



**Federal Forest Advisory Committee Meeting
March 10, 2008
Testimony of Tom Partin, President
American Forest Resource Council**

The membership of the American Forest Resource Council (AFRC) is very encouraged by our congressional delegation highlighting the need for meaningful federal forest management legislation. We believe the future health of the West's forests, rural communities, and forest products industry is at a critical juncture. It is in this spirit that AFRC offers the following principles which we hope will aid in your deliberations.

The Crisis is Urgent

Forest Health. Despite the best intentions and efforts of Congress, the federal agencies and others, it is our belief that the overall health of our federal forests is getting worse, not better. Each year, catastrophic wildfires are burning a record number of acres here in Oregon and nationally. These fires are seriously impacting critical wildlife habitats, key watersheds, public health, non-federal forests and rural communities. These fires are also wreaking havoc on agency budgets that in turn is affecting their ability to fund every other important program including forest health treatments, recreation, road maintenance, wildlife enhancement, etc.

We know that responsible forest management can help improve the health of these forests and protect them for future generations. Unfortunately, federal agencies are treating just a fraction of the areas currently in need and we are falling further behind. We agree with others, such as The Nature Conservancy, who believes we need to treat 3-4 times more acreage to begin addressing this crisis.

Industry Infrastructure at Risk. Throughout the west, we are losing the very infrastructure necessary to maintain forest health. As you may know, in recent months, several of the remaining mills in eastern Oregon's Iron Triangle have closed or indefinitely curtailed operations. Beyond the serious social and economic impacts of such job losses on these struggling communities, the loss of mills and logging contractors will reduce the ability of the Forest Service to fund, undertake and utilize forest health treatments. The lack of this infrastructure also reduces markets for private timber, which can leave landowners little choice but to convert their lands to other uses (i.e., development).

The mills in western Oregon are also facing timber supply shortfalls. Over 60 percent of the forestland in southwest Oregon is under federal management and is also experiencing worsening forest health and wildfire risk. The federal land management agencies are failing to

address this challenge or offer an adequate and predictable supply of timber to meet the needs of local mills there. There is not an area of Oregon that is immune to this dynamic.

The Opportunity is Great

Healthy Forests and Environment. There is broad scientific and social consensus that we can improve forest health through responsible forest management. Whether it is forest management projects to improve spotted owl and wildlife habitat, or stand condition improvements to protect old growth ponderosa pine from catastrophic wildfire, there is ample scientific support and ecological need for increasing management on our federal forests.

Healthy Communities and Local Governments. Despite over two years of effort, our Congressional delegation has been unable to enact a multi-year extension of the Secure Rural Schools and Community Self-Determination Act. While Congress may ultimately succeed in enacting legislation, this extension will likely be the last, and payments to Northwest counties are anticipated to significantly decrease over time. As you know, Oregon has been the prime beneficiary of this program and must lead the way in charting a long-term course forward.

The forest products industry believes that Oregon can look again to its federal forests to generate a portion of the revenue that will be needed to fund local governments. While it is unlikely that timber receipts will reach historical levels, the sustainable management of our federal forests can provide a financial base in which local governments can rely upon.

Vibrant National Forests. The Forest Service is currently unable to meet many of the most basic elements of its mission. The growing forest health crisis and the record expenditures for wildfire suppression are consuming the agency. Every other Forest Service program, from recreation to road maintenance, has fallen victim to fire spending that now commands nearly half of the agency's budget, up from approximately 15 percent a decade ago.

Principles and Recommendations for a Path Forward

Federal Forest Management Must Be Sustainable over the Long-term. The forest products industry strongly concurs with the need for increased commercial thinning activities to improve the health and condition of western federal forests. In western Oregon, the opportunity exists to improve the condition of second-growth "plantation" forests. There is significant need within drier forests to reduce hazardous fuels levels to return forests to a more natural condition and protect remaining old growth (ponderosa pine, etc). However, it is important that any forest management regime be sustainable over the long-term. Simply removing only young trees in previously managed stands is not sustainable and won't lead to the landscape-scale improvements in forest health we all desire. Furthermore, manufacturers and loggers need long-term predictability if they are going to maintain investments in milling capacity and logging equipment. Furthermore, our industry is made up by a diverse complement of manufacturing facilities that reflect the public's demand for a variety of wood products. These products come from a diversity of species, ages and tree sizes for which there are not always viable substitutes. A sustainable approach to forest management will recognize that both previously managed and natural stands will likely require ongoing thinning activity to maintain forest health. There is

also a long history under both the Northwest Forest Plan and the Forest Service's multiple-use mandate to make a portion of Oregon's federal forests available to long-term timber management.

Thinning Across All Age Classes. Increasing thinning activities will require that we manage for stand structure and biodiversity across different age classes and forest types. While the harvest of older trees will be rare and the exception, there are ecological needs to remove intermediate and mature age trees if we are going to promote structural complexity and protect the remaining old growth from insect infestation, drought, and catastrophic wildfire. Arbitrary age or diameter limits, such as the 80-year limit that currently exists for Late-Successional Reserves (LSRs) or the 21-inch Eastside Screens, actually limit agency efforts to improve forest health, promote structurally complex forests, and protect legacy trees. We believe any thinning legislation must address both of these limiting factors to truly improve forest health.

Focus on the Desired Future Condition. If our desire is to restore western forests to a sustainable and resilient condition we must focus our land management and project planning on a desired future condition. Any legislation should place an emphasis on this goal and focus more on the resulting forest condition rather than what the specific treatment is for a given piece of land. When we consider the many unknowns, especially the impact of climate change, we must have a long-term perspective. This was a key component of the Healthy Forests Restoration Act (HFRA), where Congress directed the courts to balance long-term benefits versus short-term impacts when considering whether to issue an injunction of a forest management project. Appropriate "sideboards" such as basal area or canopy closure requirements could help ensure that forest management projects are designed in a manner consistent with this desired future condition, but they will need to be ecosystem specific since what is sustainable in western Oregon forests, is not in eastern Oregon's diverse ecosystems.

Economics are a Must. Current estimates indicate that over 13 million acres of federal forest in Oregon are moderately or highly modified from their historic conditions (class II and III Condition Class). The scale of the problem is so large that it will not be addressed merely through increases in federal funding if the projects aren't designed in a manner that utilizes the value of merchantable sawlogs to help offset the cost of fuel reduction and restoration activities. It is critical that Congress, the agencies and other interested parties commit to supporting projects that are economical to operate while generating value for stewardship contracts and county receipts.

Need for Large-Scale Projects. Federal land management agencies consistently spend hundreds of thousands of dollars and several years conducting environmental review on a single forest management project. While we believe this is far too much, it is also unrealistic to believe that these significant costs can be eliminated for major projects. As a result, it is essential that the projects being planned, analyzed, and implemented are large enough in scale and duration to offset these costs while treating a large number of acres and providing predictability to support investment in manufacturing, biomass and logging infrastructure.

Reducing Agency Costs. Congress should take steps to reduce the time and money needed to prepare federal forest management projects. For projects in which societal consensus

exists for taking action, Categorical Exclusions (CEs) should be available and utilized. Extending authorities such as those found in the HFRA to other variable density thinning projects could also help to reduce the cost and time necessary to plan projects. Currently, CEs require roughly \$50,000 and six months to prepare, Environmental Assessments (EA) require roughly \$250,000 and upwards of a year to prepare, while Environmental Impact Statements (EIS) can require one million dollars and two to three years to produce. It is clear that we must drive down the cost and time required if we are to see improvements in agency accomplishments.

We also believe that Congress could reduce agency project planning costs by affirming the use of authorities such as Designation by Description and Designation by Prescription for all forest management projects. In many circumstances, current requirements for tree marking and project layout are limiting accomplishment levels due to insufficient agency funding and personnel levels which aren't likely to significantly rebound in the near future. Within the Northwest Forest Plan, steps should be taken to eliminate Survey and Manage requirements in young and intermediate-age stands for which thinning is necessary to improve forest health

Increasing Agency Funding. The Forest Service does not have adequate funding or personnel to address the growing forest health crisis in the west. The impact of the growth in wildfire suppression activities on both its budget and personnel must be reversed. Congress should provide additional funding for the agency to rebuild the on-the-ground human skill sets that once existed.

Forest Products Industry has Diverse Needs. The forest products industry has invested millions of dollars to become more efficient, remain competitive by meeting market demand for wood products, and better utilize forest resources. Many Oregon mills have re-tooled to increase their ability to utilize small-diameter logs. Other mills are equally innovative in utilizing available supplies of larger-diameter logs or certain species to meet market demand for those products. Any one-size-fits-all approach to forest management will harm Oregon's ability to remain a leader in meeting market demand for wood products in the face of international competition. As a result, the goal of federal forest commercial thinning and timber sale programs should be to offer a diverse mix of species and log diameters.

Addressing Litigation and Appeals. Something simply must be done to reduce the number of appeals and litigation that obstruct or delay meaningful projects. Currently, the deck is largely stacked against the agencies in conducting environmental reviews and defending land management decisions. The result has been that agencies are unable to prepare large projects or treat those acres most in need. Balance of harms considerations should be extended to all thinning projects. In areas where collaboration has occurred amongst local stakeholders, steps should be taken to give added weight to the involvement of those participants in any judicial review.

New Legislation Should Not Replace other Forest Management Laws. While legislation is badly needed to streamline forest thinning activities, it should not replace other important statutes or place additional planning burdens on land managers. For example, the National Forest Management Act (NFMA) requires the Forest Service to develop forest plans for each national forest. This is an important, albeit time-consuming, function that helps guide the overall

goals and desires of citizens, land managers, and society. Forest thinning legislation should not take the place of NFMA's requirements by mandating additional planning and mission directives. Furthermore, the unique nature of the Oregon & California Grant Lands Act (O&C Act) and its requirement for sustained forest production for the benefit of the O&C counties should not be affected in any way by forest thinning legislation.

The forest products industry has seen many changes over the past decade and stands ready to be a constructive participant in charting a sustainable course forward for the region's forests. While our industry has invested hundreds of millions to improve our ability to harvest and process smaller logs, the lack of a corresponding increase in the timber supply from federal lands is putting the forests, rural communities and our investments at risk. We understand that meaningful legislation is needed to help reestablish sound management back on our public forests, and we believe the insights and ingenuity of our industry can be a part of these solutions.