

Testimony of Tom Partin, Vice President, Federal Forest Resource Coalition, to House Appropriations Subcommittee on Interior, Environment, and Related Agencies re: Fiscal Year 2016: U.S. Forest Service and Bureau of Land Management

The following testimony is submitted on behalf of the Federal Forest Resource Coalition, which represents purchasers of Federal timber in 32 states, with over 650 member companies and affiliated associations, collectively representing over 390,000 employees. We make the following specific programmatic recommendations for Fiscal Year 2016:

- Focus increased investments on **National Forest Timber Management**, and **Capital Improvement & Maintenance**;
- Maintain strong funding for **Wildland Hazardous Fuels Reduction**
- Continue CFLR projects to demonstrate collaborative forest management.

We were pleased to see the Administration proposing increases, albeit modest ones, in timber outputs, and we endorse the bi-partisan approach to wildfire funding in the Wildfire Disaster Funding Act (HR 167).

Our Mills Rely on Predictable, and Growing Supplies of Timber: The forest products industry is extremely capital intensive. Our member companies have significant investments in logging and mill infrastructure, which can help offset the costs of managing the National Forests and return money to the Treasury. Several issues at the Forest Service inhibit our ability to grow and compete. Unpredictable timber supplies caused by erratic appropriations, fire borrowing, and obstructionist tactics by a minority of radical groups make it difficult to commit to the investments needed to keep our companies viable.

Eliminate Fire Borrowing, Provide Stable Appropriations: Congress is well aware of the inefficiencies created when the Forest Service redirects funding from land management programs to pay for wildfire suppression activities. Programs which directly support improved forest health are among those penalized the most by this process. The pattern of borrowing disrupts forest management and delays timber sales unnecessarily, while doing nothing to help ensure honest budgeting or reduced costs. The Wildfire Disaster Funding Act holds tremendous promise and we urge the Committee to move forward with it this year.

We also stress that the Forest Service performance has been hampered in previous years by erratic appropriations, with continuing resolutions, some lasting as little as a few days. This culminated with the disruptive government shutdown in 2013, which halted 1,200 active timber sales. Disruptions in the timber sale program make it harder to manage the National Forests, harder to reduce fuel loads, and harder for our member companies to justify making the capital investments needed to remain competitive. We urge Congress to use the appropriations process to minimize these disruptions to the greatest extent possible.

The Need for Management: As you know, the National Forest System is experiencing significant forest health challenges. The Chief has testified that the National Forests have between 65 and 82 million acres in need of active management, with 45 million acres decimated by bark beetles in the Rocky Mountains alone. Further, the Forest Service has a \$5.1 billion capital facilities 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. Faced with deteriorating forest health and crumbling facilities, we urge Congress to prioritize management and maintenance over expansion of an overtaxed National Forest System.

The Need to Increase the Pace and Scale of Forest Management: In early 2012, the Administration publicly committed to increasing the pace and scale of managing the National Forest System, arguing that by expanding forest restoration programs, forest health would improve, fire danger would decrease, and timber outputs would climb to over 3 Billion Board Feet. We applaud their 2016 budget request for attempting to translate that commitment into action. However, we urge the Committee to take a more direct route than that proposed by the Administration.

While the Administration has once again proposed a single, \$822 million line item called Integrated Resource Restoration, we propose instead focused increases in National Forest – Forest Products (timber sales) and Capital Improvement & Maintenance – Roads. Specifically, we recommend the Committee:

- a 5% increase in Forest Products, to \$355 Million, an increase of \$16 million
- a 5% increase in Forest Roads, to \$176 Million, an increase of \$8.4 Million
- Support a 4 Billion Board Foot timber goal

These increases can be paid for by either reducing land acquisition or by redirecting proposed increases in the Collaborative Forest Landscape Restoration Program.

We remain concerned about the performance of the IRR pilot regions, and are extremely concerned about the slow pace of work in many of the Collaborative Forest Landscape Restoration project areas. IRR pilot regions continue to struggle to increase outputs and reduce unit costs, while depending on large portions of non-commercial firewood to meet their timber targets. We oppose expansion of the IRR program, but encourage the Committee to provide flexibility to blend funds together at the regional and forest level while maintaining performance objectives for specific programs.

The Administration has once again recommended expanding the Collaborative Forest Landscape Restoration Program (CFLR) by 50%, increasing the funding from the currently authorized level of \$40 million per year to \$60 million per year. In fiscal year 2014, the CFLR program achieved just 41% of its vegetation improvement goals, 39% of its biomass removal goals, and just 42% of its road restoration goals. Many CFLR project areas are still struggling to complete required NEPA analysis, while others have approved multiple NEPA documents and are rapidly implementing projects. Given the uneven results from these projects, drastically increasing the allocation of funds to CFLR is not justified at this time.

Instead, we urge Congress to direct the Forest Service to expand management across the country, and not simply focus on CFLR project areas. If Congress is inclined to increase management funds by the amount requested by the Administration, we urge you to use those funds to match State efforts to implement management on recently designated Insect & Disease Treatment Areas and to implement projects through the use of Good Neighbor Authority (both recently authorized or expanded by the 2014 Farm Bill).

The Need to Increase Efficiency in NFS Management: As an industry, we have learned how to economize, reduce costs, and do more with less. We recognize that the nation's fiscal situation demands austerity, and we dialogue constantly with Federal land managers to find ways to reduce costs and increase efficiency. Congress has been at the forefront of these efforts. In recent years, the Congress has:

- Replaced cumbersome administrative appeals with a streamlined objection process;
- Expanded the use of designation by description to all timber sales; and
- Expanded forest health authorities beyond the Wildland-Urban Interface.

We strongly urge you to continue these efforts by directing 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;
- Urge the Forest Service to revisit their initial interpretation of the Farm Bill's Designation by Description and Prescription Authority;
- Focus higher yielding forest management projects on lands designated as suitable for timber production; and
- Meet a goal of 4 Billion Board Feet in Fiscal Year 2016.

The current annual harvest from the National Forests represents less than half the allowable sale quantity in existing forest plans. In many Regions, the Forest Service is falling short of its own management goals; including response to the bark beetle outbreak in the Rockies and in managing aspen habitat in the Lake States. Stepping up management, through collaboratives where they exist and normal timber programs elsewhere, will address pressing forest health concerns while bolstering employment in economically distressed rural communities. 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.

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, significantly reduce threats from wildfire and forest pests.

BLM Forest Management: The President's FY 2016 Budget includes a 9.1% reduction in funding for the BLM O&C Land Management Program. FFRC strongly supports reforming these critically important and productive timberlands. We urge the Committee to reject the proposed reduction and fund the O&C program at least at the 2014 enacted level. Aggressive action is needed to offer regeneration harvests from these lands that meet the needs of local mills and communities. We strongly support the PD Forest Management Program at no less than the President's recommended level of \$9.9 million.

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 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). Some portion of the Tongass should be converted into State ownership in order to meet the needs of the local economy. 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: Wood product demand remains strong, providing an opportunity to expand management on the National Forests. More forest management work 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.

About the FFRC: The Federal Forest Resource Coalition is a unique national coalition of wood products companies, local governments, conservation groups who are united by concern for the National Forests. Representing over 650 member companies and more than 390,000 employees in 32 States, the FFRC is committed to improving the management of the National Forests and BLM lands to support healthy forests and vibrant rural communities.