



**Oregon Board of Forestry
Subcommittee on Federal Forests**

February 24, 2015

AFRC appreciates the opportunity to provide comments on the January 5 draft Forest Service Renewal proposal presented to the Board of Forestry January 7, 2015. We believe the proposal includes a thoughtful articulation of why Congress should advance legislation to clear roadblocks to creating resiliency in our federal forests and to generate the raw material needed to provide jobs for Oregonians and wood products for the American people.

Overall, we support the concept of legislatively reforming the costly and time consuming analysis process for Forest Service projects and developing alternatives to never-ending lawsuits. We have supported reasonable reforms in these areas for many years. We also have been and continue to be open to coupling these reforms with conservation initiatives such as expanded Wilderness. To the extent that these Forest Service Renewal recommendations adopt this approach, we support them. It is important that any approach consider the socioeconomic needs of our local communities up front and not make timber management a second class use of federal forest lands.

Ultimately, the test for any compromise legislation is whether it provides tangible and concrete environmental protections alongside of similar levels of certainty for timber management. This will require meaningful reforms to streamline the analysis paralysis, litigation, and administrative processes that now hamstring the agency. We believe the recommendations should make this intent clear and ensure that any new planning requirements aren't overlaid on top of existing processes.

On the management front, federal legislation needs to provide real certainty for significantly increased harvest levels to restore the health and resiliency of our forests and the communities that rely on them. Such legislation must include four key components:

- (1) Legal certainty and analysis reform;
- (2) Adequate, predictable, and geographically distributed harvest levels;
- (3) Consideration for the revenue needs of local counties; and
- (4) No harm to private land management.

Every component is essential to the success of any proposal to meet the needs of our local communities and our federal forests. We hope you will keep them in mind as you examine the proposal before you and any subsequent recommendations the board may make.

Legal certainty and analysis reform. Any proposed solution must deliver real legal certainty to ensure that planned, offered, sold and awarded timber sales can actually be harvested. Without certainty, it does not matter what hypothetical harvest levels could be or what silvicultural approaches are mandated.

As we seek to provide certainty to forest management activities alongside of environmental protections, our focus must be on addressing the complex web of conflicting laws and regulations used to block timber harvests, including the National Environmental Policy Act (NEPA) and the Endangered Species Act (ESA). These two laws are responsible for the largest portion of project preparation cost, consume vast agency resources, and contribute to redundant analysis. Based on over two decades of experience, it is clear that the complex NEPA documents engendered by this statutory overlap will be litigated and are highly vulnerable without additional statutory reform.

The current litigation challenging the BLM's White Castle ecological forestry timber sale reminds us that some organizations are determined to block these projects regardless of positive ecological and economic benefits. These groups routinely take advantage of the complexity of conflicting statutory mandates to accomplish their agendas. Unfortunately, unlike in the game of horseshoes, "almost" doesn't count when it comes to certainty. All it takes is a single procedural claim in a successful lawsuit, a change in administrations, or overreaching policies from the US Fish and Wildlife Service or National Marine Fisheries Service to bring federal timber management to a standstill.

AFRC supports the concept of streamlined environmental review for projects that are done under an overarching plan that has been subject to consultation among federal agencies (draft, p.8). However, we are concerned that the additional planning process that is proposed would overlay not replace process requirements that currently exist as a precedent to management action. This would exacerbate, not alleviate, the current analysis paralysis under which the agency suffers. The recommendations recognize there is a need to move away from single use focus (p. 5). Ultimately, what is needed is a clear policy statement and statutory reform to make clear that multiple use management for both commodity and conservation values, is the primary focus for federal forest lands.

AFRC is concerned that institutionalizing collaboratives as a function of the agency (draft, p.9) could diminish the independence and effectiveness of this emerging tool for consensus building. Careful attention needs to be paid to the reasons behind the Federal Advisory Committee Act (FACA), which would complicate and in some cases forbid the interaction between the agency and the collaboratives as they currently function. This would be counterproductive.

Adequate, predictable, and geographically distributed harvest levels. A significant increase in timber harvest volumes from federal lands is appropriate given the need to create forest resiliency and be good neighbors to neighboring private lands and communities, and the clear role these lands must play in restoring the economic and fiscal well-being of rural Oregonians.

In addition to providing timber receipt revenues, restoring balanced active management to the federal lands would generate industry and non-industry private sector employment in these communities, along with significant economic stimulus and tax revenue. Moreover, dependable, adequate, sustainable and geographically distributed timber harvest is what is needed to sustain the logging and milling infrastructure needed to support forest restoration and resilience.

AFRC supports concepts found on p. 4 of the January 5 draft Forest Service Renewal proposal related to accelerated implementation of management projects through use funds provided by state or local governments and increased emphasis on administrative cost savings.

AFRC supports the concept of identifying specific areas within each national forest where timber production would be done on a predictable basis (draft, pp. 7—8). We also support the identification of conservation areas as a co-equal priority. We are concerned that certain recommendations (p.6) could be interpreted as placing a higher priority on the conservation areas, which could leave insufficient areas open for management. This would be inconsistent with the fact that recreation and wildlife habitat are fully compatible with sustainable forest management and that providing forest products for the American people is a primary purpose of the national forest system.

County revenues. Any federal solution must account for the revenue needs of local government through a predictable source of timber receipt revenue for our counties. The fiscal challenges facing Oregon's counties due to reductions in timber revenues are very serious. It is becoming increasingly clear that continued Secure Rural Schools payments are not sustainable for the counties or the federal government.

For far too long our counties have survived relying upon inadequate federal aid that is tenuous at best. These diminishing federal payments have provided monies to the counties, but they haven't resulted in paychecks to the largely middle-class, blue-collar residents of these communities.

Some elected officials and interest groups have claimed that timber revenues are not dependable due to large swings in log prices and demand. Our neighbors in Washington have managed 2 million acres of state trust lands to generate consistent levels of annual revenue for their schools, counties, and other trust beneficiaries. In fact, over the past decade, which includes some of the most trying years of recession our industry has ever seen following the crash of the housing market, the Washington Department of Natural Resources (DNR) has averaged over \$125 million in annual timber revenue for trust beneficiaries.

While the Washington DNR trust mandate is unique, it is clear that increasing timber sales levels on our federal forests is a sustainable solution for helping to address the revenue and economic needs of our rural, forested communities.

AFRC does have concerns with aspects of the recommendations related to future timber revenue sharing with local governments. While providing some form of base level county payments

through the PILT program may be worth exploring, it is important that direct timber revenue sharing be retained to give local communities and their residents a direct stake in the management of neighboring federal lands. This connection between timber revenue and management is also needed within the Forest Service to ensure the agency is considering the economic implications of its decisions, including whether forest emphasis area projects are revenue positive and free of unnecessary operational restrictions that often negatively impact revenues and the private sector contractors performing the work.

No harm to private lands. Since the drastic reductions in BLM and Forest Service harvests, our industry is increasingly reliant on timber harvests from private lands. With many mills hanging on by a thread due to tight demand for logs, it is essential that legislation not negatively impact the ability to access and harvest private forestlands.

The January 5 draft Forest Service Renewal proposal is silent on this issue. AFRC recommends that staff be directed to consider how this important aspect of federal land management should be addressed in future drafts.

Conclusion. We appreciate the efforts of the board and former Governor Kitzhaber to develop solutions to the serious challenges facing Oregon's federal forests and rural communities.

As the Forest Service Renewal proposal before you moves forward, as we hope it will, we stand ready to work with you to improve upon the work that has been done to outline a sustainable solution for our forests and communities.