

EXHIBIT 3
DATE 3.4.05
SB 142

F. H. STOLTZE LAND & LUMBER COMPANY

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House of Representatives
Natural Resource Committee

Dear Committee Members:

Today you are considering Senate Bill No. 142, which will allow the Department of Natural Resources to lease State Trust Lands for timber and forest management purposes and for the purpose of carbon sequestration.

I had discussed with the department director some years ago about a similar proposal for isolated State sections that are surrounded by our Company's timberlands.

The current proposal would not interest me as a forest landowner. There must be an incentive for both parties for this program to be successful.

Areas of concern are:

1. With all of the requirements to gain a lease, the period of 10 years is too short.
2. It will be difficult to establish the "Net financial contributions to the affected Trust" in the beginning without establishing market related stumpage rates over the term of the lease.
3. In Section 5, the proposal is required to be put out for competitive bidding. Why would an applicant go to all this work knowing that someone else could obtain the lease? Any lease must be negotiated and based on current market conditions during the lease period.
4. There appears to be no provisions that would prevent someone from leasing land and paying for growth and/or mortality. This does nothing for the health of the forest or provide raw material for the current sawmill infrastructure.

Established in 1912
Affiliations:



Charter Member

Flathead Valley



Member Since 1966

5. The section on carbon sequestration seems to be lacking in details. Having had experience with the first such project in Montana, I can assure you this is a complicated issue that needs much more research and thought before legislation is adopted.

While carbon sequestration could bring income to the Trust, it does nothing for the economy of Montana and the wood products infrastructure.

Both leasing and carbon sequestration have some merit, however, this proposal is not in the best interest of Management of School Trust Lands or the Forest Products infrastructure in Montana.

Please do not pass this proposal.

Thank you.

Sincerely yours,

F.H. STOLTZE LAND & LBR CO.



Ronald Buentemeier
Vice-President/General Manager