

Following industry trend, Bowater to sell timberland

By Associated Press
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CHATTANOOGA - Bowater Inc. plans to sell off thousands of acres of forest land on Tennessee's Cumberland Plateau, worrying some activists that an agreement reached with the paper manufacturer last summer could be at risk.

Analyst Mark Wilde said the company plans to sell off its remaining timberland in the Southeast.

"I think what they're doing first is cleaving off their higher and better pieces of land that are suitable for development," said Mark Wilde, managing director of Deutsche Bank Securities in New York.

Bowater spokesman Gordon Manuel would not confirm how much land would be sold, but said would include hundreds of thousands of acres. The company would then buy timber from the landowners.

"Generally, we're looking for some large buyers," he said.

Greenville, S.C.-based Bowater is the largest newsprint manufacturer in the South and owns forests in Tennessee, Alabama and North Carolina. More than a quarter of its 380,000 acres of Southern forests are on the Cumberland Plateau in Tennessee.

The company last summer signed a memorandum of understanding with environmental groups to stop by 2007 clearing hardwood forests and planting pines in their place. The company also agreed to stop buying timber from landowners who engage in the practice.

The agreement was reached with the Dogwood Alliance and the Natural Resources Defense Council.

Some expressed concern Tuesday that Bowater's plan to sell off the land will weaken the effects of the agreement, or lead to more development of the Plateau.

"It makes it much more difficult for timber companies to be held accountable for the impact their timber production has on the landscape," Kelly Sheehan with the Dogwood Alliance said.

NRDC officials said Wednesday they don't believe the sale would soften the effects of the agreement.

Bowater already buys most of its timber for its mill in Calhoun, Tenn., from others, NRDC senior scientist Allen Hershkowitz said Wednesday.

Members of the NRDC are more concerned about the Plateau's forests being decimated by growth in subdivisions and shopping centers. Tennessee is a destination particularly attractive to Gulf Coast residents wanting a scenic place to live far from destructive hurricanes, Hershkowitz said.

"The pressure of population growth is not going away," Hershkowitz said.

Manuel said the agreement was nonbinding on Bowater and will not be binding on new landowners. But he said Bowater plans to abide by the terms of the agreement and expects new owners of Bowater land to do the same.

Bowater is following an industry trend in selling off its timberland. Other industry leaders have already sold off millions of acres, Wilde, who is managing director of Deutsche Bank Securities in New York, said.

The change in ownership is unlikely to change the use of the land, Wilde said.

"To be honest, most of this will wind up as timberland," he said.

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