

Associated Press  
March 28, 2006

## **International Paper sells 218,000 southern acres for conservation**

By Russ Bynum

In a land deal touted as an environmental coup in a region booming with development, two conservation groups will buy 218,000 acres of forest from International Paper in parcels across 10 Southern states.

International Paper Chairman and CEO John Faraci announced the \$300 million deal Tuesday as "the largest private forestland conservation sale in the South, and one of the largest in the United States."

Two nonprofit groups, the Nature Conservancy and the Conservation Fund, said they picked the most environmentally sensitive parcels they could find among millions of acres the world's largest paper company is looking to sell as part of plan to shrink its business and boost profits.

"The forests of the South are among the richest in terms of total number of species of any habitats in the world," said Steve McCormick, president of the Nature Conservancy.

"Given the growth in the South and the rapidly changing landscape," he said, "it is our outlook that many of these areas would in the next 20 years be converted from forests into fully developed landscapes."

The agreement will allow timber harvesting to continue of about three-fourths of the land over the next five years, though not in the most environmentally fragile areas.

"We got fair market value for that land," Faraci said of the \$300 million price tag. The acreage is a small slice of the 6.8 million acres Stamford, Conn.-based International Paper owns across the U.S.

The Nature Conservancy has committed to buy 173,000 acres in North Carolina, Virginia, Georgia, Florida, Alabama, Arkansas, Tennessee, Louisiana and Mississippi.

The Conservation Fund will purchase 5,000 acres in Florida and an additional 500 acres in North Carolina, which has the largest overall acreage being purchased. Both groups will jointly purchase 39,000 acres in South Carolina.

Larry Selzer, president of the Conservation Fund, said the deal is a coup, considering whopping prices that large tracts in the South are fetching from developers, often crowding out conservation groups seeking to buy.

"For the nonprofit community, that's a huge challenge," Selzer said.

About 90 percent of the South's 201 million acres of timberland is owned by private individuals and corporations. A 2002 federal study projected the South would lose 31 million acres to urban development over the next four decades.

McCormick said the conservation groups are negotiating for much of their newly acquired land to be purchased by state governments for public use over the next five years.

In South Carolina, Gov. Mark Sanford signed revenue bonds Tuesday as a first step toward the state acquiring its share of the land.

Sanford praised the opportunity to place forested land in protection on such a large scale. The South Carolina sale includes 25,668 acres covering 27 miles of riverfront on the Pee Dee and Little Pee Dee rivers in Marion County.

"You don't have an ecosystem in a postage stamp," Sanford said. "... If we're going to make a profound difference in quality of life and a profound difference on an ecological front, I think we need to constantly look at large acreage as opposed to small acreage."

The total 77,090 acres being sold in 12 eastern North Carolina counties will help control pollution runoff along 300 miles of streams and riverbanks, Gov. Mike Easley said at a news conference.

Over the next three years, the state plans to buy about 67,000 acres of the North Carolina land from the conservation groups for up to \$72 million, Easley said. The rest will be sold to private owners with environmental groups controlling the timber to protect wildlife.

"This was an opportunity that we could not pass up," Easley said.

## Good deal Down East

It is a complicated business arrangement involving hundreds of millions of dollars, hundreds of thousands of acres of land and some creative financing, but when the dust clears and the checks are cashed, the result could be a good thing for North Carolina and the South.

Two national conservation groups -- The Nature Conservancy and The Conservation Fund -- have joined forces to buy 218,000 acres of Southern forests in 10 states from International Paper company. The purchase will help protect 77,090 acres stretching across 12 Eastern North Carolina counties. Much of the land is along streams, especially the lower Roanoke River.

The deal, under which the two non-profits will pay International \$300 million, is one of the largest conservation land sales ever in the South. It comes at an opportune time as development pressures threaten the region's dwindling stock of open land.

"The forests of the South are among the richest in terms of total number of species of any habitats in the world," said Steve McCormick, president of The Nature Conservancy. "Given the growth in the South and the rapidly changing landscape, it is our outlook that many of these areas would in the next 20 years be converted from forests into fully developed landscapes."

The land will still generate income for communities involved in the timber industry. The majority of the land -- estimates are 75 percent -- will remain as working forests. Environmentally fragile areas with rare plants as well as the habitats of endangered animals and birds, such as the red-cockaded woodpecker, will be off limits to timber cutters.

Land development experts say that 44 million acres of privately owned forest land are likely to be sold in this country in the next 25 years. Seen in that light, saving almost a quarter-million acres of Southern lands becomes something in which imaginative and far-sighted environmentalists can take pride.

---

March 29, 2006

## HUGE LAND DEAL WILL PRESERVE RIVER FORESTS; INTERNATIONAL PAPER'S \$300 MILLION SALE TO CONSERVE LAND WILL INCLUDE 116,000 ACRES IN EASTERN CAROLINAS

BRUCE HENDERSON

The Carolinas grabbed the biggest share Tuesday of the largest private conservation deal in the South's history, gaining more than 116,000 acres of coveted river forests sold by International Paper.

Campers and hikers, under the \$300 million transaction, will get access to lands that set conservationists' hearts racing. In all, International Paper agreed to sell 218,000 acres in 10 states.

The deal gives the Carolinas a rare chance to save forest-rimmed rivers that are some of the last, best corridors for black bears, warblers and other wildlife. Eighty percent of the South's bottomland forests have been cleared.

It also highlights the massive shift in who owns the region's forests. With forest companies like International Paper shedding land, conservationists will compete with investment companies and developers.

"You don't have this kind of opportunity very often," said Katherine Skinner, director of the Nature Conservancy's N.C. chapter.

The conservancy and a second group, the Conservation Fund, will act as middlemen in the exchange. The groups bought the land and will resell most of it to state agencies within a few years.

The transaction boosts North Carolina's lagging goal of protecting 1 million acres by 2010. The 77,000 acres to be turned over to the state puts it about halfway toward the goal.

Included in the sale are lands on North Carolina's Tar, Roanoke and Chowan rivers in the northeastern corner. South Carolina preserved tracts along the Great Pee Dee, Little Pee Dee and Savannah rivers.

"My assumption is that this was the best of the best" to be saved, said Reid Wilson of the Conservation Trust for North Carolina. "There may be some more, but not a lot more."

The sale price for that land - \$80 million - may pressure lawmakers to approve a \$1 billion land-bond issue that conservation groups want on the November ballot. Gov. Mike Easley, who announced Tuesday's transaction in Raleigh, has not taken a position on the bonds, his staff said.

North Carolina's three environmental trust funds, including the \$100 million-a-year clean water fund, are also likely funding options.

S.C. Gov. Mark Sanford signed a measure Tuesday that will let the state Heritage Trust borrow \$32 million for forest acquisition.

International Paper, one of the world's largest private landowners, announced last summer that it would explore selling its 6.8 million acres of forest.

"The crux of the issue is whether the land is more valuable for us to hold it or to sell it," said spokeswoman Amy Sawyer. Up to 44 million acres of privately owned forest is expected to be sold over the next 25 years, the Nature Conservancy said.

The announcement drew conservation groups to the bargaining table.

"We saw this as an important opportunity to protect in perpetuity many of our most ecologically significant lands," International Paper Chairman John Faraci said in a statement.

About 65,000 acres of the N.C. land is expected to go to the state Wildlife Resources Commission, with up to 1,800 acres adding to state parks and 8,000 acres being resold to a hunting club, the Nature Conservancy said.

Under the agreement, IP will continue to harvest timber from much of the land until native plants regrow. That could take as long as 20 to 50 years, Skinner said.

International Paper still owns more than 500,000 acres in both of the Carolinas. More conservation deals could happen.

"There will be opportunities again, but not a bargain like we got today," said Richard Rogers, conservation director for the N.C. Department of Environment and Natural Resources.

Along the Roanoke, much of the land is swampy and unsuited to building, said Cindy Tripp of Roanoke River Partners, a group that boosts ecotourism.

But the region is beginning to realize that paddling, fishing and birdwatching will be an economic mainstay, Tripp said.

"I know where a lot of the special places on the river are, and of course I'm pulling for them," she said. "But the (state) got a lot of spectacular places."

---



Editorial, March 31, 2006

## **Land sakes alive**

### *Forest preservation deal a huge coup for the Carolinas*

Good news for Southerners who cherish the unspoiled forests, pine savannas and quiet creeks and wide waterways of the region: the Nature Conservancy and the Conservation Fund are buying 218,000 acres of these lands from International Paper Co. in 10 southeastern states.

The agreement means the states of North and South Carolina will preserve more than 100,000 acres, including more than 22,000 acres along the broad Roanoke River in northeastern North Carolina and thousands more acres along the Pee Dee and Little Pee Dee rivers in South Carolina. N.C. Gov. Mike Easley said his state eventually will purchase the more than 77,000 acres of land set aside in North Carolina, while S.C. Gov. Mark Sanford said his state will buy 39,000 acres.

The sheer size of this land purchase from International Paper makes the announcement historically significant, but the quality of the tracts to be preserved is beyond economists' ability to assign a dollar value. The Roanoke River tract of mixed hardwood bottomland forest, for example, provides habitat for migratory songbirds that each year make a round-trip pilgrimage to Central and South America, provides a wetlands filter that slows the runoff of silt and chemicals to the coast, and provides an effective sponge soaking up floodwaters during heavy rains.

It's especially gratifying for the Nature Conservancy and the Conservation Fund - private groups that perform a great public service in identifying the most threatened parcels and purchasing them to preserve their unique qualities -- to buy these tracts. The federal government has proposed the sale or development of tens of thousands of national forest lands at a time when North Carolina is trying to set aside 1 million acres of land over a decade. The purchase of 77,090 acres here is a big boost for an acquisition program that is behind on reaching its goal.

Nature Conservancy President Steve McCormick said the 218,000 acres the groups are buying "are among the richest in terms of total number of species of any habitats in the world," the Associated Press reported. "Given the growth in

the South and the rapidly changing landscape, it is our outlook that many of these areas would in the next 20 years be converted from forests into fully developed landscapes."

The purchase agreement does not mean that timbering will end in those areas. It will allow timber harvesting to continue in 75 percent of the land over five years, but harvesting will not be allowed in the most ecologically sensitive areas.

The acquisition project is a good deal for everyone. The paper company gets to continue timbering for a fixed period; conservation groups have the satisfaction of preserving critical habitat that otherwise would have been lost to development; and Southerners can take satisfaction in knowing that exemplary parcels of their natural heritage will survive and thrive. Everyone wins.



Editorial, April 9, 2006

## **Winners on many sides in this timber land sale**

Anyone who's lived in North Carolina for the past 30 years knows that the countryside has changed pretty dramatically during that time. Subdivisions, sprawling golf courses and big box shopping centers occupy landscapes home to tangles of blackberry briars and honeysuckle, fields of wildflowers and modest houses.

Despite all the growth, we're blessed to live in an area with significant tracts of public land that help preserve the region's natural heritage. But it isn't just public land that's helped maintain the south's rich natural ecosystems. Timber companies like International Paper have long owned millions of acres of southern land. They've managed the land for timber, but their lands have also protected important ecological systems and provided a home for wildlife, including some endangered species.

That's beginning to change.

Earlier this week International Paper announced sales that divest it of 85 percent of its timber holdings.

The biggest sale by far in terms of acres is to several investment groups. More than 5 million acres — 4.7 million of them in the south — will be sold to several timber investment management organizations (TIMOs), for \$6.1 billion. The TIMOs have 10- to 50-year agreements with International Paper to supply fiber and pulp, but it's widely feared among environmentalists that the sales will lead

to less sustainable forest practices and fragmentation, with at least some of the land being developed.

Whether those fears will be realized remains to be seen, but thanks to The Nature Conservancy and The Conservation Fund, the other major International Paper sale announced last week guarantees that large swaths of the company's most ecologically important holdings will be protected from development in perpetuity.

In a deal arranged by The Nature Conservancy and The Conservation Fund, International Paper will receive \$300 million for 218,000 acres in 10 southeastern states. More than 77,000 of those acres are in North Carolina, mostly along the Roanoke, Upper Tar, and Chowan rivers and Juniper Creek in the eastern part of the state. More than 300 miles of rivers and streams will be preserved in their undisturbed state. Among other species, the protected areas are home to the red-cockaded woodpecker, neo-tropical songbirds, bald cypress, black bear and freshwater mussels.

The largest single tract involved in the deal is a 26,668-acre peninsula between the Pee Dee and Little Pee Dee Rivers in neighboring South Carolina.

The deal represents the single largest private land conservation sale in the history of the South and one of the largest in the nation.

The tracts in North Carolina link protected lands and create important corridors for wildlife, according to Mike Horak of The Nature Conservancy's Asheville office.

"All the properties you see throughout the transaction in the southeast are ecological treasures," he said. "We used Natural Heritage data to identify the tracts with the richest diversity of species. This, in our opinion, was a once in a lifetime opportunity."

The land in North Carolina will cost about \$80 million, Horak said. Much of the money will come from state sources, including the Wildlife Resources Commission, the Division of Parks and Recreation, the Department of Cultural Resources, the Clean Water Management Trust Fund, the Natural Heritage Trust Fund, the Parks and Recreation Trust Fund and the Conservation Fund.

Under the terms of the agreement the majority of the land will continue to be working forests. About 80 percent will be managed by the Wildlife Resources Commission and will be open to the public for hunting, fishing, hiking and other recreational uses.

To its credit, International Paper worked with the conservancy and The Conservation Fund to make it possible for them to purchase the "ecological



jewels” in its holdings. Also, to its credit, the biodiversity of the parcels reflects the company’s sustainable management practices.

Like International Paper, other timber companies are concluding that there’s more shareholder value in selling their timberlands than there is in continuing to manage them. More than 44 million acres of private forestland nationwide will be sold over the next 25 years, a 2005 Forest Service report predicts. Most of the land at risk is located in the Southeast, the Pacific Northwest and California.

While its important to celebrate the incredible achievement of The Nature Conservancy, The Conservation Fund and their partners in preserving the important tracts their deal with International Paper will protect, it’s also important to realize that they were only able to buy a small percentage of the large blocks of land it’s taken the timber industry a century to accumulate — land that has remained development-free because timber companies owned it.

As the sales proceed, “We’re talking about forever altering the landscape,” Craig Culp, who runs the Wilderness Society’s eastern forest programs, told The New York Times.

As these large tracts of land come on the market, it will be important for those who care about preserving wild places to support The Nature Conservancy and The Conservation Fund, and to encourage lawmakers to continue to support state funds, like the Natural Heritage and the Clean Water Management trust funds, that help provide the money to purchase those tracts that are ecologically important.

It’s our best hope of preserving as much as possible of these large undeveloped areas that provide sanctuary, not only to the creatures who need them to survive, but to us humans who will need ever more space for recreation as population density grows.