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FORESTLAND MGMT

INVESTMENT & ANALYSIS

APPRAISAL

RIGHT-OF-WAY

ENVIRONMENTAL

January 21, 2019

Mr. Henry Schienebeck  
Wisconsin Council on Forestry Chair  
3243 Golf Course Road  
P.O. Box 1278  
Rhinelander, WI 54501

**Re: Forest Tax Law Dispute Resolution Process – Annual DRP Use Report for 2018**

Dear Henry:

This report is being provided to you, as the Chair of the Council on Forestry (CoF), to fulfill the annual requirement as outlined in Chapter 31 of the Forest Tax Law Handbook. The handbook specifically states that the DRP Administrator is responsible to provide this report as outlined below.

As stated in Chapter 31-2, Item 9: "By February 1st of each year provide a report on the use of the DRP to the Council on Forestry. The report will include; the number of disputes, analysis of types of disputes, who was involved including statistics on number initiated and by whom (cooperator, logger, landowner), number approved and not approved to enter process, number ending with step one (working with Mediators) and duration of process, number going to step two (Expert Panel) and duration of process and recommendations of the Expert Panel, feedback received from participants and any other pertinent information."

As the current DRP Administrator, Steigerwaldt Land Services is providing the following information for 2018 as detailed above.

- Number of disputes = 3
- Types of disputes:
  - Case 1 was a disagreement between a landowner and a logger in which the landowner halted logging operations prior to completion and started legal proceedings against the logger.
  - Case 2 was a complaint from a consulting forester against a previous landowner who held timber rights to a property the forester was preparing an MFL plan for. The previous owner with timber rights was refusing to sign off on the MFL application since the consulting forester was proposing to change the scope of future timber management. The consultant felt the harvest the previous landowner wanted to complete did not comply with sustainable forestry.

- Case 3 was a complaint from a landowner that the timber products company contracted to cut on his property, cut only the upland portion of the timber sale, then refused to cut in the lowland stands that were part of the contract.
- Initiating parties:
  - Case 1 was initiated by a CoF member who was contacted by the logger.
  - Case 2 was initiated by a consulting forester (Cooperating Forester and CPW).
  - Case 3 was initiated by the landowner.
- Disputes that entered the process = 0
  - Case 1 did not fit the DRP because it was a contract issue between the landowner and the logger and was entering the legal process.
  - Case 2 did not go through the process as the timber rights issue could not be resolved by the DRP, and the previous landowner with timber rights was not a willing participant in the matter of sustainable forestry/MFL compliance.
  - Case 3 did not fit the DRP as it was mainly an issue of poor business practices by the timber purchaser, which the DRP is not designed to handle.

Other pertinent information involving the administration of the DRP includes:

- Since the inception of the DRP in 2016, there have been a total of seven cases presented to the administrator. To date there have not been any cases that have gone through the DRP.
- Public outreach – The Administrator plans public outreach efforts every year to help advertise and educate forestry stakeholders that the DRP process is available and how the process is to be used. The major outreach effort was an educational flyer that went to cooperating foresters that discussed the need for the process, how the process works, and gave examples of cases that do and do not fit the process. Additional educational/informational events will be planned for 2019 including advertisements in landowner, logger, and forester publications, as well as additional reminders to cooperating foresters.
- Mediator Applicants – The Administrator has obtained approval for 17 Mediators who have been contracted to perform mediator duties in the case of a dispute. The number of Mediators and the counties in which they are willing to perform case work adequately covers the entire state. Mediators will be contacted in January of 2019 to assess their willingness to remain on the list.
- Expert Applicants – Approval has been obtained for 10 Experts. The number of Experts and the counties in which they are willing to perform work adequately covers the entire state. Experts will also be contacted in January of 2019 to assess their willingness to remain on the list.

The following lists the number of forestry Experts that each organization has successfully nominated.

Great Lakes Timber Producers Association (GLTPA) - 1  
Society of American Foresters (SAF) – 1  
Wisconsin Consulting Foresters (WCF) – 3  
Wisconsin Department of Natural Resources (WDNR) – 2

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Wisconsin Paper Council (WPC) – 1  
Association of Consulting Foresters (ACF) – 1  
American Tree Farm Committee – 1  
Wisconsin Woodland Owner's Association – 0

Additional Mediator and Expert solicitation will be initiated after the current, ongoing contact effort if it is determined that the numbers or coverage are not adequate.

- DRP web page – As the DRP Administrator, Steigerwaldt has maintained a page on their website that provides detailed information regarding the DRP process: <http://www.steigerwaldt.com/wdnr-forest-tax-law-dispute-resolution-process/>.

This page provides a list of the Mediators and Experts and a short biography for each. It also provides an introduction, process overview, and a link to Chapter 31 of the Forest Tax Law Handbook, which provides the details that are to be followed for the Administrator and dispute process. The application to apply for the Mediator position is also included on the web page.

- DRP Analysis – According to Chapter 31 of the DNR Forest Tax Law Handbook, one of the DRP Administrator's responsibilities is to "Ensure that in February of even numbered years the DRP is analyzed for process improvements and lessons learned and provide recommendations to address unforeseen complications in its administration." To address this requirement, the DRP Administrative team, including Steigerwaldt and DNR staff, met on February 13, 2018. The primary topics covered in the meeting were: thoughts on why the DRP has not been more widely used, increasing awareness of the DRP, possible revisions to Chapter 31, and renewal of the administrator's contract. A summary narrative of this discussion was documented with all parties who attended.
- Steigerwaldt Contract Renewal – The contract for administration of the DRP was renewed with Steigerwaldt effective August 1, 2018. This is the first of two possible one-year contract renewals.

This concludes the 2018 DRP annual use report. Thank you for the opportunity to provide this report. Please feel free to contact us for further details or with any questions.

Sincerely,

**STEIGERWALDT LAND SERVICES, INC.**



Benjamin J. Williams  
Forest Tax Law Dispute Resolution Process Administrator  
Project Forester/Forestry Supervisor

BJW/jlt

cc: Katharine Haan, Jane Severt via email