

**Oregon Board of Forestry
Federal Forestlands Advisory Committee Meeting
April 4, 2008**

Burns Paiute Reservation Gathering Center, Burns, OR

Meeting Summary

On April 4, 2008 the Federal Forestland Advisory Committee (FFAC) held a meeting at the Paiute Reservation in Burns, Oregon. The primary objectives of the meeting were to:

- *Explore federal budget processes and financial issues, identify potential approaches*
- *Review synthesis efforts*
- *Continue synthesizing potential solutions and policy recommendations*
- *Plan for June meeting with the Board of Forestry*

The following summary was prepared by Department staff, revised by the facilitation team, and is subject to review and clarification by the FFAC members at the June 3, 2008 meeting. The summary contains the following sections:

- Opening Remarks, Review of Meeting Objectives and Agenda
- Federal Budget Process
- Presentation: Potential Approaches to Federal Budget Issues
- Discussion of Federal Budget Process and Financial Issues
- Synthesis of Policy Recommendations
- Engaging the BoF in June
- Public Comment
- Draft Meeting Summary Review
- Summary and Next Steps
- Flip Chart Notes
- Attendees
- List of Written Material Submitted

Opening Remarks, Review Meeting Objectives and Agenda

Steve Hobbs welcomed committee members, invited speakers, and others attending the meeting. Mr. Hobbs reviewed the proposed agenda and Steve Grasty gave a brief overview of Harney County's economic, social and cultural history.

Federal Budget Process

Speaker: Lisa Freedman USFS

Ms. Freedman gave a presentation on the Federal Forest budget process, with specifics regarding Region 6. The Executive Branch and Legislature take the lead role, and there is constant input between agency leaders, field managers, the Office of Management Budget (OMB), Authorization and Appropriations Committees, related subcommittees, Hill Briefings, and Congressional Hearings. The USFS sets the priorities and OMB sets the budget. The USFS

develops priorities from the strategic plan and the Chief Forester's current emphasis (e.g., "Kid's in the Woods", climate change, and water). OMB then sets planning restraints using economic indicators. The President has ultimate approval or veto authority, but the budget is formed primarily by Congress through floor action, conference, and revision.

Currently the USFS is responding to the President's 2009 budget and has sent a response to the 2010 budget. The projections are typically three years in the future and the USFS cannot exceed the budget Congress appropriates. The Appropriations Act is the law and the Anti-deficiency Act limits expenditures of appropriated funds.

Ms. Freedman described national and regional budget trends over the past 10 years. The general trend is an increasing Fire budget while other budgets are decreasing. In 1991 the Fire budget was 13% of the overall budget; in 2008 it will be 45%. If un-obligated funds are not available from the remaining 55%, Washington decides what other USFS program funds will be used to supplement the Fire program. The USFS considers the 10 year average for fire suppression and investment strategies are based upon regional and national priorities. Restoration is generally the highest priority; however, fire takes priority during the fire season.

Review background material

Speaker: Mike Haske, BLM (Western Oregon)

The BLM public domain program competes for funding but totals for west side accounts have been increasing slightly. These programs are a combination of subprograms including Forest Management, Reforestation and Forest Development, Other Forest Resource Management (largest program), and Resources Management Planning. The funding shown in the handout reflects national numbers and some accounts are off-line (Forest Ecosystem Health and Restoration Fund) with OMB oversight

Presentation: Potential Approaches to Budget Issues

Speaker: Steve Brink, California Forestry Association

Mr. Brink remarked that the Federal government is in deficit so there are likely no additional appropriations available in the near future. He recommended policy changes that could improve the financial situation of the USFS and focused on the following 10 recommendations:

1. Federal legislation overhaul of the National Environmental Policy Act (NEPA reform). Maintenance activities (e.g., thinning, underbrush removal) for forest vegetation/health are not major federal actions subject to NEPA and should therefore be excluded. Mr. Brink used the example of NASA sending a space shuttle to the space station, a billion dollar project with no EIS that is not considered a major federal action under NEPA, but is categorized as a maintenance activity. Yet, maintenance activities for forest health fall under NEPA regulations.
2. Congress needs to create accountability standards as part of the budget process. The USFS has not created accountability standards, so Congress should take the lead. For example, the USFS should be held accountable for progress made in maintenance activities versus treatment activities.

3. Better utilization of existing authorities (e.g., stewardship forestry). There are a number of forests that have avoided the Healthy Forests Restoration Act (HFRA). Some forests have refused to try stewardship contracting integrating thinnings with restorative activities.
4. Integrated resource project design including carbon accounting. Carbon modeling would determine whether to select mechanical treatments or prescribed burns. The focus should be on project level contracting.
5. Fire suppression and preparedness needs to be taken off-line in the USFS budget. Preparedness should stay in the budget and Fuels Reduction Accomplishment reporting should be established.
6. Personnel and policy changes should be made. Some forests are actively replacing personnel loss due to retirements, however, the use of student corps and training programs could rebuild the workforce. A program used in the early 1970's, which offered 2 year certification for technical skill jobs, should be revived.
7. Internal business operations and overhead should be reduced to 11%. An in-depth audit of the Albuquerque project should be conducted within a year and if centralization proves effective a multi-agency center should be developed.
8. Have more local control of forests management since because people who live closer to the forest better understand how it operates. A demonstration project using rural counties to manage national forests, "charter forests," should be revived. For example, the Los Angeles and San Bernardino backdrop should be managed by local governments. Developed recreation sites should be transferred to county parks.
9. Overhaul the Forest Service Directives (Manuals & Handbooks) that prescribe field activities such as silvicultural prescriptions. An example of a needed change is a fuels reduction project with 120 units (thinning & underbrush). According to the handbook a silvicultural prescription has to be written for each unit individually although it is a maintenance activity.
10. Decommission unneeded administrative facilities.

Presentation: Potential Approaches to Budget Issues

Speakers: John Audley and Diane Vosick, The Nature Conservancy

John Audley, from The Nature Conservancy, provided the following five recommendations to address federal budget issues.

- 1) Seek additional revenues to resolve budget issues in a constructive fashion. Whether or not we are in an economic crisis, history shows budget increases are possible. Requests for earmarks are supported by delegates. The Nature Conservancy is proposing a 10% increase in the hazardous fuel reduction budget. The proposal is based on anticipated average annual increases in agency budgets. Setting clear priorities avoids tension.

Congress is considering two bills: HR5541 (Dem House) and HR5648 (Rep House). They reflect Congressional interest to shift away from funding fire suppression in the USFS by creating a fire suppression budget. The Nature Conservancy is reviewing these bills.

2) Change agency management priorities and culture. Efforts to change mandated activities through the budget process depend on changing an agency's overall culture. The habits produced by budgeting routines may result in repeated actions that do not serve the best interest of the public or the agencies. For example, the BLM seems to be funded by historical practice rather than current need. We should be shifting away from a culture of managing for board feet to a culture of managing for restoration. The ten year fire suppression budget is an example of how some agency habits are a product of congressional mandates rather than agency culture.

3) Improve certainty of woody biomass by extending stewardship contracts to a minimum of 10 years.

4) Use agency programs to create incentives that help loggers buy less invasive extraction equipment or re-tool mills to make use of smaller diameter trees.

5) Work in partnership with parties outside of the agency. Senior agency employees cannot request additional funding from Congress. Other associations can legally ask for increases in budgets. Working with organizations like the Nature Conservancy creates those opportunities.

Ms. Vosick worked on the Governor's Forest Health Council in Arizona when they developed a strategic plan for the restoration of Arizona forests. She learned that boldly asking for funding, while acknowledging a solvable problem, resulted in funding. She suggested the following additional recommendations: 1) fund infrastructure before there is a forest infrastructure collapse in Oregon; 2) create 10 year stewardship contracts; 3) stimulate private investment with red fuels tax credit for petroleum in the woods to offset hauling costs; 4) coordinate with the Western Governor's Association to develop a stronger political voice; and 5) identify landscape scale restoration projects (using appropriate criteria) and supplement the funding with private sector contributions. Currently the USFS currently has some programs that leverage funding with partners at a 1:10 ratio (for every one Federal dollar contribution there are ten private dollars) and this could be expanded

Discussion of Federal Budget Process and Financial Issues **Committee and Presenters**

Some FFAC committee members expressed concern that USFS *centralization* could reduce jobs from the community and *land transfer* to local communities could be problematic due to a lack of resources to manage the lands and an inability to address cross-boundary issues.

The question of *old growth definition* was also revisited. Concerns were expressed over both the need for and difficulty involved with defining a term with so much complexity in multiple forest ecosystems. The development of regional definitions for older forests (instead of old growth) was suggested. It was also suggested that the definition should include ecologist

recommendations for maintaining a third of the landscape in particular successional stages to maintain wildlife species, forest function and other resources

Planning and Process

Landscape Level Planning was recommended since the assessment of large acreage followed by environmental analysis document was more efficient. It was also suggested that the objections process, instead of the appeals process, could facilitate more expedient progress. Additionally, Categorical Exclusions (CE's) could be utilized since they are less litigated and serve as a good tool to document NEPA analysis. If the use of this tool was to be expanded, however, the USFS would require additional authorities.

It was also suggested that the tribes were good partners who have been underutilized and they also have underutilized authorities that can facilitate partnerships on federal lands. The Tribal Forest Protection Act allows tribes to be part of systems management on federal lands and the Indian Self Determination Act allows the tribes to enter into an agreement with the Secretary of the Interior to do work on the ground. Involving the tribes could also help with personnel changes since tribes are historically good at conveying institutional knowledge.

Budget and Funding

As the portion of the budget for fire is large and increasing, it was suggested that funding should be directed to restoration treatments on the ground to return healthy conditions and reduce fire risk. It was also confirmed that each USFS region has a director with funding allocation discretion. Additionally, the increased use of HFRA stewardship contracts (on a large scale) was recommended.

Mr. Brinks distilled three immediate priorities from his ten recommendations: 1) support forest restoration not wildfire suppression; 2) partner with The Nature Conservancy for more funding; and 3) ask Congress to include performance standards (accountability) with any funding.

Synthesis of Policy Recommendations

The FFAC discussed the Synthesis Group's work to synthesize and further develop the policy recommendations. They recommended focusing on natural processes (i.e., catastrophic fire), which can address many related issues (e.g., funding and restoration). A community level problem solving approach focused on the well-being of communities, especially in Eastern Oregon, can build trust and help address funding challenges.

The FFAC indicated the Synthesis Group work represented movement in the right direction. The Synthesis Group plans to meet several times before the BoF meeting and continue refining the draft guidance and recommendations. Suggestions included 1) a dedicated, funded staff position at ODF or in the Governor's office, 2) the Governor should engage the Western Governor's association on the topic and 3) the Oregon congressional delegation should be involved.

Kevin. Birch suggested the final report should be written for a national, state and local audience. Therefore the focus should be at a higher strategic level that is linked to national legislative concepts. Mr. Birch suggested that the current draft needs further distillation to reduce overlap and to highlight local collaborative process possibilities. A draft guidance document is expected

from the April 29 Synthesis Group meeting to be revised and sent to the BoF in advance of the June 3 meeting.

Engaging the Board of Forestry in June

Because of the number of new BoF members Steve Hobbs will meet one-on-one with board members to explain the FFAC's work. FFAC members also were requested to reach out to constituents to educate them about the recommendations since the June meeting will be the first opportunity to review the complete draft document.

The goal of the Question & Answers document is to convey key information to BoF members in an efficient manner. A focus on issues pertaining to Board control, such as questions 3 and 4, was recommended. The following changes were discussed:

- (1) Change “Why was trust eroded” to “Why is trust eroded.”
 - a) Delete? Perhaps “conflicting public values on resources”
 - b) Zero sum terms means I win/you lose or you win/I lose. It was included to address value concerns and convey mutually exclusive competing interests
 - c) Re-phrase as “harvest levels?” instead of “unsustainable harvest levels.”
 - d) Delete “excessive” litigation.

- (2) How do we increase trust between the various interest groups?
 - c) Add “third party certification” to pilot projects.

- (5) Change “What are the broadest areas of agreement between the environmental community and the forest industry” to “How can the management of federal forestlands stabilize water supplies?”

- (6) Change “What is the role of ODF in stabilizing water supply in a changing climate as it pertains to federal lands” to “How can the management of federal forestland stabilize water supply in the state in face of a changing climate?”
 - a) Restore natural processes (e.g. shrub step habitat like juniper is not natural).
 - b) Protect hydrologic function
 - c) Water quality rather than water supply

- (7) This year the Forest Service budget to fight fires is almost half of the total budget. What should the Governor do to turn this around (i.e., reduce the % going to firefighting)?
 - a) Take fire suppression off line (off the federal budget).
 - b) Reduce the percentage of spending going to firefighting.
 - c) Have the Governor be part of a coalition to reduce the firefighting budget.

- (8) Rephrase “Should this strategy go beyond Oregon” into two questions: “Where should we go to get support/leadership for this strategy?” and “How can the state take a leadership role on federal issues?” There was also a suggestion to add “taking a leadership role encouraging management on federal lands” somewhere in this document.
 - a) Governor and legislators
 - b) Western Governor’s Association

- c) Look at what the State of Washington has done; they have moved on similar issues and have similar landscape to Eastern Oregon.
- d) Through the counties

(12) Add the word “infrastructure” so question reads “How do you restore infrastructure in rural communities?” or further expand this sentence.

- a) Engage communities as active participants in forest health.
- b) Put infrastructure in place.
- c) Increase jobs on public forestland.
- d) Communities have a predictable sustainable supply of forest products.
- e) Forests that are not a liability to public safety.

Public Comment

Boyd Britton, Grant County Commissioner

Mr. Britton said the current fire conditions are uncharacteristic require immediate attention. He asked the FFAC to use their passion when talking to decision makers about the urgency of the situation. He also expressed a sentiment of hope in the FFAC process.

Wayne Giesy, Hull-Oakes [retired], Frank Lumber Co.

Mr. Giesy agreed with Mr. Brinks’ suggestions and with the suggestion that tribes are good collaborators for this project. He supported FFAC’s effort to make a beneficial economic impact by keeping jobs in local communities and implementing an overall program that would be sustainable. He asserted that there is enough forest for everyone if it were divided appropriately, giving each party the responsibility to do their best management. Mr. Giesy also indicated he could support more wilderness areas but also commented that the biggest concern of buyers is the regulations imposed by NEPA on getting wood to the market.

Tom Partin, American Forest Resource Council

Mr. Partin indicated that the Harney county area exemplifies the type of landscape the FFAC is working to improve. He expressed concern that fire will destroy the old growth pine forests if active management is not undertaken. This management could mean the difference between closure or operation of local mills. He also indicated that lobbying efforts are needed because Regions 5 and 6 lost approximately 20% of their funding in 2005-2006 while Regions 1, 2, and 3 increased due to lobbying. He also expressed concern that a new Presidential administration may provide less funding support.

Rex Storm, Associated Oregon Loggers

Robert Fisher mentioned Rex was unable to attend. Mr. Storm’s written comments were distributed to the FFAC.

Draft Meeting Summary Review

Comments to the February summary were incorporated and posted on the ODF webpage. Committee members were asked to send any comments on the March meeting summary to Rob Williams by April 18.

Summary and Next Steps

Mr. Birch will work with the Synthesis Group to revise the Q & A' and draft Synthesis document. The revised version will be sent to FFAC for review before further revisions by the Synthesis Group. A draft agenda will also be circulated to the committee for the June 3 FFAC session and the joint session with the BoF.

Flip Chart Notes: Next Steps

- April 7 Steve H. & Kevin B. meet to develop framework outline
- April 11 Distribute outline to FFAC and list of questions
- April 25 Feedback on outline to Steve H. and Kevin B.
- April 29 Synthesis Group meeting
- May 8 Deadline for materials to BoF for June meeting/doc. Distributed to FFAC
- May 16 FFAC feedback on document sent to BoF
- May 20 Synthesis Group meeting
- June 3 Meeting with BoF

Attendees

Committee Members: Chair Steve Hobbs, Ralph Bloemers, Allyn Ford, Chuck Graham, Steve Grasty, Russ Hoeflich, Bill Kluting, Annabelle Jaramillo, Daniel Edge, R. Wade Mosby, Tim Vredenburg

Staff: Lisa Freedman, USFS; Mike Haske, BLM; Kevin Birch & Mary Schmelz ODF

Facilitation Team: Robert Fisher

Presenters: Steve Brink, California Forestry Association; Diane Vosick, Nature Conservancy; John Audley, Nature Conservancy

Public: Debbie Raney, Burns Time Herald; Boyd Britton, Grant County Commissioner; Bonnie Britton; Wayne Giesy; Tom Partin, AFRC; Sarah Altemus, U of O CDR

Written Material

- *The Forest Service Budget Process – PowerPoint Presentation*
- *Written report: Stable Funding to Meet Long Term Public Land Management Goals*
- *Written report: BLM Budget Summary for Western Oregon*
- *FFAC Synthesis Group Meeting Notes March 25, 2008*
- *Draft Version 1 Q & A June BoF April 4, 2008*
- *Draft Version 4.0 Potential Solutions – Older Forest April 1, 2008*
- *Grant County, DVD “Healthy Forests Now”*
- *Tom Partin, “Percent Change in NFTM Allocations Since 1998”*
- *Rex Storm, Associated Oregon Loggers, Inc., “Financial and Administrative Suggestions for Oregon’s Federal Forests”*