Bill Bradley's career in the forest industry may have been more in the office than out in the woods, but he played a crucial role in setting the tax rules regarding a number of timber issues. These clarifications helped to encourage continued tax-efficient investment in timberland and the continued growing of trees.

Born in Chattanooga, Tennessee, in 1944, Bill recalled a childhood spent outside, but that was not a motivation for how he chose his career path. In 1965, he graduated with high honors from Emory University with an undergraduate degree in history. When asked why he chose to attend Harvard Law School, Bill said simply, “I got in,” but then added, “I had an interest in teaching history at the college level, but I decided to go to law school. When I had the opportunity to go to Harvard, it was not an experience I could pass up.” While at Harvard, he was an editor of the Harvard Law Review and graduated cum laude in 1968.

Bill started his law career in 1968 clerking for Judge Edward C. McLean in the Southern District of New York. At the time, he wanted to pursue litigation, and the Southern District was the place to see litigation in action. One notable case Bill participated in involved the validity of the base patents for xerography. Copy machines were relatively new at the time, and Bill recalled having to learn about corona dischargers and how paper had to be coated with a precise layer of zinc oxide to produce a photocopy. “It was all quite scientific, but it was a great intellectual exercise to be forced to immerse yourself in something like that,” he said. Of his experience working with Judge McLean, Bill described his boss as “a terrific lawyer and a terrific judge.”

After his yearlong clerkship, Bill began his two-year commitment with the U.S. Army as an artillery officer; he had been fired by President Nixon before his yearlong assignment. Instead he was assigned to work with Randolph W. Thrower, who was returning to the firm obtained a ruling from the IRS that said the rev­ere­sed course and handed down a ruling that truckers were independent contractors and not employees. This clarified the status of these owner operators as common law employees. However, the trucking companies owed tax on owner operators who were paid less than $4000. Bill said he has been fortunate to have had a number of var­i­a­tions in his case load and he enjoyed the mix.

Other cases Bill worked on dealt with the valuation of standing timber. “Standing timber was a very different issue in 1968. It made a big difference at the corporate level whether the company was taxed at capital gain or ordinary income rates,” Bill explained. “Under the law, you received capital gain treatment on the harvest. How a gain is taxed is highly significant to how the underlying asset is valued. An asset that has a high tax means it is worth less.”

There was no formal process for how the valuation of standing timber was calculated, and Bill’s team pioneered an approach that took into account a careful analysis of economic issues to make the company’s valuations more defensible in its annual audit. Developing the calculations and identifying the factors that should be considered, such as hauling distance to the mill, the markets for the timber, and application of appropriate discount rates to take account the length of time before timber could be economically harvested, was an intellectual exercise that Bill enjoyed. “We spent a lot of time on this work and developed approaches that had not been used before,” he said.

Another significant timber case he worked on dealt with Roseburg Forest Products Company and the calculation of the depletion allowance when the harvest involved timber tracts spread over a wide area. Bill’s team challenged the IRS inter­pre­ta­tion of a regulation that was written in the 1950s, although the issue had not been addressed before. The case was decided favorably for Roseburg in the Tax Court, in a decision that was affirmed by the 9th Circuit Court of Appeals, which declared that the regulation, as interpreted by the IRS, was invalid.

During the 1980s, Bill also made significant contributions to increasing the ownership of timberland by the tax-exempt community, such as universities and college endowments, charitable foundations and pension funds. His team sought clari­fi­ca­tion from the IRS on the question of whether a tax-exempt organization was subject to tax when it granted rights to harvest standing timber. The reason this was significant, Bill said, is because, “if the harvest generated unrelated business taxable income, the normally tax-exempt organization would be tax­able on the gain. In this case, tax-exempt organizations would not invest in timberland because they do not want investments that generate taxable income when other investment income, such as corporate dividends, were not taxable.”

The firm obtained a ruling from the IRS that said the rev­en­ue was not taxable. “And that opened up timberland invest­ment to these tax-exempt investors,” Bill explained.

From this ruling, new investors in the form of timberland investment management organizations (TDINOs) and real es­tate investment trusts (REITs) started investing in timberland, and Eversheds Sutherland pioneered the REIT ownership structure that has now become the prevalent model in timber­land investment.

After the Roseburg case, Bill found himself handling more timberland acquisition work, which he said was also challenging. The firm’s team, which included himself and lawyers with expertise in fields such as real estate environ­mental and antitrust law, were negotiating transactions worth billions of dollars.

Outside his law practice, Bill fulfilled his original career goal of teaching through a connection with Dr. Bill Sizemore, an appraiser and economist (and long-time member of the board of the Forest Forestry Center) whom Bill had worked with on timber valuation. In addition to his appraisal practice, Dr. Sizemore taught courses at Duke University on timber appraisal issues, and he asked Bill to be a guest lecturer for his classes. When Dr. Sizemore offered these same timber evaluation talks at the World Forestry Conference, he asked Bill to par­ticipate as well. This was Bill’s introduction to the World Forestry Center, and in 1996, he was asked to join the board. He served as an active member of the board for the next fifteen years before transitioning to serving on its honorary board.

It was through his relationship with the World Forestry Center that Bill created Who Will Own the Forest?, an annual conference convening the leaders in forestry, taxation, real est­ate, and investment to discuss issues related to domestic and foreign investment in timberland. “Nobody in the country was talking about these issues, and there was a lot of these issues swirling around at the time,” Bill explained. “The question was whether exempt investors would become the dominant owners of the large forest properties traditionally held by the integrated forest companies and whether the forest products companies would divest their timberland holdings to concentrate on manufacturing. No one was really sure.”

For the next fifteen years, Bill was personally involved in recruiting speakers and developing the conference theme. Even after he stepped down, the conference has remained popular and attracts over 400 participants each year. Bill said that the extraordinary success of the conference was much more than he could have predicted.

Bill is also a board member of the Forest Stewards Guild, a position he has held for the past ten years. A colleague in Sutherland’s Washington office was a childhood friend of the Guild’s executive director and they were looking for a lawyer to serve on the board. “And I said I would do it,” Bill succinctly explained when he was asked to serve.

In addition, he has served on the Board of Visitors of Duke University’s School of Forestry (now the Nicholas School of the Environment) and is an honorary graduate of the Warnell School of Forestry at the University of Georgia. Bill is a senior partner at Eversheds Sutherland resident in the firm’s New York office, but he no longer handles significant casework. Throughout his career at the firm, he has held sev­eral different positions. He was the managing partner of the firm’s Atlanta office from 1990 until 1995 before moving his practice to New York in 2002 to serve as the partner-in-charge of that office until 2013.

In looking back upon his career of more than fifty years, Bill said he has been fortunate to have had a number of var­i­a­tions in his caseload and the opportunity to work in the niche spe­cialities of timber taxation and timberland investment. He is also modest about the role that his team at Eversheds Suther­land has played in codifying taxation rules that promote the investment in timberland. “At the end of the day, we are just lawyers,” he said. “We try to serve our clients, to help them in their transactions, and help them accomplish what financial and other goals they need to accomplish.”

And of the people he has worked with along the way, “I have thoroughly enjoyed the people I have met in the forestry com­munity. They are by and large talented, smart people, gen­erally both modest and honest. That part has been a great deal of fun.”

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