

Subcommittee on Federal Lands

Restoring Multiple Use to Revitalize America's Public Lands and Rural Communities

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Thank you, Mr. Chairman. My name is Jim Neiman, President of Neiman Enterprises, a multi-generational company operating four sawmills in South Dakota, Wyoming, Colorado, and Oregon. I appreciate the opportunity to provide testimony on this important topic. In addition to my role at Neiman Enterprises, I am also a member of the Intermountain Forest Association which represents forest products companies operating in the Rocky Mountain Region of the USFS and a member of the Federal Forest Resource Coalition, which represents similar businesses across the country, although I am not representing either organization today.

For 89 years, our family's sawmill business has been built on perseverance, adaptability, and a deep-rooted commitment to forestry and community. My grandfather founded our first mill in 1936 in Upton, Wyoming, later relocating to Hulett in 1940 after a fire.

In Hulett, a community of about 400 people, if you want to grow your company – you must figure out how to grow the community with it. We went from 20+ employees in 1974 to 125 employees in 1995. A shortage of housing has plagued the community for years. We developed our first housing subdivision in 1980 with 33 lots and helped fund the Hulett Community Housing Authority, with units for senior and affordable housing. We also developed a golf community with an airport to retain and attract quality employees.

Our commitment extends beyond our family; it's about the communities where we operate and the forests that sustain them. We believe that healthy forests create healthy communities, and our work in sustainable forestry ensures both can thrive for generations to come.

Across the US, and even more so in the Western states, there is a tremendous partnership in place to manage federal lands. This partnership is born out of necessity. The US Forest Service (USFS) depends on forest products companies as the primary tool for managing forests on their 193 million acres of land while reducing risk from wildfires and insect infestations. In turn, forest products companies rely on the USFS to provide raw material for manufacturing forest products and supporting community economies.

When this partnership is functioning well, it creates opportunities for a healthy industry to make investments in our facilities, and allows the Forest Service to implement treatments on the landscape. During the first Trump Administration, Secretary of Agriculture Sonny Perdue visited the Black Hills and saw first-hand how the partnership between the USFS and forest products companies can win wars against pine beetle epidemics and save communities from

wildfires. And while he had hoped to use the Black Hills as a model for other parts of the country, we have seen how important leadership is to sustaining that type of success.

Importantly, for this partnership to work, all parties must be making the same commitments to accomplish the necessary treatments on the land.

On the Black Hills National Forest, where my company originated and has a tremendous amount at stake, the USFS originally proposed a timber sale level of 45,000 Cubic Feet (CCF) this fiscal year. They have recently stated they hope to get closer to 60,000 ccf this year, including all forest products – biomass such as chipping, firewood, small diameter post-and-pole material, and sawtimber. Unfortunately, that increase is not enough to change the end result.

To help understand what the program levels mean for our partnership in the Black Hills, our family's sawmill located in Spearfish, SD needs approximately 90,000 ccf from USFS lands on an annual basis to stay operational – this represents about 75-80 percent of the material needs at that facility due to the percentage of forested land the federal government owns in the Black Hills. This is only one of the facilities in the Black Hills and the combined need is much greater.

In the Black Hills, the industry is heavily integrated with companies using all types of products from the Black Hills National Forest. Sawmills use larger trees (9" in diameter or greater), post-and-pole operators use smaller material predominantly 6" to 9" inch material, and biomass companies such as wood pellet producers and a particle board manufacturer have traditionally utilized residues from other facilities rather than using raw material from the forest.

The current Black Hills Forest Plan allows for 202,000 ccf allowable sale quantity and the forest products companies that haven't yet closed aren't asking for the maximum.

We are seeing downturns in forest management on some other national forests in Region 2, and within other Regions of the USFS, and the resulting impacts on our industry and communities are permanent.

We are here today, in the first month of a new administration where forest management should take a front seat. The reality is that forest management isn't a partisan issue and the opinion that we need to be doing more in our forests isn't new. However, we have never faced a more critical fork in the road for our national forests and the communities that call them home and depend on them for economic sustainability - the need to greatly increase the scale of timber harvest and other forest management is unprecedented.

Recent administrations of both parties have acknowledged the importance of increasing the work we do to manage our national forests.

Under the Obama administration, the USFS developed a strategy titled: Increasing the Pace of Restoration and Job Creation on Our National Forests¹. That strategy found that between 65-82 million acres of NFS lands were in need of forest management actions to restore the forests to more sustainable conditions. Restoration activities principally involve reducing tree densities and timber outputs during that administration actually climbed from about 2.5 Billion Board Feet in 2009 to 2.9 Billion Feet in 2016.

During the first Trump Administration, timber outputs increased from around 2.9 Billion Board Feet to 3.2 Billion Board Feet, largely through the use of new authorities adopted by Congress since 2004 and the Trump Administration's "Shared Stewardship" approach which worked to improve cooperation and co-management between the Forest Service and the States.

Early into the Biden administration, the US Department of Agriculture reported on the first 90 days of their Climate-Smart Agriculture and Forestry Strategy². Within the report, the USDA concluded that "Forest Service and other research scientists have determined the current level of treatment is not enough to keep pace with the scale and scope of the wildfire problem." and that the "...USDA must increase the scale of its actions by two to four times more than is currently treated."

After the historic wildfire seasons of 2020 and 2021, the USFS responded by developing a strategy to Confront the Wildfire Crisis³, which correctly stated that, "The risk has reached crisis proportions in the West, calling for decisive action to protect people and communities and improve forest health and resilience." As a starting point, the strategy called for implementing forest management actions on an ADDITIONAL 20 million acres of National Forest System lands by 2030.

Unfortunately, despite this commitment to increased timber management, commercial timber outputs fell during the Biden Administration by more than 17 percent nationally, leaving many Western sawmills scrambling to secure adequate raw materials.

As an industry, we appreciated the attention to this issue during the first Trump administration and the recognition that we already have the capacity to tremendously improve the health of

¹ US Forest Service, Increasing the Pace of Restoration and Job Creation on Our National Forests: https://www.fs.usda.gov/sites/default/files/legacy_files/media/types/publication/field_pdf/increasing-pace-restoration-job-creation-2012.pdf

² US Department of Agriculture, Climate Smart Agriculture and Forestry Strategy 90-Day Progress Report: <https://www.usda.gov/sites/default/files/documents/climate-smart-ag-forestry-strategy-90-day-progress-report.pdf>

³ US Forest Service, Wildfire Crisis Strategy: <https://www.fs.usda.gov/sites/default/files/Confronting-Wildfire-Crisis.pdf>

our National Forests by working with the existing forest products industry. Moving forward, promising opportunities exist to work with Congress and this second Trump administration to develop policy and guidance that finally addresses the incredible scale and need for increased treatment on our national forests.

Although the forest management program is currently suffering in the Black Hills National Forest, it has a more than 125 year history of timber sales and has, at times, served as a shining example of how to sustainably manage national forests across the country; beginning with the first ever timber sale on federal land in 1899. In the Black Hills National Forest, more than four times as much timber has been removed as what was present at the time of the first timber sale – and there is still approximately three times⁴ as much timber standing today.

Most recently, timber management on the Black Hills showed that the war against insect epidemics can actually be won through timber sales conducted at the landscape scale. Forest Service scientists⁵ researched the effects of commercial harvest operations on mountain pine beetle mortality and found that treated forest stands only experienced four percent mortality to insects compared to more than 38 percent loss in untreated stands. They also found that treatments rapidly reduced mortality from pine beetles and concluded that, “Stand density reductions through silviculture across a large geographical area can abate MPB-caused tree mortality.”

Further, the Black Hills has directly shown how forest management through timber harvest can safeguard communities and the forest alike from wildfires. In 2022, the Wabash Springs fire ignited just outside the city limits of Custer, SD but within exurban community development. The conditions at the time of ignition were dry with moderate drought, and winds gusting to 60 mph. A powerline arced and the fire began to spread quickly. This is a scene we know all too well in the West. Fortunately, the area where the fire began had been previously treated with a commercial timber sale to fight mountain pine beetle populations and had also received additional follow-up work to further reduce the fire danger. The fire was contained to 110 acres and was extinguished as quickly as it started. Surveying the area in the months after showed no trees were lost and no structures were damaged or destroyed.

After the fire, local Forest Service officials said they were able to suppress the fire and prevent the loss of homes because of the work done in recent years by both the Forest Service and private landowners in the area. Noting that no structures or even large trees were burned, the USFS said “The fuels treatment and the thinning that’s been done in and around that area for

⁴ US Forest Service, Revised Black Hills National Forest Timber Assessment, p. 38: https://www.fs.usda.gov/Internet/FSE_DOCUMENTS/fseprd1153857.pdf

⁵ José F. Negrón, Kurt K. Allen, Angie Ambourn, Blaine Cook, Kenneth Marchand, Large-Scale Thinnings, Ponderosa Pine, and Mountain Pine Beetle in the Black Hills, USA, *Forest Science*, Volume 63, Issue 5, October 2017, Pages 529–536, <https://doi.org/10.5849/FS-2016-061>

the last 8-10 years certainly made a difference.” Custer County Emergency Management Director Steve Esser echoed that sentiment⁶.

That hasn’t been the only local example of similar treatments saving structures, communities, and certainly the forest from damage.

And it isn’t just the Black Hills where the empirical evidence has shown the difference treatments can make locally and across broader landscapes.

Although the previous Administration efforts to prioritize older, less productive forests was flawed in terms of goals and process, it did illustrate the real risks to our National Forests and efforts to provide components of older forests on the landscape in the long-term. Through extensive discussion highlighting the outsized impacts to older forests from insects and wildfires, the *threat assessment*⁷ showed that mature and old growth forests decreased on “reserved” lands (Wilderness Areas, Inventoried Roadless Areas, National Monuments, and others) but that old growth forests actually increased by nearly 8 percent on non-reserved lands. In other words, where timber harvest is allowed, old growth forests increased in acreage. Conversely, older forests decreased on lands set-aside from management.

To be clear, and I can speak for the industry as a whole, we want to see older forests on the landscape in the long-term but there must be recognition that forests are not static and is a foolish endeavor to believe we can preserve disturbance prone forests just as we find them today, in perpetuity. Age and structure are states of existence, not places, and what is old today may be young again and vice-versa.

Previous examples in this testimony have shown what has and can work well. We also know what isn’t working for our national forests and dependent communities.

In the Black Hills, our family was forced to close a sawmill during record high lumber markets in 2021, because of inadequate USFS timber sales. Today, our two remaining sawmills are running at 50 percent capacity and incurring tremendous financial losses in the process. Those reductions have also negatively impacted the particle board manufacturer which relies on the residues produced from the sawmills. They are now trucking wood chips across three states to meet a portion of their supply and have resorted to chipping operations in the forest for other portions of their material needs – at a significantly increased cost compared to sawmill residues.

⁶ Wabash Springs Fire Threatened Homes: <https://www.custercountychronicle.com/content/wabash-springs-fire-threatened-homes>

⁷ USDA and DOI, Mature and Old-Growth Forests Analysis of Threats on Lands Managed by the Forest Service and Bureau of Land Management: https://www.fs.usda.gov/sites/default/files/fs_media/fs_document/MOG-threat-analysis.pdf AND <https://evergreenmagazine.com/content/files/2024/06/MOG-threat-analysis.pdf>

Again, decreasing USFS outputs have been the primary factor in the reductions in our industry and the resulting job losses. Our industry is accustomed to volatility in our end use markets. Companies in the Black Hills are no exception: we have been in business for decades, generations in some instances, and have weathered numerous economic and market downturns – but we must have raw materials in order to continue our operations. If we have to close up shop, the entire “value chain” – loggers, truckers, equipment dealers, and, most vitally, our skilled workers simply have to move on to find gainful employment and viable markets. Once lost, it is nearly impossible to rebuild this value chain.

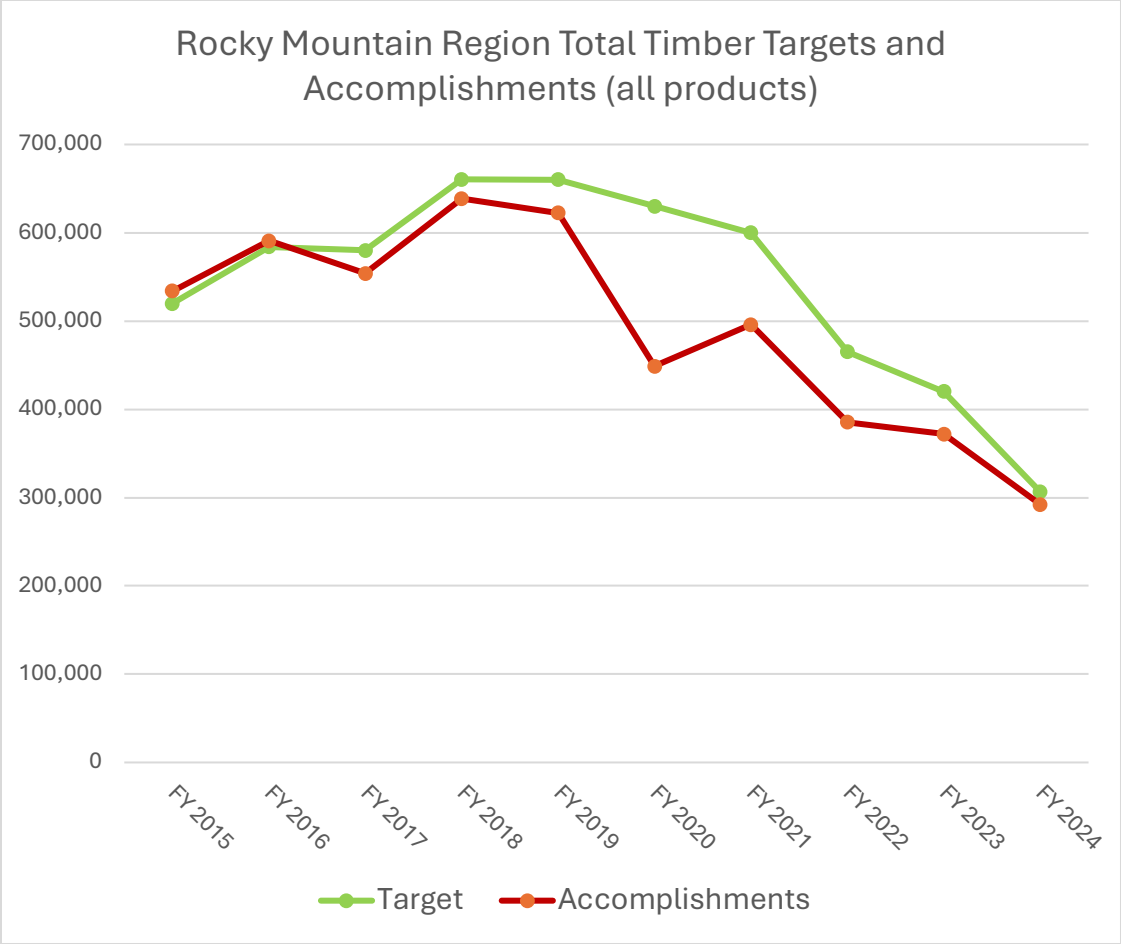
Nationally, we know that competition among producers is fierce, and overall the sector doesn't grow much faster than the overall economy. We know that mills close for a wide variety of reasons, including competition, distance from good markets, lack of adequate investment, or mismanagement. We also know that lumber producers who must rely on Federal timber resources face the additional challenges presented by an inadequate and unpredictable log supply. These challenges have been exacerbated by reduced timber outputs over the last four years, leading to disproportionate closures of sawmills in areas dominated by National Forests.

While overall timber outputs fell in almost every Forest Service regions, the impacts have been particularly damaging in those regions where National Forests make up the majority of the productive timberland.

In the Northern Region (Montana and North Idaho), timber outputs fell by 39 percent over the last five years, leading to or contributing to mill closures in Seeley Lake, MT, St. Regis, MT, and Missoula, MT.

In the Pacific Northwest Region (Oregon and Washington), timber outputs fluctuated widely, but overall they declined by more than 11 percent. This led to mill closures in Springfield, John Day, Glendale, Banks, Riddle, Toledo, and Philomath, OR. New leadership in this Region is showing a promising desire to get national forests and forest management programs back on track.

In the Rocky Mountain Region, looking beyond the impacts in the Black Hills, there are multiple facilities running at decreased production and facing extreme difficulty acquiring logs to keep operating. In this region, the closures go beyond just sawmills. A renewable energy, biomass fueled power plant was recently forced to close when the USFS cancelled remaining task orders and did not renew a long-term stewardship contract that would have kept the facility running and providing renewable energy to the electrical grid in Colorado.



Previous ten years of timber sale accomplishments in the USFS Rocky Mountain Region

The losses of these facilities do more than make the task of managing the National Forests more difficult. They tear at the very fabric of these small communities and eliminate meaningful economic opportunities, particularly for workers with less than a college education. Sawmills and other wood using facilities provide family wage jobs that sustain communities year round, and managed forests provide healthy and safe areas that sustain active recreation industries as well. The managed forests on the Black Hills have historically produced hundreds of millions of board feet of timber, yet our tourist industry is thriving. We don't need an either/or approach when it comes to timber vs. recreation.

Speaking bluntly about my own home town, Hulett is a small, close-knit community of about 400 people. Our family business is the economic heart of the community. Without it, there is a strong possibility that Hulett will become the newest ghost town in the West. While ghost

towns are somewhat romantic to visit long after the fact, the process of becoming a ghost town means the loss of a functioning community with access to schools, healthcare, and grocers.

These closures and curtailments are happening at the same time we see millions of national forest acres burning in wildfires or infested by insects each year. As a product, there are currently needs⁸ to restore forest cover on 7 million acres of USFS land and more than 12 million acres total of federal lands.

Our industry is highly capital intensive, with a modern, State of the Art sawmill costing upwards of \$200 Million to build from the ground up. Nobody is coming to make investments in the hundreds of millions toward the partnership of managing federal lands when the current forest products infrastructure is struggling to get supplies of raw materials.

As we discuss forest management today, it is important for the Committee to keep in mind that 98 million acres of the National Forests – more than half the total acreage – is in restrictive land use designations including Wilderness or Roadless areas. By law, no timber harvest takes place in Wilderness Areas, and there are extremely limited and rarely used exceptions allowing some hazardous fuels reduction work in Roadless areas. Management is also restricted in National Monuments, Wild & Scenic River Corridors, and other areas identified in forest plans.

We know what works but, frankly, we need to get out of our own way. Many federal and legislative policies do not provide for the levels of forest management we need to have the desired effect of substantively reducing wildfire hazards and insect infestation risks at meaningful scales. We also need clear direction of what the priorities of the USFS should be and that we should fully utilize the capacity we already have in place before getting creative on developing new industries or markets.

I am reminded of the stated objective within the original Organic Act of 1897⁹ which provided for the creation of our national forests (then known as forest reserves):

- Public forest reservations are established to protect and improve the forests for the purpose of securing a permanent supply of timber for the people and insuring conditions favorable to continuous water flow; and
- The Secretary of the Interior shall make provisions for the protection against destruction by fire and depredations upon the public forests and forest reservations which may have been set aside or which may be hereafter set aside under said Act

⁸ Reforestation Hub: <https://www.reforestationhub.org/>

⁹ Organic Act of 1897: <https://www.publiclandsforthepeople.org/wp-content/uploads/2015/05/ORGANIC-ACT-OF-1897.pdf>

Although some could say times have changed, it is clear the current reduced level of management on national forests is not having a beneficial effect of protecting the forests, habitat, watersheds, communities, or our climate from damages inflicted by wildfires and insect epidemics.

The problems in our forest are fixable, but we must act urgently to save the forests, and the companies and communities that depend on them.