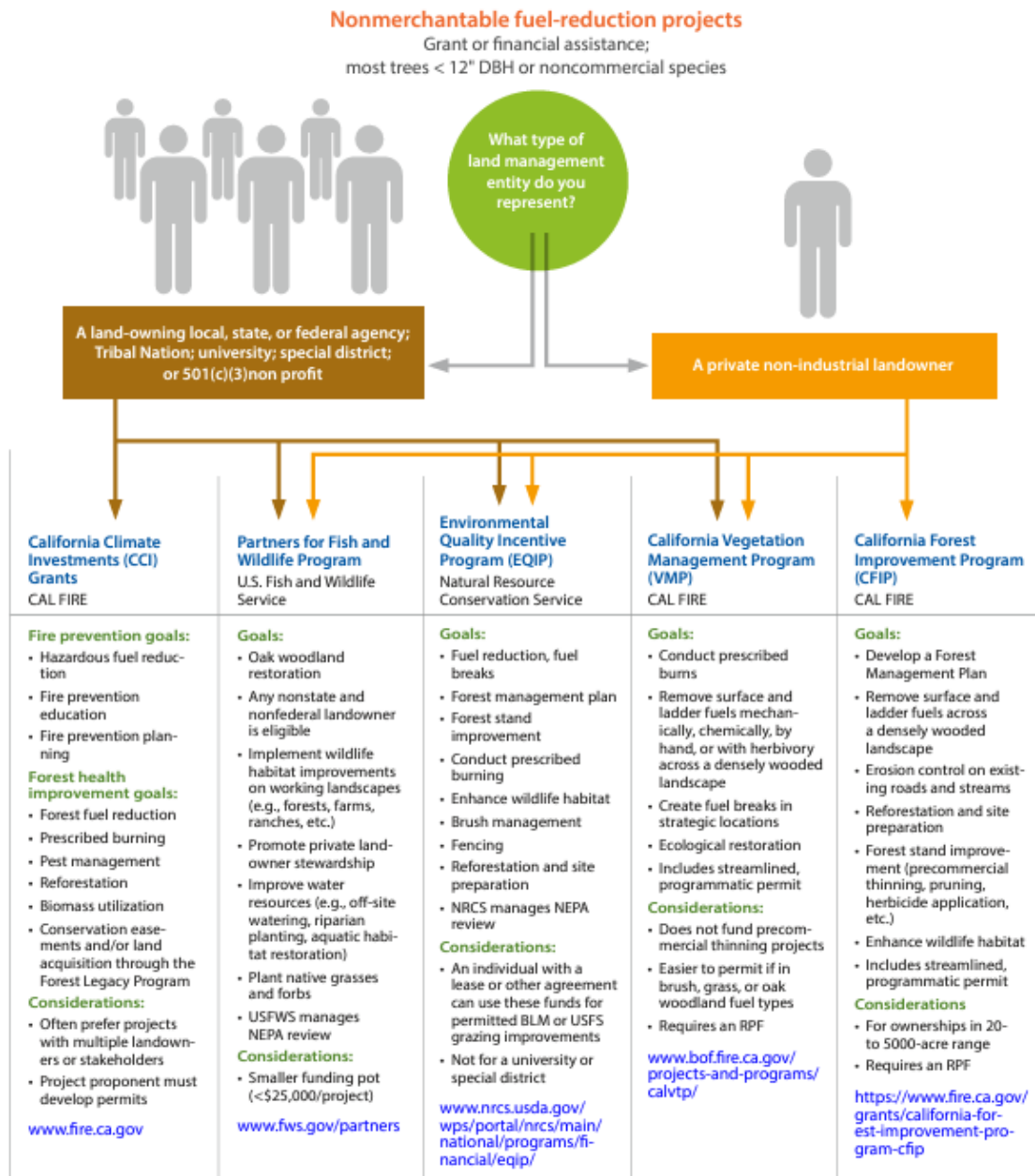
pathways targeted to small landowners. If the solutions to enable additional acres are inherently restrictive for new markets to develop, then the forest sector will continually struggle with the problem of supporting self-sustaining financing for community resilience.

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Appendix A



Key
BLM = Bureau of Land Management
DBH = Diameter at breast height (4.5' from the ground)
RPF = Registered Professional Forester
USFS = U.S. Forest Service

Figure 3. Summary of funding for nonmerchtable fuel-reduction projects

Appendix B

CA Public Resources Code (PRC): Forest Practice Rules (FPR)

FPR 4527. Timber Operations; commercial purposes; criteria.

(a) (1) "Timber Operations" means the cutting or removal, or both, of timber or other solid wood forest products, including Christmas trees, from Timberlands for commercial purposes, together with all the incidental work, including, but not limited to, construction and maintenance of roads, fuel breaks, firebreaks, stream crossings, Landings, skid trails, and beds for the falling of trees, fire hazard abatement, and Site Preparation that involves disturbance of soil or burning of vegetation following timber harvesting activities, but excluding preparatory work such as treemarking, surveying, or road flagging.

(2) "Commercial purposes" includes

(A) the cutting or removal of trees that are processed into logs, lumber, or other wood products and offered for sale, barter, exchange, or trade, or

(B) the cutting or removal of trees or other forest products during the conversion of Timberlands to land uses other than the growing of timber that are subject to the provisions of Section 4621, including, but not limited to, residential or commercial developments, production of other agricultural crops, recreational developments, ski developments, water development Projects, and transportation Projects.

(b) For purposes of this section, the removal of trees less than 16 inches in diameter at breast height from a firebreak or fuelbreak does not constitute "Timber Operations" if the removal meets all of the following criteria:

(1) It is located within 500 feet of the boundary of an urban wildland interface community at high risk of wildfire, as defined in pages 751 to 776, inclusive of Volume 66 of the Federal Register (66 FR 75102), as that definition may be amended from time to time. For purposes of this paragraph, "urban wildland interface community at high risk of wildfire" means an area having one or more structures for every five acres.

(2) It is part of a community wildfire protection plan approved by the department or part of a department fire plan.

(3) The trees to be removed will not be processed into logs or lumber, unless the work is being conducted by, or in partnership with, a public agency or a nonprofit organization that has received a grant from the department for vegetation management or fuel reduction, in which case the logs or lumber may be sold.

(4) The work to be conducted is under a firebreak or fuelbreak project that has been subject to a project-based review pursuant to a negative declaration, mitigated negative declaration, or Environmental Impact Report in compliance with the California Environmental Quality Act (Division 13 (commencing with Section 21000)). For Projects to be conducted on forested landscapes, as defined in Section 754, the project and the project-based review shall be prepared by or in consultation with a registered professional forester.

(5) The removal of surface and ladder fuels is consistent with paragraph (9) of subdivision (k) of Section 4584, as that section read on December 31, 2018.

4629.5. Lumber products assessment; imposition, administration, and collection; regulations; regulations; registration by persons required to pay assessment.

[...]

(d) (3) An excluded retailer, as described in subparagraph (B) of paragraph (2) of subdivision (g), shall provide a notice to a purchaser of qualified lumber products or engineered wood products regarding the purchaser's obligation to remit the assessment to the State Board of Equalization. Section 4601 does not apply to this paragraph.

[...]

(g) For purposes of this section, all of the following shall apply:

(2) (A) "Retailer" has the same meaning as that term is defined in Section 6015 of the Revenue and Taxation Code.

(B) A retailer with de minimis sales of qualified lumber products and engineered wood products of less than twenty-five thousand dollars (\$25,000) during the previous calendar year is not a retailer for purposes of this section, except as provided in paragraph (3) of subdivision (d).

Appendix C

Definitions

Forest Practice Rules

- **Commercial purposes:** (A.) the cutting or removal of trees that are processed into logs, lumber, or other wood products and offered for sale, barter, exchange, or trade, or; (B.) the cutting or removal of trees or other forest products during the conversion of timberlands to land uses other than the growing of timber including, but not limited to, residential or commercial developments, production of other agricultural crops, recreational developments, ski developments, water development projects, and transportation projects.
- **Commercial species:** means those species found in group A and those in group B that are found on lands where the species in Group A are now growing naturally or have grown naturally in the recorded past. Group A and B species are unique to each region.
- **Nonindustrial timberland:** means Timberland owned by a nonindustrial tree farmer.
- **Nonindustrial tree farmer:** Timberland with less than 2,500 acres who has an approved nonindustrial management plan and is not primarily engaged in the manufacture of forest products.
- **Timberland:** means land, other than land owned by the federal government and land designated by the board as experimental forest land, which is available for, and capable of, growing a crop of trees of a commercial species
- **Timber operations:** means the cutting or removal, or both, of timber or other solid wood forest products, including Christmas trees, from timberlands for commercial purposes together with all the incidental work, including, but not limited to, construction and maintenance of roads, fuel breaks, firebreaks, stream crossings, landings, skid trails, and beds for the falling of trees, fire hazard abatement, and site preparation that involves disturbance of soil or burning of vegetation following timber harvesting activities, but excluding preparatory work such as treemarking, surveying, or road flagging.
- **Slash:** means branches or limbs less than four (4) inches in diameter, and bark and split products debris left on the ground as a result of Timber Operations.
- **Woody debris:** means woody material four inches and greater in diameter and no less than two feet long left on the ground as the result of Timber Operations.

USFS

- **Sawlog** is a log that is at least 8 feet 6 inches in length, with at least a 6-inch small-end diameter, and that is at least 25 percent merchantable

Appendix D

Acronyms

CalVTP	California Vegetation Treatment Program
CCI	California Climate Investments
CCR	California Code of Regulations
CEQA	California Environmental Quality Act
CFIP	California Forest Improvement Program
DBH	Diameter at Breast Height
DIB	Diameter Inside Bark
EQIP	Environmental Quality Incentives Program
FHMP	Forest Health Management Program
FHP	Forest Health Program
FPP	Fire Prevention Program
FPR	Forest Practice Rules
FSP	Forest Stewardship Program
NEPA	National Environmental Policy Act
(P)EIR	(Programmatic) Environmental Impact Report
PRC	Public Resources Code
THP	Timber Harvest Plan
TMP	Timber Management Plan
VTP	Vegetation Treatment Program