

Testimony Before the Subcommittee on Interior, Environment, and Related Agencies,
Committee on Appropriations U.S. House of Representatives
Regarding the Fiscal Year 2013 President's Budget Request for the U.S. Forest Service
William Imbergamo, Executive Director, Federal Forest Resource Coalition
Washington, DC
April 16, 2013

The following testimony is submitted on behalf of the Federal Forest Resource Coalition on the budget for the USDA Forest Service and the Bureau of Land Management. The FFCR represents purchasers of Federal timber in 27 states, with over 650 member companies and affiliated associations, collectively representing over 350,000 working men and women around the country.

We make the following specific programmatic recommendations for Fiscal Year 2014:

- restore the Forest Products line item to the pre-sequester FY 2013 level of \$337 Million
- restore the Hazardous Fuels line item to the FY 2011 level of \$340 Million
- restore Forest Roads line item to the FY 2011 level of \$236 Million.

We make these recommendations after a cursory review of the President's Budget proposal, which, like you, we only saw last week.

Impacts of Sequester and CR: While we Appreciate the support this subcommittee has shown for forest management in the past, we must point out our serious concerns with the priorities established for the Forest Service as a result of the sequester and subsequent Continuing Resolution. While it appears that some regions of the Forest Service are doing their best to continue offering an expanded timber sale program, the reductions resulting from the sequester and the CR will inevitably result in reduced outputs. Administration estimates suggest that the sequester will result in a 15% reduction in timber offer levels, which will result in the loss of over 7,000 jobs in some of the poorest counties in America.

Our member mills have weathered the worst recession our industry has seen since the great depression, a recession which is widely acknowledged to have hit housing harder than any other sector. Although forest product demand has been slowly increasing for the last 18 to 24 months the loss of national forest timber volumes will stall this growth as these mills struggle to find timber to meet this demand. Moreover, the markets these mills create enable the U.S. Forest Service to perform the forest health and wildfire prevention so badly needed on our national forests.

For the sequester to force unnecessary mill closures and further job losses in our hard hit rural communities is unconscionable. By further reducing forest management and capital improvement spending in the CR, Congress and the President are setting exactly the wrong priorities for the Forest Service and the Bureau of Land Management. The Chief of the

Forest Service has testified before Congress that the agency has between 50 and 80 million acres in need of active management, with 45 million acres being decimated by bark beetles in the Rocky Mountains alone. Further, the agency's budget presentation states that they have a \$6 billion maintenance backlog. This backlog does not just affect the roads my members depend on to access timber, but the trails, campgrounds, and visitor centers millions of Americans use for recreation. To cut these programs further goes right to the heart of the visitor experience and raises serious questions about the government's continued commitment to management these lands for the greatest good.

Increasing Efficiency in NFS Management: As an industry, we have learned how to economize, reducing costs and doing "more with less." We recognize that the nation's fiscal situation demands austerity, and we have engaged from day one in a dialogue with the Federal land managers to find ways to reduce costs, increase efficiency, and this subcommittee has helped with several of those efforts. For example, you led the way in replacing a cumbersome administrative appeals process with a streamlined objection process, and last year proposed expanded authority to use more effective sale administration techniques to help reduce costs.

We strongly urge you to continue these efforts by expanding the relief from administrative appeals to all projects which the agency finds are categorically excluded from further NEPA review. We urge you to push the U.S. Senate to agree to provisions allowing designation by description. However, unless Congress prioritizes land management by reinvesting in timber management, hazardous fuels reduction, and maintenance of the basic forest infrastructure, our Federal lands will continue to deteriorate and our rural communities will remain stuck in what is becoming an alarmingly durable cycle of rural poverty.

As noted, we recommend restoring the budgets of the three programs noted on page 1. All tolled, these restorations would cost the Committee roughly \$75 million. Presently, this is far less than is being proposed for several land acquisition programs within this spending bill. We stand ready to work with the committee to identify further efficiencies in the way the Forest Service manages their timber lands. However, Congress cannot ignore its responsibility to set priorities, and clearly we have arrived at a point where we must prioritize the management of the lands and facilities already under Federal ownership.

We recommend the following to expedite management, reduce delays, and increase accountability:

- direct the Forest Service to meet their forest products output targets using only commercial products such as sawlogs, pulpwood, and commercial biomass, not personal use firewood;
- allow and encourage the agency to focus higher yielding forest management projects on lands designated in existing forest plans as suitable for timber production; and
- provide expedited authority to conduct needed forest management projects on lands identified as being at significant risk of wildfire, either on agency forest health maps or in community wildfire protection plans.

We were very thankful to the Subcommittee for including national direction to the Forest Service to increase timber outputs from 2.4 billion board feet to 3.0 billion board feet in 2012. As you are aware, the Forest Service achieved 2.6 Billion Board Feet, although about 11% of that was personal use firewood. We urge the subcommittee to continue increasing the pace and scale of forest restoration, and set a goal of 3.5 billion board feet (exclusive of personal use firewood) for fiscal year 2014.

The current annual harvest from the National Forests represents less than 10% of annual forest growth, and less than half the allowable sale quantity under existing forest plans. In many regions, the Forest Service is falling short of its own management goals; including in reacting to the bark beetle outbreak in the Rockies and in managing aspen habitat in the Lake States. Stepping up management, through formal collaboratives where they exist and normal timber programs elsewhere, will help address pressing forest health concerns while helping bolster employment in rural communities where unemployment is frequently near 20% and poverty is well above state averages. Investing in the Forest Service timber program is a very effective job creator, generating 16.5 new direct and indirect jobs per million board feet harvested.

Forest Roads, Hazardous Fuels Reduction: It is also urgent that the Subcommittee restore funding which has been cut since 2010 from the Capital Improvement and Maintenance Account, as well as the Wildland Hazardous Fuels Reduction program. As noted, these programs were reduced in the sequester and then cut further by the Continuing Resolution. These two programs are vital to maintaining access to the National Forests and in helping to reduce the massive, 90-million acre backlog of lands which urgently need hazardous fuels reduction. The work cannot be done economically without the ability to use the Forest Service road system.

We appreciate the efforts of the Subcommittee to remove the arbitrary requirements for hazardous fuels reduction work in the Wildland Urban Interface (WUI). A greater percentage of lands in need of fuels reduction are outside of the WUI, and mechanical thinning allows the Forest Service to take advantage of the wood products infrastructure to reduce treatment costs. Extensive Forest Service research shows that mechanical thinning (which includes removing useable wood fiber) followed by prescribed fire is the best approach to significantly reduce threats from wildfire and forest pests.

IRR, CFLRA: We further recommend that Congress continue to closely monitor pilot authorities such as the IRR pilot regions, and project specific authorities such as CFLRA projects, to determine whether these projects are reducing unit costs whether the units measured are acres treated or units of wood produced.

Stewardship Contracting: We are also concerned that the Forest Service will lose their current authority to engage in Stewardship contracting at the close of this fiscal year. Congress must take steps to expedite an extension of this authority, and we urge this subcommittee to continue its leadership in this regard.

Land Acquisition: Considering the fiscal situation facing the Nation and the backlog of both forest management and roads and facilities maintenance needs on the National Forests, we recommend no funding for the National Forest System Land Acquisition line item. It makes little sense to increase the size of the National Forest System at a time when the agency has a demonstrated backlog in maintenance and land management. We recommend that the \$59 million recommended by the Administration be redirected to the land management priorities recommended above.

BLM Forest Management: The President's FY 2014 Budget includes a sharp reduction in funding for the BLM Public Domain Forest Management Program. The President's Budget proposes to reduce BLM PD Forest Management funding by nearly 40%, which will result in reduction of 40% of associated FTEs, 50% reduction in biomass volume, and 80% reduction in Stewardship Contracts. This would mean the BLM would drop from offering 123 Million Board Feet in 2012 to offering 19 Million Board Feet, a decline of over 85% of the public domain timberlands. FFRC supports funding for BLM PD Forest Management Program at no less than the FY 12 level of \$9.7 million. Aggressive action is also needed to offer regeneration harvests from the O&C lands in Oregon that meet the needs of local mills and communities.

Alaska: The timber industry in Alaska faces several challenges stemming from years of controversy over the management of the Tongass National Forest. FFRC members depend upon supplies of timber from this forest, and have been hard pressed as the Forest Service has placed complete restrictions on harvest in roadless areas. Current efforts to transition to harvesting second growth timber will not meet the local industries needs for decades. Steps must be taken to offer a timber sale program that complies with the National Forest Management Act and can sustain the local value added industry in order to save the capacity to manage the very small percent of the Tongass that is open to any harvest (almost 90% of the Tongass is roadless). Local mills and loggers, along with Gov. Sean Parnell, have concluded that some portion of the Tongass should be converted into State ownership in order to meet the needs of the local economy. FFRC strongly supports this effort. FFRC also strongly urges the **Subcommittee** to make permanent the Red Cedar language which it has included in previous Interior bills for more than a decade. This language is absolutely necessary to insure that USFS sales are not offered as deficit sales.

Conclusion: We are witnessing a renaissance in demand for wood products, both here at home and abroad. There are two things we know to be true: first, this demand will be met, whether it comes from our own forests or from abroad. Second, we know that there is more forest management work that needs to be done on the National Forests. Only Congress can decide whether we will help meet that domestic and international demand using timber from our National Forests, which must be milled domestically before it can be exported. Only Congress can create American jobs by using this market upswing to pay for badly needed forest management work. To paraphrase our favorite bear, only you can decide to act now, or you can allow the negative trends in forest health and rural economic distress to continue.