

## **The Northern Forest Sustainable Economy Initiative: Where are we now? What is needed from us now?**

**Keynote address at the 2<sup>nd</sup> Summit for the Northern Forest  
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In October 2008 the Sustainable Economy Initiative (SEI) steering committee released *Economic Resurgence in the Northern Forest*- a Regional Strategy and Recommendations for revitalizing the Northern Forest Economy and sustaining the long term health of its people and lands. One month later many of you gathered at the first Summit for the Northern Forest to mark the start—really the continuation—of the implementation phase of the work. As we convene for the 2<sup>nd</sup> Summit we want to take a few minutes to return to the themes, ideas, and recommendations that unified the sixty member steering committee and gained the support of all four of the region’s governors. Two and ½ years later, what is happening to advance the SEI recommendations? What is needed from us now?

From the start, the SEI was not intended to be a strategy implemented by a single organization, or even in a centralized way. Rather is a blueprint- a shared vision and strategy that all of us can point to make the case for the attention, resources, and political support that we need to advance our respective efforts across the Northern Forest. It is a map of opportunities to work together across traditional boundaries, and a call to action for our elected leaders to do the same. It is built upon and intended to complement existing and more detailed strategies developed by places across the Northern Forest- not *the* strategy for the region but one that gives additional backing and support to lots of different work across the Northern Forest.

What I’d like to share today is not a quantitative or comprehensive assessment of progress towards the SEI recommendations. Rather it is a qualitative, even anecdotal sense of how organizations like all of yours are advancing the ideas captured by the SEI. Then I’d like to share a few thoughts about how all of us can continue to work as a region to advance the shared goals and opportunities that the strategy speaks to.

Each of you got a copy of the full SEI report in your packets, and Rob spoke to it a bit this morning, so I’m not going to rehash it but will offer some very quick background.

- ◆ The charge for the SEI came from the NFLC 10<sup>th</sup> anniversary forum, which called for the investment of public and private resources to develop and implement community and economic development strategies across the region to reinvigorate the rural economies of the Northern Forest.
- ◆ The SEI was created by NFC and NCC in partnership with the region’s four governors, who appointed a steering committee of sixty regional leaders to guide the project. I think 15 or so of those people are here today- could you please raise your hands?
- ◆ The steering committee worked from 2006-2008 and released its report and recommendations in Oct 2008. Over the next few months, those recommendations gained the endorsement of all of the region’s governors.

The strategy is built around a long term vision and set of goals for the Northern Forest, as well as four areas of recommendation for near-term action. Those four areas and the recommendations within them are what I'd like to focus on today.

**Recommendation Area 1: Legacy of a Forested Landscape- maintain forests to protect and enhance the ecological and economic services derived from the landscape.**

While the recession has slowed the market for real estate across the region, significant transitions in land ownership continue. In one single transaction earlier this year a new individual landowner bought over 1 million acres of land in Maine and New Hampshire from a timberland investment firm [GMO], continuing what is now over two decades of continual churn in landownership.

Several high profile state and regional initiatives are working to advance the conservation of forests. In Maine, the Keeping Maine's Forests Initiative has submitted a proposal to USDA and the DOI to pilot new landscape scale conservation and stewardship tools involving primarily private lands. On the regional scale the New England Governors Blue Ribbon Commission on Land Conservation released its findings in fall 2009, including an ambitious call for half of the region's forests to be conserved. Another effort- the Wildlands and Woodlands vision for New England- increases that target to 70% by 2050.

Both of these efforts and others like them in the region speak to the interdependent ecological and economic values of forests- a theme wholly consistent with the SEI. They are creating new attention for the need for continuing land conservation in the region. Yet in a time when public funding streams for conservation are increasingly on the block, where will the resources to advance them come from?

**Recommendation Area 2: Three areas of recommendation to create a fertile environment for workforce, entrepreneurial, and business development and increase the region's ability to develop and commercial new products and services that capitalize on its assets.**

**Creativity & Entrepreneurship**

A tremendous amount of encouraging activity is happening in this area on a regional basis, much of it represented in this room. A few examples:

- ◆ Maine Woods Tourism Training Initiative: has provided direct frontline worker and management training services to more than 128 individuals from 80 tourism businesses in Maine on topics including basic and advanced customer service, marketing, social media, and regional destination training.
- ◆ Regional Wood Products Consortium developed by Sustainable Forest Futures and many of the regions wood products trades associations has engaged nearly 100 wood products companies with innovation workshops and is supporting over 40 of those businesses with technical and financial assistance to implement innovations in their business practices
- ◆ Northern Forest Investment Zone: The U.S. Endowment for Forestry & Communities, through the Northern Forest Investment zone led by the Northern Forest Center is investing \$2 million over 5 years in developing new and revitalized income streams for forest landowners, wood products businesses, and forest reliant communities.

At the same time, many of the barriers to business development that the SEI identified remain in place. One of those barriers- a supply of middle and high-skilled workers that lags beyond other parts of the country- was recently affirmed by a report from the New England Public Policy Center at the Fed Bank of Boston.

### **Regional Marketing**

Particularly in the tourism sector promising regional marketing efforts are developing in the region to help the industry compete for effectively in the national and global marketplace. Maine Woods Discovery, New Hampshire Grand, Northeast Kingdom Travel & Tourism, Adirondack Scenic Byways, and the Northern Forest Canoe Trail are all regional tourism efforts making extensive use of online and social media to attract visitors and make it easier for them to create high quality custom experiences in the Northern Forest.

### **Local Wealth Retention**

We have all witnessed the explosion of interest in local and regional food systems in the last two years- a movement that was just beginning to take hold when the SEI committee was at work. Hardwick, Vermont and its “agrepeneurs” are held up nationally as a model of a thriving local food economy, and communities and businesses around the region are actively pursuing their own local food efforts.

But with the exception of maple syrup and maybe wood energy, we have yet to see a similar enthusiasm for local use and application of forest products produced by the Northern Forest. What will it take for the idea of using local, sustainably produced wood to gain the same cachet and market demand as a locally grown arugula and goat cheese salad?

One way that forest values are being captured locally is through community owned forests. In Randolph and Errol, New Hampshire and in Grand Lake Stream, Maine, communities have taken ownership of the forests that define much of their identity and livelihood- protecting those values while also stewarding them for very tangible economic benefit.

### **Recommendation Area #3: Economic Backbone- three areas of recommendation that speak to the regional infrastructure needed to compete in the 21<sup>st</sup> century**

#### **Broadband:**

According to the National Broadband map, significant portions of the Northern Forest region remain underserved by high-speed broadband. As we are all aware, affordable high speed internet access is now virtually a prerequisite for business and for most residents as well. This is why it was first in the list of SEI near-term recommendations, and despite good efforts underway it remains a key unmet need in many parts of the region

#### **Transportation Infrastructure**

The SEI recommendations in this area complement the federally sponsored Can-Am connections initiative and focus on improving multi-modal transportation. This recommendation is significantly dependent on government initiative and funding, both of which are currently challenged. While proposals to do things like improve freight and high-speed rail connectivity

are on the table across the region, most if not all are stalled for lack of political support, resources, or both.

### **Renewable Energy**

When the SEI was underway from 2006-2008, we witnessed a surge in oil prices not seen since the late 1970s and early 1980s. Coupled with concern about climate change and the fact that the Northern Forest has some of the highest electricity costs in the U.S., this drove a substantial excitement about renewable energy in the region and in the SEI recommendations.

How things change. The average price for a barrel of oil in 2008 was \$92. In 2009 it was \$54 [these are annual averages adjusted for inflation]. In 2010 national climate change legislation passed the House but failed in the Senate, taking off the table for the near term -at least- the prospect of new revenues for significant federal investment in renewables and efficiency. In our region, two states- NH and ME- are now considering whether to withdraw from the Regional Greenhouse Gas Initiative.

These developments have not stopped the pursuit of renewable energy development in the Northern Forest, but they have taken some of the urgency out of a regional push towards renewables. We have also seen renewable energy development proposals spark significant conflict and controversy, whether it be opposition to biomass development in several Vermont communities, new transmission lines for Canadian hydropower in NH, or wind development in Maine. In each of these instances the question of how rural communities that would be homes for these developments would benefit from them is a central and often contentious question.

In terms of a regional effort to advance renewables and efficiency- which was the specific recommendation of the SEI- the thermal biomass energy sector is out in front. Heating the Northeast with Renewable Biomass: A Bold Vision for 2025 calls for 25 percent of the Northeast's thermal energy demand- our heating and cooling- to be met by renewable sources by 2025, with 75 percent of that amount derived from renewable biomass. A new regional coalition- the Northeast Biomass Thermal Working Group has formed to advance that vision.

### **Recommendation Area #4: Follow Through- Three recommendation areas to work as a region to understand and advocate for regional interests and priorities.**

Prepare for future changes.

- ◆ The Northern Forest Higher Education and Resource Network is directly implementing one of the specific SEI recommendation to connect curricula and workforce training with emerging industries and entrepreneurial opportunities.
- ◆ A new partner- the Federal Reserve Bank of Boston- is now developing a focus in the Northern Forest and brings considerable research and analysis capabilities.

### **Federal Investment**

In 2008 the federal Farm Bill authorized the Northern Border Regional Commission- a regional development commission focused on the Northern Forest region. The Commission received its first funding- \$1.5 million- in 2010 and awarded over \$1m in grants last year. It has received level funding again in 2011 and in the President's FY12 budget. The commission serves both as

an investment mechanism for the region and as a means to engage all four Northern Forest governors.

This is an important initial success, but we can all appreciate the dire public investment climate we are in. Regional action will continue to be essential to fight for the programs that matter to the Northern Forest.

### **Coordinate and Act as a Region**

For this one, I will say look around. The SEI report speaks to the value and importance of a regional Network of Networks to advance the SEI recommendations. And here we are. Non-profit budgets have been hit hard the last few years, the states are broke, many businesses are struggling, and yet here we are. Already from this gathering we are seeing new opportunities to work together to support each others interests and the future of the region we all care about.

In sum, it is encouraging to point just a few of these examples of positive developments across the region in the last two years. Many of the opportunities identified in the SEI are being worked on and borne out. But we have a long ways to go. Unemployment is still high in many Northern Forest counties. Many communities continue to see declining populations. It will be years before we can look back and gauge in that way whether the region is really advancing towards the vibrant vision that we all share.

So how do we keep the momentum going? What is needed from us now? There are a lot of good answers to this question, but here are three that came to me.

#### **1. Be an ambassador for the Northern Forest, and for rural.**

- ◆ We have new leadership in our states that needs to lean about the depth and breadth of work happening in the Northern Forest.
  - We must introduce the work we are each engaged in and the idea and value of working regionally to new leaders- 3 new governors, significant transitions in state legislatures as well as several new faces in the Congressional delegation, especially in the House.
- ◆ Nationally we must join with other rural advocates in making the case for investment in rural, where recent trends have not been positive.
  - Federal rural development and conservation programs are on the chopping block in the FY11 continuing resolution
  - Nationally we also see philanthropy moving away from rural. From 2004-2008 annual foundation grants for rural development declined by 3.45 percent decrease while total annual foundation grant making increased 43.4 percent.
- ◆ The Northern Forest has always found power in speaking regionally, and the voice is ever more important now.

#### **2. Redouble efforts on regional, public-private partnerships**

- ◆ As public and private budgets and capacities shrink, finding ways to work together to achieve common goals is even more important. It is all to easy in tight times to retreat to traditional and comfortable boundaries
  - Roles chart from SEI- a map to the complementary strengths and limitations of public, private, and non-profit sectors.

***In implementing these recommendations, aligning private sector, government and non-profit leadership can build on the strengths of each sector and collectively address their limitations.***

	Private	Non-profits	Government
<b>Offers</b>	<ul style="list-style-type: none"> <li>• Innovating</li> <li>• Attracting capital</li> <li>• Turning good ideas in to economic activity (jobs)</li> <li>• Making things happen on the ground</li> </ul>	<ul style="list-style-type: none"> <li>• Developing and disseminating information about public needs and innovations</li> <li>• Bridging between government and the private sector</li> <li>• Building and maintaining social and collaborative infrastructure (networks)</li> <li>• Linking political jurisdictions</li> <li>• Managing social processes</li> </ul>	<ul style="list-style-type: none"> <li>• Creating policy incentives for change and removing barriers</li> <li>• Addressing economic and social gaps and injustices through public investment</li> <li>• Building and maintaining public infrastructure</li> </ul>
<b>Needs Help</b>	<ul style="list-style-type: none"> <li>• Creating networks</li> <li>• Disseminating information</li> </ul>	<ul style="list-style-type: none"> <li>• Direct generation of economic activity (creating jobs)</li> </ul>	<ul style="list-style-type: none"> <li>• Crossing political boundaries</li> </ul>

- As we do our work here at the Summit, consider this chart. Where can we broker new partnerships to advance common goals?
- Since Sandy Blitz is here, I will point to a specific example in the Northern Border Commission. Sandy is a one man shop. Beyond asking him for money, how can we partner with Sandy- and he with us- to leverage the Commission’s modest resources and focus them on project implementation.

### **3. Elevate the Northern Forest as a national model for sustainable rural development**

- ◆ Multiple federal agencies are looking for and investing in are looking for the kinds of regional, integrated models for rural development and conservation that we are developing here in the Northern Forest.
  - Rural Development-Great Regions
  - US Forest Service- All Lands
  - Department of the Interior- Landscape Scale approaches to conservation
  - America’s Great Outdoors Initiative- The working lands listening session- the working lands session they did- was held in New Hampshire
- ◆ Even with significantly constrained resources at the federal level, can we work with or Congressional delegation to call for these agencies to chart some new territory with focused investments in the Northern Forest?

These and other opportunities are ahead of us, and this Summit and the work represented here is a tremendous opportunity to advance them. Today we are leveraging the power of networks and of a region to engage new partners, learn from each other, and chart strategies for making a difference in the Northern Forest. All of the SEI committee members will remember the mantra that the work be more than a report on a shelf. The report part we can’t change, but the ideas and vision that the SEI brought together are certainly not standing still. Thank you for listening and for all of your work.