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FAILED FEDERAL FOREST POLICIES: ENDANGERING JOBS, FORESTS AND SPECIES

OVERSIGHT FIELD HEARING

BEFORE THE

SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND PUBLIC LANDS

OF THE

COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

Monday, May 21, 2012, in Longview, Washington

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OVERSIGHT FIELD HEARING ON "FAILED FEDERAL FOREST POLICIES: ENDANGERING JOBS, FORESTS AND SPECIES."

Monday, May 21, 2012

U.S. House of Representatives

Subcommittee on National Parks, Forests and Public Lands

Committee on Natural Resources

Longview, Washington

The Subcommittee met, pursuant to call, at 9:00 a.m., at the Cowlitz County Expo and Conference Center, 1900 7th Avenue, Longview, Washington, Hon. Doc Hastings presiding.

Present: Representatives Hastings and Herrera Beutler.

The CHAIRMAN. The Subcommittee on National Parks, Forests, and Public Lands will come to order. I'm Congressman Doc Hastings. I'm the Chairman of the Committee on Natural Resources. I come from the other side of the State. What you are experiencing here with rain we call inventory on our side of the State so thank you for doing that. I'm very pleased to be in the Third Congressional District, and I'm very pleased to have here with me Congresswoman Jamie Herrera Beutler. Without objection, she will sit with me at the table.

The Subcommittee on National Parks, Forests and Public Lands meets today to hear testimony on a hearing entitled "Failed Federal Forest Policy: Endangering Jobs, Forests and Species."

Can you hear me by the way? Is that better? Is that better? OK. I apologize for that. I won't start over. I could start over, but I won't start over. But we are here today to hear testimony on a hearing entitled "Failed Federal Forest Policies: Endangering Jobs, Forests and Species," but, first, before we start, I want to defer to my distinguished colleague, the Congresswoman from the Third Congressional District for the purposes of flag and introductions.

Ms. HERRERA BEUTLER. Thank you, Mr. Chairman. Thank you for being here. We're privileged to have, and I'm going to read their names, Steven Wallace, Alex Wallace, Dane Kitchens for Boy Scout Troop 319, and Eric Kolditz and Carl Kolditz from Boy Scout Troop 883 to post the colors and lead us in the Pledge of Allegiance, so please stand.

[Pledge of Allegiance.]

STATEMENT OF THE HON. DOC HASTINGS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

The CHAIRMAN. Before hearing from our panel, I and Congresswoman Herrera Beutler will have an opening statement. I want to thank Congresswoman Herrera Beutler for hosting this and for joining me here today. This hearing comes more than 20 years following approval of a Northwest Forest Plan and after the Northern

Spotted Owl was listed as endangered under the Endangered Species Act.

To put it simply, the Northwest Forest Plan has failed. It has failed on health of national forests, it has failed on the economic well-being in rural counties and schools, it has cost tens of thousands of Northwest timber-related jobs and the closure of hundreds of mills and affected wood product industries, and it has failed, probably more importantly, to recover the Spotted Owl.

Nationwide, Federal agencies are not managing the land that they are required to manage. Amidst our nation's $15.5 trillion debt, the Interior Department and Forest Service's own estimates reveal $22 billion in maintenance backlogs for lands managed by the Forest Service, the Bureau of Land Management, the U.S. Parks Service and the U.S. Fish and Wildlife Service. Worse, since the Northwest Forest Land, an average of 355,000 acres per year of Northwest national forests has been destroyed by wildfires; yet agencies continue to request and spend more money to contain wildfires and acquire even more land.

In the State of Washington, the Forest Service is already responsible for managing over 9 million acres of forest land contained within seven national forests. Timber harvest of those forests has declined by 84 percent over the last decade, 84 percent, resulting in a loss of jobs and economic certainty and a breach of the Federal Government's commitment to rural forest communities.

Each year Washington's national forests grow three times faster than they die. The Forest Service harvests just 2 percent of new growth, which yields about $13 million in revenue. In contrast, the State of Washington, which manages the trust about one-fourth the size of the Forest Service lands, produces seven times more revenue than the Forest Service for their local communities and, of course, those funds go to our universities and school construction fund.

Despite the Administration's promises to streamline regulations on Federal lands, it instead finalized the National Forest Planning Group that de-emphasizes active management and statutory multiple use requirements.

Let me just interrupt here for a moment to say when I became Chairman of the Natural Resources Committee, which has broad jurisdiction over all Federal lands, I viewed my responsibility to uphold what I think was the first reason for having public lands to be multiple use unless Congress designated otherwise, and unfortunately, we have gotten away from that notion, and multiple use, by the way, is not confined just to recreation. It also means commercial activity.

The EPA has also failed to define its longstanding rule exempting forest management activities from the Clean Water Act permitting requirements and is pressing ahead with imposing yet another damaging and burdensome regulation on forest management.

Most concerning, the Fish and Wildlife Service issued sweeping critical habitat proposals for the Spotted Owl that amount to a huge land grab in Washington, Oregon and California, some 13 million acres, including nearly 2 million acres of private property. The proposals of these largely outdated data from the '90s, they don't include an economic impact analysis and they do little, if

anything, to address the concern of the Spotted Owl's decline, mainly another predatory owl called the Barred Owl.

Earlier this year Secretary Salazar toured an "ecological pilot timber sale project" as part of the Bureau of Land Management's "Western Oregon Strategy." The project, "Pilot Joe," produced only enough timber to run a single mill for a week. I expected to inquire about the status of the BLM sales but BLM, unfortunately, declined to participate in this hearing.

One constant undercurrent is the Endangered Species Act. Extreme groups file lawsuit after lawsuit to block human or job creating economy activity tied to the forest, yet the results are more catastrophic wildfires, more diseased and dying trees, and destruction of the owl and the species' habitat.

Private landowners seeking safe harbor either can't afford or don't trust the Federal Government's discretion, which appears driven by the constant threat of more lawsuits, so action must be taken to protect rural communities and private property from these burdensome regulations.

I look forward to hearing from our witnesses today and receive constructive input on how to go forward to improve our forests' health and to recover the Spotted Owl.

With that, I'll recognize the gentlelady from Washington, as we say in the other Washington, Ms. Herrera Beutler.

[The prepared statement of Mr. Hastings follows:]

Statement of The Honorable Doc Hastings, Chairman, Committee on Natural Resources

I thank Congresswoman Herrera Beutler for joining me here today. This hearing comes more than twenty years following approval of the Northwest Forest Plan and after the Northern Spotted Owl's listing under the Endangered Species Act.

To put it simply, the Northwest Forest Plan has failed. It has failed the health of national forests. It has failed the economic well-being of rural counties and schools, has cost tens of thousands of Northwest timber-related jobs and the closure of hundreds of mills and affected wood-products industries. And, it has failed to recover the Spotted Owl.

Nationwide, federal agencies are not managing the land they are required to manage. Amidst our nation's current $15.7 trillion debt, the Interior Department's and Forest Service's own estimates reveal $22 billion in maintenance backlogs for lands managed by the Forest Service, Bureau of Land Management, U.S. Park Service and the U.S. Fish and Wildlife Service.

Worse, since the Northwest Forest Plan, an average of 355,000 acres per year of Northwest national forests has been destroyed by wildfire. Yet, agencies continue to request and spend more money to contain wildfires and acquire even more land.

In Washington, the Forest Service is already responsible for managing over 9 million acres of forest land contained within seven national forests. Timber harvests of those forests declined *84 percent* over the past decade, resulting in a loss of jobs and economic certainty, and a breach of the federal government's commitments to rural forest communities.

Each year, Washington's national forests grow three times faster than they die. The Forest Service harvests just 2 percent of new growth, yielding about $13 million in revenue. In contrast, the State of Washington, which manages in trust about one-fourth the amount of the Forest Service's lands, produces *seven times* more revenue than the Forest Service for local governments, universities and state school construction.

Despite the Administration's promises to streamline regulations on federal lands, it instead finalized a National Forest Planning Rule that de-emphasizes active management and statutory multi-use requirements. The EPA has also failed to defend its longstanding rule exempting forest management activities from Clean Water Act permitting requirements and is pressing ahead with imposing yet another damaging and burdensome regulation on forest management.

Most concerning, the Fish and Wildlife Service issued sweeping critical habitat proposals for the Spotted Owl that amount to a huge land grab in Washington, Oregon and California—13 million acres—including nearly 2 million acres of private property. The proposals are based largely on outdated data from the 1990's, don't include an economic impact analysis, and do little, if anything, to immediately address the main cause of the owl's decline—another predatory owl—the Barred Owl

Earlier this year, Secretary Salazar toured an "ecological pilot timber sale project" as part of the Bureau of Land Management's "Western Oregon Strategy." The project—"Pilot Joe" produced only enough timber to run a single mill for a week. I expected to inquire about the status of BLM's sales," but BLM unfortunately declined to participate in today's hearing.

One constant undercurrent is the Endangered Species Act. Extreme groups file lawsuit after lawsuit to block human or job-creating economic activity tied to the forests, yet the results are more catastrophic wildfires, more diseased and dying trees, and destruction of owl and species habitat. Private landowners seeking "safe harbor" either can't afford or don't trust the federal government's discretion, which appears driven by the constant threat of more lawsuits.

Action must be taken now to protect rural communities and private property from these burdensome regulations. I look forward to hearing from our witnesses today and to receive constructive input on how, going forward, we can improve forest health, create jobs and recover the Spotted Owl.

STATEMENT OF THE HON. JAMIE HERRERA BEUTLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Ms. HERRERA BEUTLER. Thank you, Mr. Chairman, and thank you for your leadership on this issue. This is incredibly important to my region and I appreciate you taking time and effort to bring this congressional hearing to Cowlitz County.

I want to welcome everyone. This is our home, so welcome to the folks who aren't from here to Southwest Washington. And I want to start really quickly by recognizing the elected officials and dignitaries who have joined us today. If I say your name, please stand so that I know I've got you. I don't mean got you, but got you.

The first one is Washington State Representative Ed Orcutt; Skamania County Commissioner Paul Pearce, who is one of our witnesses; Lewis County Commissioner Lee Grose; Cowlitz County Commissioner George Raiter; Cowlitz County Commissioner Mike Karnofski; Cowlitz County Commissioner Jim Misner, Wahkiakum County Commissioner Dan Cochran; and a government official from the Cowlitz Tribe, Chairman William Iyall. Thank you all for joining us.

Now, today we're going to consider the policies and practices that affect our forests, our wildlife, our economy and the entire communities that surround this region. Those things make up our identity, and folks across the spectrum are recognizing that those things that we value are in jeopardy. That's why we're here today.

Almost 20 years ago, the Northwest Forest Plan was written into law. I was entering high school. The stated goals of the plan were very laudable: Balance a healthy forest economy with the protection of wildlife. Makes sense. But before a new plan is adopted that doubles down on the current practices, we need an honest science-based assessment of how the plan has worked over the past two decades.

What we'll hear today will be based on science, expert analysis and the testimony of community members who have been left to deal with the consequences of these policies. I believe what we'll

hear is that the reality has been very far different, far removed from what even the plan's architects had intended.

Former U.S. Forest Service Chief Jack Ward Thomas was the primary author of the Northwest Forest Plan. Ten years after he stated that the plan is not working and has failed to fulfill its promises to the people as well as the to environment he stated, quote, "I've got real terrible concern whether we're taking care of the land."

Here's what we've seen: Federal forests like the Gifford Pinchot have been locked away from the economic activity and species like the Spotted Owl have plummeted in number. Setting aside 80 percent of our forests in some places has still failed to protect the Spotted Owl. Plans to undertake environmentally sound forest harvest projects and even very small projects have been arrested by lawsuits and a thicket of Federal laws and hoops to jump through and a failure of the U.S. Forest Service to defend those projects.

Those I hear from, regardless of political party, want a better plan for management of our forests and sustaining our community. They're not asking for anything unreasonable, just a plan that's based on science that manages for all the wildlife species, including the one that's most important to me, which is the endangered American wage earner.

Unfortunately, mismanagement by the U.S. Fish and Wildlife Service has led to the decline of species like elk, deer and multiple species of bird that are dependent on the diversity of habitat. In the Northwest for generations, use of our forest for economic activity has been part of who we are. We have necessarily adopted and changed to become more sustainable and responsible. That's great.

I've worked with Members of Congress from both parties to protect common sense in our forest economy. For instance, my colleague who wasn't able to join us today Kurt Schrader from Oregon and I are working to keep 35 years of forest and water protection in place instead of allowing the onerous Forest Roads Rule from locking up even more of our forest economy. I've worked with business, labor, Republicans, Democrats on this issue because make no mistake about it, jobs are at stake, communities will be affected.

I look forward to hearing from our witnesses today about the need for better science and more balance in our forest management practices. For two decades the mismanagement of our beautiful forests have put them at grave risk of destruction from disease, insect devastation and catastrophic wildfires.

Just last December the U.S. Fish and Wildlife Service admitted during a congressional briefing that managing for one species only has harmed other wildlife, it hasn't protected the Spotted Owl and it most certainly hasn't protected the jobs that our community so desperately needs, so I believe we can do better. Our wildlife and economy can both be protected. Treating those two goals as mutually exclusive simply hasn't worked. Our forests and our communities are sounding the alarm and it's time for us to listen, so with that I look forward to the testimony.

The CHAIRMAN. I thank the gentlelady.

[The prepared statement of Ms. Herrera Beutler follows:]

Statement of The Honorable Jamie Herrera Beutler,
a Representative in Congress from the State of Washington

I want to welcome everyone to my home, Southwest Washington.

I'd like to start by recognizing those elected officials who took the time to join us today.

Today we consider the policies and practices that affect our forests, wildlife, economy, and entire communities in this region. Those things make up our identity. And folks across the spectrum are recognizing that those things that we value are in jeopardy.

Almost twenty years ago, the Northwest Forest Plan was written into law. The stated goals of the plan were laudable: balance a healthy forest economy with the protection of wildlife.

But before a new plan is adopted that doubles-down on the current practices, we need an honest, science-based assessment of how they have worked over the last 2 decades.

What we'll hear today will be based on science, expert analysis, and the testimony of community members who have been left to deal with consequences of these policies. I believe what we'll hear is that reality has been far different from what even the plan's architects intended.

Former U.S. Forest Service Chief Jack Ward Thomas was a primary author of the Northwest Forest Plan. Ten years after, he stated that the plan is not working and has failed to fulfill its promise to the people, as well as the environment. He stated: "I've got real terrible concern whether we are taking care of the land."

Here's what we've seen: federal forests like the Gifford Pinchot have been locked away from economic activity, and species like the Spotted Owl have plummeted in number. Setting aside 80% of our forests in some places have still failed to protect the Spotted Owl.

Plans to undertake environmentally sound forest harvest projects, even very small projects, have been successfully arrested by lawsuits and a thicket of federal laws and hoops to jump through, and a failure of the U.S. Forest Service to defend these projects.

Those who I hear from, regardless of political party, want a new plan for managing our forests and sustaining our communities. They're not asking for anything unreasonable; just a plan based on science that manages for all of the wildlife species. Unfortunately, mismanagement by the US Fish and Wildlife Service has led to the decline in species like deer, elk, and multiple species of birds that are dependent on diversity of forest habitat.

In the northwest for generations, use of our forests for economic activity has been part of who we are. That has necessarily adapted and changed to become more sustainable and responsible. But I have worked with Members of Congress from both parties to protect common sense in our forest economy. For instance, my friend Kurt Schrader from Oregon and I are working hard to keep 35 years of forest and water protection in place, instead of allowing the onerous "Forest Roads Rule" from further locking up our forest economy. I've worked with business, labor, Republicans and Democrats on this issue because, make no mistake about it, jobs will be lost. Communities will be harmed.

I look forward to from hearing from our witnesses about the need for better science and more balance in our forest management practices. For two decades, mismanagement of our beautiful forests have put them at grave risk of destruction from disease, insect devastation, and catastrophic wildfire.

Just last December, the U.S. Fish and Wildlife Service admitted during a congressional briefing that managing for one species has harmed other wildlife. It hasn't protected the Spotted Owl, and it most certainly hasn't protected the jobs that our community so badly needs.

I believe we can do better. Our wildlife and our economy can be protected. Treating those two goals as mutually exclusive simply hasn't worked.

Our forests and our communities are sounding the alarm. It is time for us to listen and respond.

The CHAIRMAN. And I do want to remind the audience that—first of all, let me thank all of you for being here, but this is an official congressional hearing and for any of you that would like to submit testimony, we would absolutely welcome that testimony, and if you have any questions on precisely how that process comes about, you can contact any of the people up here that are part of the commu-

nity. So we look forward to your testimony. The idea of this Committee is to get testimony from various people.

We do have a distinguished panel here, and let me introduce them. First you have, who's already been introduced, The Honorable Paul Pearce who's the Skamania County Commissioner. Mr. Tom Fox is the President of the Family Forest Foundation, and starting from your left to the right—I guess it would be from my right to the left, which probably I prefer to do it that way, third we have Dr. Hal Salwasser, Dean of College of Forestry for Oregon State University; Mr. Steve Mealey, Vice President of Conservation Boone and Crockett Club; Mr. Kent Connaughton, Pacific Northwest Regional Forester U.S. Forest Service; Mr. Mitch Friedman, the Executive Director of Northwest Ecosystem Alliance; Mr. Ernie Niemi, Senior Economist of EcoNorthwest; Mr. Kelly Kreps from Kreps Ranch, LLC; and Mr. Tom Nelson, the Washington Timberlands Manager of the Sierra Pacific Industries.

Let me explain for those of you that have not testified in front of the Congressional Committee, first of all, your full statement will appear in the record, and in every case, I think, of the statements that I have reviewed, your statements are longer than five minutes, which is fine, but your full statement will appear in the record, but you have in front of you a device that we call a timing light. It's on a five-minute clock, and I hope that you keep your remarks to five minutes, and the way that works is, when the green light is on, that means you're doing extremely well. When the yellow light comes on, it means you have one minute left, and I'd like you to wrap up your remarks. And then when the red light comes on, you really don't want to know what happens at that point. But if you can confine yourself to that timing light, I'd very much appreciate it. Obviously, if you're in a thought toward the end, that discretion will be there, and I certainly do recognize that.

So with that, let me start the testimony, and I'll recognize Committee and County Commissioner Paul Pearce. Paul, you're recognized for five minute.

STATEMENT OF THE HON. PAUL PEARCE, CHAIRMAN, SKAMANIA COUNTY COMMISSIONER, STEVENSON, WASHINGTON

Mr. PEARCE. Thank you very much. Good morning, Chairman Hastings and Congresswoman Herrera Beutler. Thank you for the opportunity to appear on behalf of the National Forest Impacted County Control.

Skamania County is over 90 percent impacted by Federal Land management. Since the listing of the Northern Spotted Owl we've witnessed the wholesale destruction of an industry and economy. From 1970 to 1990 Gifford Pinchot Forest produced on average 350 million board feet of timber yearly. The forest growth rate is 1.1 million board feet and the mortality rate is 218 million board feet.

In 1990 there were 1,200 jobs in the Gifford Pinchot, 350 with the Forest Service employees. We had four mills operating in the county. Today there are few timber jobs and one mill. They import mostly non-Federal logs from outside the county. From the Canadian border to mid California you hear the same stories from national forest impacted counties.

1992 saw Congress pass Owl Guaranteed payments for the counties and schools hit with the loss of their economy to allow agencies to plan for resuming some level of sustainable harvest. This did not happen. SRS/County payments was passed from 2000 through to the last payment in 2012. The payments kept the county governments and the schools operating but also turned many of us into the largest employers in our community.

Skamania's general fund budget this year was reduced from $14.5 million to $10 million. We face another $4 million cut next year. Our budget is 80 percent people. We have very little land available for property tax. Our school districts are facing a similar fate. Enrollment has dropped by 28 percent over 20 years. We average 60 percent free and reduced lunch, which is a key indicator of poverty, and on top of that, three counties in Oregon currently face insolvency.

With Fish and Wildlife Services' suggestion of doubling critical habitat from 6 million to 14 million acres, the counties have simply had enough, especially when the Service indicates that the greatest peril to the Spotted Owl is from the Barred Owl. My county in Washington, Douglas County in Oregon, Siskiyou County in California are the lead counties of this fight on behalf of all affected communities in our state.

First, the counties have requested of the Secretary a 90-day extension of the public comment deadline. We've had no official reply. The Service tells us they will not have their economic or environmental report done until late May, leaving barely 30 days to comment only because they moved their deadline 30 days. Their economic impact report will begin with this new Critical Habitat and will not look at historical impacts.

The Service complained an extension is impossible because they're under court-ordered deadline of November 15th. This is a gross misstatement of fact, as a quote from the Federal Register shows. On October 12, 2010, the Court remanded the 2008 Critical Habitat rule and adopted the Service's proposed schedule to issue a new rule for public comment by November 15, 2011, and a final rule by November 15, 2012.

The Service created the schedule, missed the deadline for public comment by seven months, moved the deadline 30 days and can certainly move the comment deadline an additional 90 days.

Second, the counties have no faith in this economic study and have commissioned our own at the cost of the county. In the '92 Final Plan, the Service estimated that only 27,000 jobs would be lost. Oregon alone has lost in excess of 40,000. The estimated impact to the Federal Treasury is $50 million per year. The number is closer to $700 million per year.

Third, this morning the counties filed for legal recognition as cooperating agencies on the final habitat plan. We're closer to the social and economic issues surrounding this proposal than any other Federal agency which would, without our expertise, be acting in a vacuum again. I want to note that this Critical Habitat Plan would make the provisions of Chairman Hastings' bill impossible to implement across the landscape, and as said by Chairman Hastings', DNR has 23 percent of the acreage and harvests 465 percent of the volume.

Finally, as I speak to public lands impacted, County Commissioners, I find that no matter their political persuasion, for the most part they have the same message: No more wilderness or other set-asides of these public lands until we've settled the active management and significant economic questions before us.

Thank you.

The CHAIRMAN. Thank you very much for your testimony, Commissioner Pearce.

[The prepared statement of Mr. Pearce follows:]

Statement of The Honorable Paul Pearce, Commissioner, Skamania County, Washington, on behalf of the National Forest Counties and Schools Coalition

Good morning Chairman Hastings and Congresswoman Herrera Beutler. Thank you for the opportunity to appear before you as National Forest Counties and Schools Coalition Vice President, NACo's Public Lands Steering Committee Vice Chair, and most importantly as the Chair of the Skamania County Board of Commissioners, a county 90% impacted by Federal Land management.

Since the listing of the Northern Spotted Owl we have witnessed the wholesale destruction of an industry and economy. From 1970 to 1990 Gifford Pinchot Forest alone produced on averaged 350 million board feet of timber yearly. The forests mortality rate is 218 million board feet and the growth rate is 1.1 billion board feet. Harvest even at that level barely surpassed the mortality rate.

Beginning in 1992 with Critical Habitat, followed by the 1994 Northwest Forest Plan we saw the continued loss of timber jobs and infrastructure at an incredible rate. In 1990 there were 1200 jobs on the Gifford Pinchot Forest, 350 of them were forest service employees. There were four full time mills operating in my county alone.

Today there are few timber jobs and only one full time mill. And they truck logs in, mostly from non-federal lands. You'll hear the same stories from Counties containing National Forests from the Canadian border to mid California.

Congress passed Owl Guarantee payments for those counties and schools hit with the loss of their entire economy so as to allow agencies to get their act together resuming some level of sustainable harvest. This did not happen and SRS/County Payments was passed from 2000 through this last payment in 2012. These payments kept the county Governments and the Schools operating but also turned us into the largest employers.

Our general fund budget for 2012 was cut from 14.5 million to 10 million. We face another 4 million cut in 2013. Like most public land counties we only have a small sliver of land available for property tax. Our school districts are facing a similar fate. Enrollment has dropped by 28% over 20 years. We average 60 percent free and reduced lunch, a key indicator of poverty. Our unemployment rate is still near 12% with an underemployment rate much higher.

Three counties in Oregon face insolvency. These statistics are true for the highly public land dependant counties in all three states and across the country.

So as the Service now suggests doubling Critical Habitat from 6 million to 14 million acres in Washington, Oregon and California the counties have simply had enough. Especially when the Services indicates that the greatest peril to the Spotted Owl is from the Barred Owl.

Skamania County in Washington, Douglas County in Oregon and Siskiyou County in California are the leads for their sister counties. We have requested a 90 day extension of the public comment deadline. We have had no official reply to as yet.

The Service tells us they will not have their economic or environmental reports done until late May which leaves barely 30 days to reply. We are informed that their economic impact report will begin on the day this new Critical Habitat is final and will not look at historic impacts.

Members of the Service unofficially complain that an extension is impossible because they are under a court ordered deadline of November 15th. This is a gross misstatement of fact

I quote from the federal register at page 1408:

"On October 12, 2010, the Court remanded the 2008 critical habitat designation. . .and adopted the *Service's* proposed schedule to issue a new proposed revised critical habitat rule for public comment by November 15, 2011, and a final rule by November 15, 2012. . .."

The Service created the schedule then missed the deadline for public comment by seven months. They can certainly move the other deadlines by 90 days.

The Counties have no faith in the economic study and have commissioned our own. In the 1992 Final Plan at page 1815 the Service makes a number of estimates as to the impacts of the listing and critical habitat for the Northern Spotted Owl. They estimate that *only* 27,000 jobs would be lost stating that this was only 3% of timber related jobs *nationwide;* as if the owl were listed nationwide. We know that Oregon alone lost in excess of 40,000. They further estimate the impact to the federal treasury at $50 million per year. We know based on actual payments prior to the listing that this number is closer to $700 million per year.

Also the three counties I mentioned above have this morning filed for Cooperating Agency status on the final plan on behalf of all affected counties.

This Critical Habitat makes the provisions of Chairman Hastings' "Federal Forests County Revenue, Schools, and Jobs Act of 2012" House Bill 4109 impossible to implement across the landscape of these Owl impacted Forests.

Timber harvest by the Forest Service and BLM is abysmal. Department of Natural Resources in Washington State manages the counties timber lands. DNR has a Habitat Conservation Plan including the Spotted Owl. DNR manages 2.2 million acres. The Forest Service 9.3 million. From 2008 through 2010 DNR *sustainably* harvested 1.8 billion board feet of timber. The Forest Service harvested 387 million board feet. DNR. . .at 23% of the acreage. . .harvested 465% of the volume as compared to the forest service.

Finally as I speak to public lands impacted County Commissioners I find that no matter their political persuasion; for the most part they have the same message. No more wilderness, wilderness like, roadless, roadless like, natural preserves or other set asides, of these public lands until we have settled the active management, and significant economic questions before us.

The CHAIRMAN. Next we'll call on Mr. Tom Fox, the President of the Family Forest Foundation.

Mr. Fox, you're recognized.

STATEMENT OF TOM FOX, PRESIDENT, FAMILY FOREST FOUNDATION, ETHEL, WASHINGTON

Mr. FOX. Thank you.

In Washington state there are 215,000 family forest landowners. Although the parcel size is the average of 40 acres, family forests account for over 20 percent of the 16 million acres of forest land in the State of Washington. Family forests are working for us, managed and nurtured with the care and attention that only personal commitment and stewardship and a unique love of the land.

Family forests generate nearly one-third of the state timber harvest, contributing to the economic, social and environmental health of the rural communities, but certain implications of the ESA and the failed Federal policy are forcing small landowners out of business.

Congress amended the ESA in 1986 to mitigate the impacts of the Act by creating Section 10. Under the Habitat Conservation Planning process you're supposed to be able to negotiate a plan with U.S. Fish and Wildlife and National Marine Fishery Services to provide for the economic viability of the landowner and the habitat species need. This has worked OK for industrial landowners in the State of Washington to the extent that there are four companies that have HCP.

The State of Washington State Lands has an HCP and the DNR Forest and Fish HCP. Most of these HCPs are working well, but from the prospect of most family forest landowners, the HCP, the Forest and Fish HCP is not working very well and is not meeting major portions of the agreement such as developing low effect pre-

scriptions, providing adequate funding for the forestry occurring easement, which is mitigation for the taking that was promised to small landowners in the agreement.

In 1997 the Federal Government came to four small forest landowners and asked them to do HCPs. In 2004 I was the only family forest landowner out of the original four that was successful after six years of working with the Services and paying an eight-year HCP on my 45 acres of family forest. I have a Safe Harbor Agreement, a conservation agreement with assurances and a low fixed HCP.

In 1997, shortly after the original four began their individual HCPs, the Services realized its small forest landowners were having a hard time participating and that the significant work load for the services, so this U.S. Fish and Wildlife came to Lewis County government and a small group of family forest Landowners in Lewis County to develop and to participate in a pilot program that would develop a science-based, county-wide programmatic HCP for small landowners. It was a voluntary process. People that didn't want to participate didn't have to.

In 2007, ten years later, after investing over $4 million in public and private funds and during countless meetings, participating in independent scientific review, the Family Forest Foundation in those counties submitted the Family Forest Habitat Conservation Plan. The response from the Services was to sit on the application for an additional three-and-a-half years before issuing a Notice of Receipt, not a Notice of Intent but a Notice of Receipt. I requested public comment on the proposal in early 2011.

Halfway through 2012, nearly 15 years later, the process of the process, the Service has yet to render a written decision. Requests from Lewis County and the Family Forest Foundation on the written comments have been ignored. This is clearly a conflict of the intent of Section 10 of ESA.

The recent U.S. proposal to shotgun Barred Owls to save endangered Spotted Owl cousins defies common sense, logic and cross into a murky moral morass of human playing God. This full notion that we should and can try to shoot and control these species with a shotgun is ludicrous.

Mr. Chairman, this probably has been made even worse by U.S. Fish and Wildlife's recent Spotted Owl designation of critical area habitat on 150 acres of private forest land. Also, with the forest land not having any harvest of the larger trees, we've lost our milling infrastructure and small landowners are now forced to grow their trees on a shorter rotation.

Mr. Chairman, I'm not sure how to address this problem, but we're hoping that Congress can help us fix it. At a minimum I would like to recommend creating an accountability and appointing an omnibus coupled with an independent scientific review team, change agency culture and staff in addition to providing adequate fundings and combining two ESA responsibilities for two agencies into one.

Thank you very much for allowing me to speak.

The CHAIRMAN. Thank you very much, Mr. Fox. I appreciate your testimony.

[The prepared statement of Mr. Fox follows:]

Statement of Tom Fox, President, Family Forest Foundation

Sadly, too many politicians and agency administrators are unaware that not all forest land is owned by an industrial company, a public agency, or a Native American tribe. Far from that is the truth. In Washington State there are over 215,000 family forest landowners that own nearly 20% of the state's 16.1 million acres of commercial forest land. Nationwide, the number is 59%. These family-owned forests are nurtured and managed with the care and attention that comes only with personal ownership and love of the land. These family forests contribute immensely to the economic, social and environmental health of local communities.

One might logically believe that fostering the vitality and vibrancy of family forests would be an imperative goal of our nation's federal forest management policies. If in fact that is true, our federal forest policies of the last three decades have failed miserably, resulting in the endangering of jobs, forests and species.

In this testimony I will describe 1.The failed Family Forest Habitat Conservation Plan (FFHCP), 2. The effects of the failed federal agencies policies, and 3.The effects of the failed Northwest Forest plan and it economic and social ramifications to the rural counties in which these forests are located.

The first is an example of our federal agencies stubborn refusal to embrace and fully employ the processes embedded in the HCP provisions of the Endangered Species Act to support and incentivize ownership and sustainable management of family forests.

Designating additional acres of critical habitat for the Northern Spotted Owl (NSO) as the U.S Fish and Wildlife suggest in their current public registry notice is the wrong path to follow. That type of action will only create disincentives for landowners to grow and maintain NSO or for that matter any type of species habitat. Forest land owners are getting weary of the federal services inability to work cooperatively with them, and see this current habitat designation as another misguided policy that will backfire causing additional species habitat loss across the landscape.

Until recently, a more rational approach to species conservation was utilized by the Services and landowners. Under the Habitat Conservation Planning (HCP) process landowners and Services staff negotiated numerous conservation plans that allowed sustainable forest management while creating and maintaining species habitat.

In 1997, the Services invited a small dedicated group of family forest landowners in SW Washington State to participate in developing an HCP on their individual forest ownership. Four family forest landowners stepped up to work with the services at the services request. I was the only family forest landowner out of the original four in that was successful and endured the over 6 years of working with the services in 2004 in obtaining a HCP for my then 144 acres of forest land in SW Washington. In fact I believe I am the only family forest landowner in the nation that has been successful in receiving a multi-species 80 year HCP in 2004 after working with the Services for over 6 years. My forest land is named the Tagshinny Tree Farm, which is a Gallic term that meaning "Home of the Fox". Our agreement includes a combination of a Safe Harbor Agreement (SHA) that covers the NSO, Candidate Conservation Agreement with Assurances (CCAA) with USFW, and a Low Effects HCP (LEHCP) with NOAA.

The reasons I was determined to get my HCP was because I wanted to provide my family with a long term forest management plan into the future that provided certainty to my family. But also I and my family truly want to provide certainty for the species that currently did or could inhabit my land in the future. I didn't want to be managing my forest land in the fear of having ESA species on my ownership but rather I wanted to be able to welcome any and all species that lived or came on my ownership. I had seen the ESA listing in the 1990's when the NSO was listed and how it had affected the psyche of forest landowners by driving them to "Manage by Fear". Fear that a species would inhabit their property and that their property and investment would become worthless. Also fear that if they created and providing habit for ESA listed species on their property they would be punished for doing the right thing.

My children as many other forest land owner's children have been discouraged by what they see as a very negative image of being a forest landowner that continues to be betrayed by many out of touch environmental organizations. The continued lies and miss-truths that those groups have and continue to spread have poisoned future generations minds. The continual misrepresentation of forest landowners has twisted the truth to a point where many heirs don't want anything to do with forest ownership as they have been brainwashed that growing and then harvesting trees in a sustainable manner is a bad thing.

In 1997 after the four original forest landowners in Lewis County Washington stepped up to work with the Services it quickly became apparent to the Services that they didn't have the staff or ability to take on the HCP planning process on a one on one bases with family forest landowners. So the Services suggested that the Family Forest Foundation (FFF), Lewis County government work with the services and the family forest landowner in that county to develop a County wide programmatic HCP. The concept was that Lewis County would be the permittee of the HCP and willing landowners would be included into the plan with the use of a certificate of inclusion. Landowner participation into the HCP would be on a volunteer basis and those landowners that were not interested in participating would simply continue to follow the current set of rules and regulation that they were already following. The Forest and Fish agreement which is the state wide HCP that was implemented in 2000 included a clause that allowed landowners that entered into HCP's to replace portions of the state wide HCP with their negotiated prescriptions. After investing over $4 million of public and private funds, enduring countless meetings and participating in independent scientific review processes the Family Forest Foundation in cooperation with Lewis County submitted the Family Forest Habitat Conservation Plan (FFHCP) to the Services in 2007. After sitting on the application for nearly three and a half years the Services issued a Notice of Receipt (NOR) and requested public comment on the proposal in early 2011. Lewis County and the FFF have not received any communications from the services about the results of the NOR. Lewis county and the FFF have repeatedly requested copies of the NOR comments that were submitted, but the Services refuse to allow us copies of the written comments. How and why have the services been allowed to stonewall us and not provide us with that information? We even filed a FOIA request in an attempt to find out the breath of the comments submitted on the NOR but the services have only provided us with minimal amounts of information. The Services are clearly not following the intent of Section 10 of the ESA or the written policies of the Services as stated in the HCP Handbook. When and who is going to make the Services accountable? The FFHCP, if implemented, could provide an enormous incentive to Lewis County landowners to help encourage them to keep growing trees while providing quality species habitat across the landscape rather than develop their land to other nonforest uses. Family forest landowners are struggling to stay on the landscape and need an alternative to the "one size fits all" Forest and Fish agreement, like the customized FFHCP if they are to continue to keep their land in forests.

I believe the Services are negligent in their duty by not working with Lewis County and willing landowners to develop the FFHCP. Rather they undermine and demoralize the very land owners they are charged to work with. Additionally the Services are negligent in their duty to the species by not understanding that continuing to not provide incentives and alternatives that the ESA is designed to provide only drives landowners to not manage their property for increased species habitat. I do believe that sustainable working forests are compatible with species protection but a landowner that is growing a crop for 50–70 years needs to have some level of certainty in order to feel comfortable about continuing to invest in forest ownership for decades.

Here we are almost half way through 2012 and the Services to date have yet to render a decision on the FFHCP. Off the record we have been told that there will be no more forestry HCP's for coverage of aquatic species on private lands in Washington State because of the state wide Forest and Fish HCP agreement. We were also told by the Services that family forest landowners don't need a HCP because we don't have any ESA species issues. Now we have the Services wanting to designate additional NSO habitat on private land. Clearly, the HCP process in this region is broken. It's not that the ESA has changed, but rather it's because the Services staff and leadership has changed and they have decided they don't want to do HCP's with family forest landowners in Washington State. They don't want to abide by the ESA as it was intended to be implemented. They have decided in some dark room somewhere that they are not going to work with landowners that are interested in doing HCP's. Rather the current staff and leadership have taken upon themselves to basically rewrite the ESA and deny what is rightly due willing landowner. We need new leadership in these agencies that will work with and not against forest landowners with voluntary incentive based solutions. Putting a gun to our heads demanding more of our forests is not going to work. When are you the Congress going to hold these out of control bureaucrats accountable for their actions?

Aquatic species conservation in Region 1 (Washington, Oregon and Idaho) is an enigma to say the least. Salmon lead the list of species under protection and spend the majority of their life cycle in the ocean. As an example when they swim inland up the Columbia River regulations vary greatly depending on the direction of travel.

If the fish swims into Washington State the regulatory rule book for aquatic species conservation is four inches thick. Site potential tree height buffers as wide as 200' protect even water that doesn't have fish but could in the future be potential fish habitat. If the species swims south into Oregon the rules are considerably less, and if the fish can make their way past all the dams to their home in Idaho the regulations are even less.

Where is the credit for Washington forest landowners for stepping up and agreeing to the Forest and Fish agreement HCP? The riparian buffers that are being left along all the streams in Washington State in **perpetuity** should be considered as available habitat for the NSO. Washington's agreement is called the "Forest and Fish Agreement" and as such does and will **forever** provide habitat for many upland species and should be part of the equation when calculating future available habitat for the NSO.

In the last 12 years since the NW Forest Plan (NWFP) implementation the Forest Service has done a dismal job of meeting their allowable cut goals of the plan only producing 2% of what was agreed to in the NWFP. Continued pressure and threat of lawsuits from out of touch enviro groups have paralyzed the Forest Service. Comparing the Washington State DNR state lands average return of almost $400 per thousand board feet to the Forest Service's average return to the US Treasury of less than $10 per thousand board feet, one has to conclude that Forest Service management has been a disaster. As a result of the Forest Service's inability to harvest the timber that they should be harvesting the large log milling infrastructure of the state has been decimated by the lack of available timber volume. Consequently private forest landowners in Washington State don't have any place to sell their large logs. Previously, growing your timber older, larger, and longer was better. Better in the since that a landowner would get more for their logs at the mill and they could grow bigger and better habitat for the species. But because of the lack of milling options today landowners actually are penalized and get paid less for their larger logs. This phenomenon is driving landowners to grow their tree on a shorter rotation or be punished by reduced income for growing a longer rotation. In the past many family forest landowners enjoyed and were more than willing to grow their trees to 70 or 80 years of age creating older succession type timber. Today with the lack of large log milling infrastructure the incentive to grow timber on a longer rotation has disappeared.

From the perspective of private forestland owners, federally driven constraints on management of forests both private and government controlled has been a dismal failure. Evidence the serious increase in mill closures since 1990 reported by Ehinger and Associates. Mill closures have mostly been caused by drastically reduced National Forest timber sales due to the listing of the NSO. With this precipitous drop in milling infrastructure thousands of jobs have been lost and the NSO has not been recovering in numbers or increased its range.

Private forest landowners have been forced to stop growing what could have been ideal NSO forest habitat. Large log sawmills are closing and the forest industry has had to retool to cut smaller, more uniform saw logs to remain competitive in the global marketplace. The loss of a sustainable supply of large saw logs from USFS lands forced the milling industry to adapt to milling only smaller logs; logs which come from smaller trees, younger forests. These **younger forests, smaller trees, and reduced NSO habitat are then a direct result of the failure of the NSO Recovery Plan!!** Evidence all of the habitat destruction caused by stand replacement wildfire that has occurred on USFS lands since 1990. Evidence the Arizona and Colorado wildfires burning out of control today, May 2012! Forests are dynamic and ever changing; so by them setting aside or "preserving them in perpetuity" does not guarantee the 'banking' of that habitat.

By restricting USNF timber sales of large logs, in a misdirected attempt to save the owl, the government agencies have actually reduced the available acreage of potential NSO habitat except on Habitat Conservation Plan (HCP) Lands.

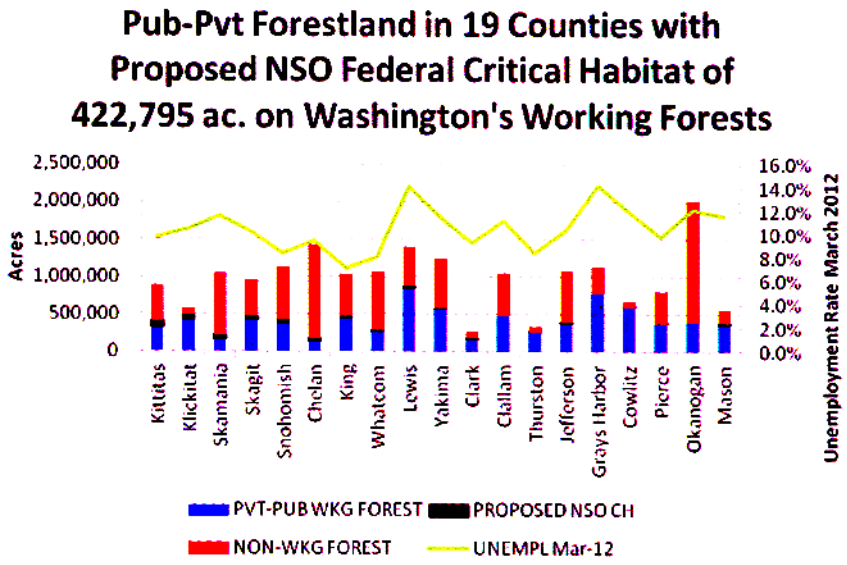
Over time the cumulative effects of increasing regulatory constraints on forest management reduce yield and the incentive for private forest landowners to continue providing the goods and services society has come to expect from them (clean air, water, wood products, tax receipts, etc.) Private forestlands in the United States exist in our capitalist, democratic country because of the rights bestowed us in our US Constitution. The incentive to profit from the production of forest products is what drives investment in forestland. This is the American way!

If the profit motive is taken away by the piling on of more and more regulations, ultimately these ever increasing constraints will eventually render forest management uneconomic and these forestlands will be converted to other uses that provide greater economic opportunity. These alternative uses normally degrade wildlife habitat quality from that provided by managed forests.

There are ways to overcome these blunders.

- Promote HCP's; individual or programmatic (provide fast track templates)
- Include economic analysis of costs in terms of harvest yields and other costs
- Mitigate these losses and compensate for government takings of private property
- Minimize constraints on private lands
- Promote incentives to provide habitat

Below is information that shows the impact on Washington's working forest and was derived from the State Wide Data Base. In summary the information below shows that there are currently a total of 1,615 landowners that own 10 acres or more that would be affected by the additional 150,000 acres of habitat that USFW is currently proposing. The economic effects, in an already dismal employment picture, of increasing the critical habitat designation will be the further crippling of already struggling rural counties.



Size of Ownership Acreage Range:	# of Landowners Affected
10-99	1,084
100-499	169
500-999	110
1,000-4,999	239
5,000-9,999	5
10,000-19,999	5
20,000 +	3
	1,615

For every 1,000 acres of working forest 12 jobs are supported paying $523,000 in wages and $19,000 in taxes and fees, annually.

After the proposed exclusions of HCPs and other federal agreements, nearly 150,000 acres of privately owned land remains within the federal critical habitat designation in Washington State.

- 150,000 acres of working forests supports 1,800 jobs.
- 150,000 acres of working forests impacts 1,615 landowners.
- 150,000 acres of working forests produces $2.1 million in annual sales

CountyID	County	UNEMPL Mar-12	DII Jobs (200	DNR TOTAL FOREST	DNR FOR SET-ASID	% DNR Set-Aside	PVT TOTAL FOREST	PVT FOR BUFFER	% Pvt Buffers	PVT-PUB WKG FOR	NON-WKG FOREST	% FOREST SET-ASIDE	2010 Harvest Vol (n
4	Chelan	9.5%	639	15,851	5,481	34.6%	125,504	19,737	15.7%	141,355	1,256,142	91.7%	10,234
5	Clallam	11.2%	2,709	151,905	41,342	27.2%	330,410	52,724	16.0%	482,316	560,213	52.8%	163,439
6	Clark	9.3%	7,267	50,457	20,891	41.4%	118,567	18,278	15.4%	169,023	84,993	48.9%	97,006
8	Cowlitz	12.0%	9,983	77,221	30,825	39.9%	514,349	96,184	18.7%	591,569	71,406	29.9%	209,846
14	Grays Harl	14.2%	7,174	81,896	27,247	33.3%	697,069	135,771	19.5%	778,965	346,591	45.3%	332,514
16	Jefferson	10.4%	875	188,121	82,967	44.1%	192,051	29,950	15.6%	380,172	694,133	75.1%	105,356
17	King	7.1%	19,694	94,428	35,586	37.7%	349,734	44,668	12.8%	444,162	566,796	64.0%	89,809
19	Kittitas	9.8%	419	87,480	10,946	12.5%	237,758	22,239	9.4%	325,238	474,958	63.5%	8,597
20	Klickitat	10.5%	2,086	68,169	27,201	39.3%	355,902	26,848	7.5%	425,071	96,872	28.9%	81,259
21	Lewis	14.1%	7,514	92,344	36,675	39.7%	761,252	153,607	20.2%	853,596	525,841	51.9%	360,722
23	Mason	11.6%	3,897	51,689	18,102	35.0%	314,769	38,013	12.1%	366,458	191,101	44.3%	104,168
24	Okanogan	12.1%	417	179,296	7,038	3.9%	207,755	19,098	9.2%	387,051	1,623,980	82.1%	25,934
27	Pierce	9.8%	13,770	23,829	7,552	31.7%	354,829	47,499	13.4%	378,657	423,615	59.7%	147,549
29	Skagit	10.2%	3,323	138,035	57,574	41.7%	278,095	36,239	13.0%	416,129	481,442	54.1%	118,487
30	Skamania	11.6%	165	72,939	42,064	57.7%	88,116	12,243	13.9%	161,054	838,758	89.3%	58,841
31	Snohomis	8.4%	12,289	132,895	55,579	42.0%	247,399	30,841	12.5%	379,793	702,331	72.9%	125,405
34	Thurston	8.4%	3,053	58,810	15,961	27.1%	196,948	27,451	13.9%	255,758	78,322	36.4%	112,311
37	Whatcom	8.1%	5,321	92,692	34,674	37.4%	173,933	20,052	11.5%	266,624	771,065	79.6%	69,201
39	Yakima	11.5%	3,183	103,703	21,848	21.1%	463,360	34,650	7.5%	567,062	651,790	58.1%	13,315
			103,778	1,762,257	579,553	32.9%	6,007,798	866,093	14.4%	7,770,056	10,440,349	65.3%	2,233,993
		0.0%	85.8%	83.3%	89.3%		70.2%	73.1%		72.8%	83.7%		72.3%
STATEWIDE TOTAL		8.3%	120,978	2,114,381	648,816	30.7%	8,553,618	1,014,121	13.9%	10,667,999	12,477,981	61.1%	3,091,259

1,185,193 includes 2% for slopes

The premise underlying the Services decision to shoot sea lions to save salmon was shaky at best. The more recent decision to shotgun barred owls to save its endangered spotted owl cousin defies common sense, logic and crosses into a murky moral morass where humans attempt to play god and choose which cousin shall survive. So what about the fact that spotted owls and barred owls are now cross breeding. How will the services shooters know if it's a spotted, barred or spard owl. This whole notion that we can control these species with a shot gun is ridiculous.

Natural resource agency consolidation needs to be a top priority of the Congress. Negotiating a HCP with two different agencies with two different policies is mind boggling. All they do is point fingers at each other and won't cooperate with you or each other. I believe the Congress should cut their budgets, consolidate agencies and develop an all lands approach to species conservation!

If we can't accomplish some major changes to the current system then we can look forward to a future where the nights are spent shot gunning innocent barred owls and we can watch the further fragmentation of family forest habitat by day.

Scientific efforts in political processes have taken a beating. We clearly lack processes where by the preponderance of scientific information can move forward while acknowledging dissenting opinions in a transparent manner. Instead scientific approaches fail in stakeholder processes built on consensus models where political posturing is confused for scientific debate and progress is measured in years and strict adherence to protocol. The effect of this confusion is never more evident that in the Interdisciplinary Team review process currently utilized in the implementation our State's Forest Practices HCP. This costly and ungainly process entails representatives from USFWS, NOAA Fisheries, Ecology, Washington Department of Fish and Wildlife, affected Tribes and is spearheaded by the Department of Natural Resources Forest Practices forester. Any deviation from the current Forest Practice rule requires a visit from and ID team to determine whether or not the proposed deviation provides "equivalent function" to the current rule. These determinations often mire down in agency infighting over whose fish is the best fish etc., and rarely improve the proposed forest practice while spending thousands of scare resource dollars per visit.

The time for regulation by committee has passed. We simply cannot afford this sort of agency redundancy in order for our regulatory system to function correctly. Forest practice foresters are highly qualified individuals well equipped to make functional determinations in the field. If additional resources are needed to make such determinations then field foresters can reach out to qualified resource professionals on a case by case basis.

Federal critical habitat designation is the wrong conservation mechanism for private forestlands. Washington's private forests are the economic engine of the forest industry. You need to remove federal critical habitat designation on private working forest lands; otherwise, we will destroy the very landowners that should be encouraged to stay on the landscape. If the landowner and working forests become extinct none of the species will survive.

The CHAIRMAN. Next we'll call on Dr. Hal Salwasser, Dean of the College of Forestry at Oregon State University, and let me explain why you are speaking this way. You will notice a little bit of an

accident and there's some question on what the accident was. Some of your friends said it was other activity. You said you fell, so we'll take your word for it. At any rate, you are recognized for five minutes.

STATEMENT OF HAL SALWASSER, PH.D., CHERYL RAMBERG AND ALLYN C. FORD DEAN, COLLEGE OF FORESTRY, OREGON STATE UNIVERSITY, CORVALLIS, OREGON

Dr. SALWASSER. Thank you, Chairman Hastings and Representative Herrera Beutler. I'm Hal Salwasser. I'm testifying here today as a private citizen. I have almost 20 years of experience, starting as a wildlife ecologist in California and culminating as a senior executive in the Washington office, the Northern Rockies and California. For the past three decades I've been engaged with an agency trying to change in response to changing societal values and science.

If I were to give what I have to say today a title it would be Restoring Federal Forests for Prosperity in the American West. In my brief time I'm going to touch on four things that are expanded upon in my written testimony. The first is the Grand Societal Resource Challenge—Meeting the needs of 30 percent more people by mid-century with no more land or water than we have now and probably less access to fossil hydrocarbon. The Economist call this the 9 Billion People Challenge. It translates here in the Pacific Northwest to 30 percent more people in the Nation to 30 percent and global with 30 percent.

The second is the problem in the west. Western Federal forest lands no longer make significant contributions to the grand challenge for natural resources at any geographic scale. They no longer serve their statutory purposes. They're becoming a substantial liability to the states, their rural communities and American taxpayers and they are now a growing threat to adjoining landowners due to vulnerability, to fire, insects and disease.

Third thing is the inadequacy of current legislative approaches. While well intended, recent legislative proposals do not address the larger problems of statutory dissonance, governance dysfunction and long-term sustainability of new directions. The trees keep growing and dying, victims of client change, invasive species, uncharacteristic fire, insects and insufficient funds or social license to change course.

My last theme is Options Forward. Sooner or later society has to confront the consequences of Federal forest land management dysfunction, declining land, rising health costs, poverty stricken rural America, hanging on through Federal payments because the Nation refuses to empower the responsible agencies to sustainably use public lands and their natural resources to generate wealth and jobs while improving environmental benefits. Meanwhile, the nation's dependence on foreign natural resources increases, so it's past time to try some novel grand experiments.

And here are some that are being talked about right now: The first is technical and managerial, and the examples are the pilots being done on Oregon and California lands in southern Oregon, the Johnson Franklin ecological restoration project. The problem with

these is that they don't address the fundamental ill, the lack of clarity on a mission.

There are also some discussions about changes in governance. Dan Kemmis, for example, suggests local collaboratives, but it's going to take Cabinet or Congressional level authority to make those work. Several people have suggested a Presidential commission with broad authority to suggest maybe changes in policy. In my view that would merely kick the can down the road. What is necessary is congressional clarification of the statutory purposes and clear roadblocks to effectiveness. The core issue is not failed Federal forest policies, nor is it failing Federal agency. It's failure of Federal forest laws to address the environmental economic and community aspirations of western states.

The last is to transfer the alliance to somebody else to manage without the current Federal policy hurdles. Oregon congressional delegation has proposed transferring some of the BLM lands to a trust. Others have suggested to transfer them back to the original stewards, the tribes, who have the capacity in many places and can provide the kind of protection and integrated management that meets their needs as well as other people.

Thank you for this opportunity to testify and I look forward to further discussions.

The CHAIRMAN. Thank you very much, Dr. Salwasser.

[The prepared statement of Dr. Salwasser follows:]

Statement of Hal Salwasser, Cheryl Ramberg and Allyn C. Ford Dean, College of Forestry, Oregon State University

Mr. Chairman and Members of the Committee:

I am Hal Salwasser, Cheryl Ramberg and Allyn C. Ford Dean of the College of Forestry at Oregon State University. I testify today as a private citizen, with over 20 years of experience with the US Forest Service, starting as a wildlife ecologist in California and culminating as a Senior Executive. I was the Director of New Perspectives and Ecosystem Management in the Washington Office, Regional Forester in the Northern Region and Director of the Pacific Southwest Research Station in California. In my latter two roles I provided executive guidance to the Interior Columbia Basin Ecosystem Management Project and the Framework for Revising National Forest Plans in the Sierra Nevada. During the first decade of the 21st century, I served on the National Commission on Science for Sustainable Forestry and was chair from 2003–2005. I have been Dean at OSU since 2000.

For the past three decades I have been engaged with an agency trying to change in response to changing societal values and science, first as one of its leaders and later as a concerned colleague and citizen. If I were to give what I have to say today a title it would be this:

Restoring Federal Forests for Prosperity in the American West

In my brief time here I will talk about four themes that, in my experience are relevant to your task:

The Grand Societal Resource Challenge—Meeting the needs of 30% more people by mid-century with no more land or water than we have now and perhaps less access to fossil hydrocarbon: the 9 Billion People Challenge (30% more in PNW, 30% more in US, 30% more in world).

The Problem in the West—Western federal forestlands no longer make significant contributions to the grand challenge for natural resources; they no longer serve their statutory purposes; they are becoming a substantial liability to the states, their rural communities and American taxpayers; and they are a growing threat to adjoining landowners due to vulnerability to fire, insects and disease.

The Inadequacy of Current Legislative Approaches—While well intended, recent legislative proposals do not address larger problems of statutory dissonance, governance dysfunction, and long-term sustainability of new directions. The trees just keep growing and dying, victims of climate change, invasive species,

uncharacteristic wildfires, insect outbreaks and insufficient funds or social license to change course.

Options Forward—Sooner or later society must confront the consequences of federal forestland management dysfunction, e.g., declining land health, rising costs, a poverty stricken rural America hanging on through federal payments because the nation refuses to empower the responsible agencies to sustainably use public lands and their natural resources to generate wealth and jobs while improving environmental benefits. Meanwhile the nation's dependence on foreign natural resources increases. It is past time to try some novel grand "experiments." The following are among those suggested:

- Technical/managerial, e.g., Franklin/Johnson, ecological restoration emphasis; but this will not address underlying problem of lack of clarity on agency mission
- Governance, e.g., Kemmis, local collaborative; but it will take Secretary or Congressional authorization
- Presidential Commission with broad authority to suggest major change in policy (like the recent Entitlements/Deficits Commission); to me this just kicks the can down the road;
- Congressional clarification of the statutory purposes and to clear roadblocks to effectiveness; the core issue here is not failed federal forest policies, not is it failing federal forest agencies. It is the failure of a suite of federal laws to address the environmental, economic and community aspirations of those whose lives are so deeply affected by what happens on federal forests. Only Congressional action can fix this.
- Transfer the lands to someone else to manage without current federal policy hurdles, e.g., land trust or tribes with capacity—the original stewards, or at minimum charter as appropriate to provide anchor forests for protection of tribal forest values; this is a slippery slope that once started could end up with divestiture of federal lands outside Congressionally designated Wilderness Areas, National Monuments, and Wild and Scenic Rivers.

Context: The 9 Billion Challenge

We live in a world that has twice as many humans as when I was a kid; I am 66. We humans consume more space and resources and produce more pollutants than many ecosystems can sustain over the long term. To support this many people has required re-plumbing river systems, massive conversion of forests, woodlands and grasslands to agriculture, development of hard infrastructure, depletion of marine resources, and exhaustive mining of minerals and hydrocarbons. In the US, we thrive off the material production of others, often in exploitive ways. And, we tolerate a widening gap between the truly wealthy and the truly poor, a social justice problem that belies our rhetoric about equality. We are clearly not on a sustainable trajectory, let alone poised to handle 9–10 billion humans. But that is only the dark side. How about the upside?

Most humans now live longer. Most are healthier. Many are better educated. We have not exhausted all renewable natural resources due to sustainable, science-informed professional management. These statements are not true for all people or resources, but things are better in many ways than just 50 years ago. In other words, things are not as bad as they might have been. So, where do forest management and forest and other natural resource professionals fit in this complex picture?

Those now in their 20s and early 30s will be asked to meet the needs of 30% more people before their careers are over; as The Economist put it last year, addressing the 9 billion people question. They will be expected to do this with no more forested land than now exists, perhaps even with less. Using much of that land to grow a renewable material and provide substantial ecosystem service benefits in economically feasible and socially acceptable ways will be critical to future human well-being. Meeting the challenge will require highly skilled and motivated professionals. Producing these individuals and the discoveries that will help them be successful is our business at America's Land Grant Universities.

But merely meeting the material needs of a growing human population, while necessary, will not be sufficient. Social and environmental justice must be part of the future to prevent societies from tearing themselves asunder, just as we see today where those needs are lacking. Future industrialized societies must also transition from a hydrocarbon-dependent economy to a carbohydrate-augmented economy, and not just in what we eat, wear and how we travel. Wood and cellulose will be major factors in that transition. So will optimizing every acre of forest for its best service to society, not every acre for wood but more than we currently employ in the U.S. Optimally all forests, local to global, should have science-informed, owner-values based professional management. That will not come from those who believe forests

should be managed only for wood or those who believe they should be left to nature. The former is socially and environmentally unacceptable in our nation and in many others and the latter option disappeared with population growth and affluence enabled by the advent of agriculture 10,000 years ago, though some still live in denial of the reality of what it takes to support so many people on planet earth.

So, why focus on western U.S. federal forests? They are not industrial forests, where wood production takes precedence in desired outcomes. A major reason is they dominate the Western forest scene and they no longer play productive roles for meeting the grand societal challenges of the 21st century at any geographic scale from local to global. Further, what happens on federal forests affects others in more ways than many people think. I suspect few urbanites realize the conditions of "their" federal forests threaten other nearby landowners and communities and that lack of management is the reason.

The Western Federal Forest Case

Western states have lived with federal management of almost half to nearly all their forestland estate for over 100 years. Those forests have shaped much of what Westerners and others think about forestry and their states, not all, of course, but much. Federal forests have always been the West's preeminent watersheds; this will continue far into the future. They also are and will continue to be some of the West's richest habitats for native plants and animals, prominent among them Douglas-fir, ponderosa pine, aspen, oaks, trout, salmon, elk, deer, bears and an occasional owl or wolf.

Over time, federal forests have lost a few native species, such as grizzlies and gray wolves which are now returning to a small part of their original range and they have become significant recreation and tourism assets. For a brief interlude, from around 1950–1990, Western federal forests delivered nearly a quarter of the nation's softwood lumber and panel production, and they supported hundreds of local rural communities and hundreds of thousands of jobs related to forest resources, significant sources for rural community vitality and prosperity and, because wood products are in traded sector economies, urban ones as well.

Many, but not all, of the economic, environmental and community benefits from federal forests remain; timber supply and its associated jobs and wealth creation are greatly reduced. But now, due to lack of sustainable wealth creation from renewable resources, rising costs of fire management, threats to private, state and tribal forests from wildfires and insect and pest outbreaks and loss of wood processing infrastructure, federal forests are becoming a substantial liability to rural communities, western states, American taxpayers, and, in many places, non-federal timberlands. These are all unintended consequences of how environmental laws suited to the 1970s are interpreted and implemented, most notably the Endangered Species Act and the Clean Water Act.

The current costs of holding federal forests as a government managed public trust far exceed the revenues generated, and expenses related to fire management exceed all other investment needs. This was not always the case. Who pays the bills? Every American taxpayer does. Who bears the impacts? Mostly local people and communities in areas near the forests and throughout the west. This is hardly an equitable condition and certainly out of alignment with the social contract between urban and rural America that began eroding in the 1980s. Counties across the west are left begging for a federal transfer of wealth in lieu of revenues from sustainable economic activities on federal forests and they do not get federal timber-related jobs and indirect businesses with their check. Continuing the check it is not a path to prosperity; it is merely a bridge from the past to, well, where? Meanwhile, the trees keep growing and, in fire-prone forests dying, victims of climate change, invasive species, uncharacteristic wildfires, insect outbreaks and insufficient funds or social license to change course. I am not the first or only person to point this out.

Western federal forests are simply not sustainable on their current trajectory; they are not ecologically, economically or socially sustainable. Absent course correction, the situation will only worsen, leaving political leaders at national, state and local levels literally hamstrung for viable options, to wit, the suggestion by some that we can thin our way to economic vitality or sustainability. To me we, as a society, are ignoring the fundamental issue: What is/are the purpose(s) of lands held and managed in the public trust by agencies of the federal government? Marion Clawson wrote a still relevant book on this in 1975: Forests for Whom and for What. That is still the question.

Very few people want to see species go extinct or water quality to decline. So, any path forward must guard against those outcomes and the latter will prove more feasible than the former. Declining political support for the federal check in lieu of wealth creation from federal forests shows that very few people support such a

wealth transfer. So, any path forward must deal with this issue as well. Thus, the critical policy question must be: Are there ways to sustain/restore resilient federal land ecosystems that deliver desired environmental, economic and social benefits to society with less impact to economies and communities than current approaches? If so, would laws need to be changed? Yes and yes.

Let's drop back to what Congress has said are the original purposes for federal forests. Three laws define the purpose(s) for national forests (Organic Act of 1891, Multiple-Use, Sustained-Yield Act of 1960, and National Forest Management Act 1976 amendment to the Renewable Resources Planning Act of 1974), two for Public Lands (BLM) (Oregon and California Lands Act of 1936 and Forest and Rangeland Policy and Management Act of 1976). Other laws have overlaid purposes not meshed with these organic statutes: Endangered Species Act of 1973 as amended (ESA), Clean Water Act (CWA), and Clean Air Act (CAA). Equal Access to Justice Act (EAJA) and Administrative Procedures Act (APA) give activist groups essentially a free ride to use those other laws to subvert the statutory purposes of federal forests, with taxpayers paying their bills.

Pioneering conservation leaders of the late 1800s and early 1900s championed federal land tenure to promote protection and conservation of wild places, wild life and waterways and the shared, sustainable, ethical and productive uses of natural resources. There was tension in the balance among these purposes from the very beginning of federal land tenure and aggravated distortions appeared post World War II as the nation increasingly relied on federal forests for its home construction boom. The distortion now is the false notion that not managing forests for some wealth creation is a form of protection. In our nation's current financial situation it is actually a path to degradation of a once prime asset.

Our current framework of resource and environmental policies, suited to and based on 1960s issues, and science are simply not working for 21st century challenges. Nor are they reflective of current scientific understandings of ecosystem dynamics and resilience. Perhaps it is time for a big **Forest Policy Rummage Sale**. Before a rummage sale, you sort through the "stuff" in your attic to rediscover the treasures you want to keep and identify the junk you want to jettison. Along the evolutionary course of conservation on federal forests several "grand experiments" have been, and some still are, carried out (though they were not thought of as experiments in the true sense). This is 2012, so I'll give you 12 that come to my mind. This is some of the stuff in the attic.

1. Governance by scientifically trained managers in consultation with local, state and legislative leaders (1905-on),
2. Curtailment of the worst forms of domestic livestock grazing and timber poaching (1905-on),
3. Eradication of top predators (done by 1920s),
4. Suppression of all wild-land fire (10 AM policy, post Big Burn, 1910-on),
5. Development of recreation infrastructure (1920s-on),
6. Use of unemployed people to carry out conservation projects (CCC, 1930s),
7. Engineering waterways for flood, irrigation and hydropower control (generally 1930s-1960s),
8. Dedication to domestic timber supplies (1950s-1990),
9. Congressional creation of no-development Wilderness Areas (1964-on) and agency dedication of de-facto wilderness, i.e., Roadless Rule (2001-?),
10. Protection and conservation of at risk species (ESA 1973-on),
11. Widespread judicial enforcement of single resource legislation, e.g., ESA, CWA, and CAA, at the expense of multiple-use sustainability mandates, e.g., MUSY, NFMA, O&C Act, and FLPMA, (mostly post 1970s) and lately
12. The era and euphoria of collaboration (1990s-on).

During the course of these "experiments" our human population grew threefold and migrated from rural to urban settings, the climate changed, economies and technologies changed, and policies and social norms enabled a highly consumptive culture fed by non-domestic resource production. Yet, we remain saddled with laws written during an earlier time, based on antique science, and designed to solve yesterdays' challenges. Some of yesterdays' challenges are still with us and some or all of them may grow in magnitude. But the times are vastly different and new science has shown that the vitality and resilience of ecological, social and economic systems are ill-served by single-species, single-industry, single-engine dominance, i.e., what we seem to have high-centered on with federal forest management lately as single-species protection is trumping all other purposes. With current and pending climate change it may not be possible to "save" species, one-by-one. If so, perhaps society should rethink ESA to focus on conserving the ecosystems, the originally stated purpose, and try to ensure their diversity, productivity and resilience.

Are we, as a nation or as citizens of western states, satisfied with this situation? If yes, stay the course and bear the consequences. If not, what must we do to change course? What outcomes would we likely favor if options forward were put to a vote, with those most directly affected by the outcome given the largest number of votes, i.e., those living in closest proximity to federal lands? Assuming clarity of purposes is possible, how might we act to further those purposes? These questions call for more than timid legislative proposals to address limited technical or managerial challenges.

The conundrum for western federal lands is not, after all is said and done, merely forestry, environmental or resource management challenges. It calls for what USFS Chief emeritus, Jack Ward Thomas and the National Commission for Science on Sustainable Forestry called for: Congressional action to clarify purposes and processes for more efficient and effective stewardship of some of the world's most remarkable natural land and resource assets. It may also call for experimentation beyond how forestry or other resource management is practiced, perhaps also experiments with more effective and equitable models of governance, as called for by ex-Speaker of the Montana House of Representatives Dan Kemmis. Or, as is currently being considered for some federal lands in Oregon, it may just be time to stop the incremental experiments and start transitioning federal lands and policies for those lands to states, trusts, or back into the hands of their original stewards. A majority of federal and perhaps even state political leaders appear unwilling or unable to go there at this time but sooner or later society must confront the consequences of federal forestland management dysfunction: let me repeat, declining land health, rising costs and a poverty stricken rural America hanging on through at-risk federal checks because the nation refuses to use its federal forest lands and resources to generate wealth and jobs. Rep. Hastings and Reps. DeFazio, Schrader and Walden have some proposals on the table. They deserve thoughtful consideration.

Among the options forward so far are the following. Drs. Norm Johnson and Jerry Franklin, are championing pilot projects in fire-prone forests on Public Lands in SW Oregon. It could be one option in changing course. It involves restoration of stress-resilient forests and structural class diversification through a combination of thinning and modest regeneration harvests that would produce commercially viable timber sales. Jobs and wealth would be created by both, though not in the magnitude of management activities of the mid to late 20th century. It is worth trying. But it may not be the only technical or managerial option. Their pilots do not address the fundamental underlying issues: lack of clarity on purpose, alignment of process to purpose, and governance effectiveness (though the pilots do rely on local collaboration). Other, well-thought proposals should also be tried, if someone will be bold enough to create and present them. I suggest that these so-called "pilots" not be ad hoc, anecdotal efforts; they should be well designed "grand experiments" to test ecological, social, managerial, and governance hypotheses.

The current course is not a rosy path for the future of Western federal forest. It is certainly not focused on roles for federal lands on the 9 billion people question (in Oregon it is a 4 million challenge and in the nation it is a 500 million challenge). And it comes at a time when Forest Service leaders are proposing yet another new collaborative approach to forest planning. You may not agree with my assessment. Perhaps the Forest Service and BLM will find a collaboration pony in the pile of convoluted laws and legal precedent. But for me it is a sober reality check and perhaps a wake-up call. It is not too late to change course. It is never too late. But the longer we wait the greater the challenges will become and the higher the costs will be for future generations. Simply stated, we cannot thin our way to sustainability for federal forests, we cannot save single species by doing nothing in dynamic ecosystems, and no amount of collaboration will ever satisfy those who see only one purpose for federal lands, their purpose. So far, resistors won't let restoration happen fast enough, large enough or heavy enough to make much of a dent in disturbance vulnerability or effective governance. And if they did, one must ask, ok, then what? Where's the money going to come from to sustain mixed-use management when the federal treasury is drained every year by defense, health care and social security payments? Is saving single species even possible and would it be better for the future than managing for resilient, dynamic ecosystems?

Closing Thoughts

When I was a kid my grandpa told me money doesn't grow on trees, you have to work to earn it. He was a mechanic. He was brilliant but he didn't know much about forestry. Experience has shown me he was half right; he got the work part right. Many, though not all, Western federal forests not only still have the potential to grow money, they have the potential to grow jobs, productive wildlife, clean water, happy fish and the greenest, most renewable raw material on earth. It is

time for federal forests to re-start doing their share for the future well-being of our communities, states, and nation, and, yes, even for the health of our federal forests. From many conversations, I am convinced the people in our federal forest agencies would love to chart a more sustainable course for their future as forest stewards, as citizens of our communities and as contributors to addressing the 9 billion people challenge.

So, let's cycle back to where we started. Sustainable management of renewable natural resources has always been one of the keys to human well-being. It was and is key to all that is good about our current lifestyle. But staying the course in a finite world with a growing human population will not make the grade. We must seek continual improvement and change course when evidence makes the need for change clear. Our Endangered Species Act is not saving many species and, at least here in the Pacific Northwest, its social and financial costs are substantial. Something must change and the Congress is the only agent capable of meaningful change.

The CHAIRMAN. Next we'll call Mr. Stephen Mealey, Vice President of Conserve Boone and Crockett Club.

Mr. Mealey, you're recognized for five minutes.

STATEMENT OF STEPHEN MEALEY, VICE PRESIDENT OF CONSERVATION, BOONE AND CROCKETT CLUB, SPRINGFIELD, OREGON

Mr. MEALEY. Thank you very much, Congressman. I'm pleased to be here. The Boone and Crockett is the oldest hunting conservation organization in American, founded by Teddy Roosevelt in 1887. I too have a history of forest service management as well as state and private management.

The CHAIRMAN. Could you pull that microphone closer to you? I know it's awkward sometimes. We get the full benefit that way.

Mr. MEALEY. Thank you.

In the 22 years since the listing of the Northern Spotted Owl there are many examples of failed Federal policies—I'll share some today—but they're not the main problem. I'll share testimonies which I see as the failure in Federal laws that drive them. I want to give three examples of the Northwest Forest Plan. First of all, the effects on deer black-tailed deer and hunters and Oregon Department of Fish and Wildlife.

Habitats since 1989 have declined by 90 percent, hunters by 34 percent, and I want to read a summary of the effects of that. It's a powerful irony that Federal protection primarily for one species and its associates is undermining North American wildlife conservation that has restored wildlife to Oregon and America and is likely the most successful wildlife management model on earth. It is a particularly tragic irony since the Northwest forest in 18 years has failed to halt the decline in Northern Spotted Owl, indicating it's certainly an insufficient response to the ecological challenges of NSO recovery. While the costs to the Northwest Forest Plan of Oregon is modeled by conservation and its hundreds are significant and clear, the benefits for Northern Spotted Owl recovery, its intended purpose, remain uncertain at best.

I want to give a couple of examples that are very specific and I want to say in preface that I stay in touch with the ranger district people, and I want to say that all the folks I've been in touch with are as good as they've ever been. This has to the Middle Fork Ranger District, the Willamette National Forest, and I'm going to talk quickly about two projects, the Jim's Creek Project and the

PineGrass Project, both of which were planned for forest restoration in the dry oak Savanna ponderosa pine project of 25,000 acres.

Jim's Creek was planned as a test, if it was successful, to apply to a broad area. The PineGrass Project was a restoration of the plantation. The simple fact is that Jim's Creek Project, while it had a very successful test, was precluded by a judge's reinstatement of survey and management standards and guidelines per red back bulls, and obviously there were too many bulls on the site for the project to go forward.

And the PineGrass Project was precluded and planned for thinning. It was precluded by an extension of the revised Critical Habitat Rule which made it infeasible. So despite the revised recovery plan and the proposed revision of the Critical Habitat to facilitate forest restoration—in fact, in these two cases it actually precluded tested, ongoing projects designed exactly to achieve the objectives the two plans purported for advance.

Let me say a quick word about Rachel Carson's and Silent Spring. You all know that Silent Springs was published in 1962 and it was designed to stop things, and our whole body of Federal law that followed that then were patterned after the mentality of stopping things without ignoring the dimension of time to deal with the omission, that is, omitted acts, and so our whole body of Federal law that followed that reflected that same precluding mentality.

And I just want to get to my recommendations very quick. The first one is that the Northwest Forest Plan has been in effect for 18 years with no significant external evaluation. I'm suggesting that it's time for Congress to ask for an evaluation of the Northwest Forest Plan, which would probably assemble a group of experienced managers as well as team members that wrote the plan in the first place to see if it's achieved its intended objectives.

Another recommendation that I have is that for Federal law—you probably—I know you know, Congressman, that the Healthy Forest Restoration Act contains in Section 106(C)(3) a provision for looking at the comparative risk of action and inaction. There's no reason that that same provision couldn't be included in the Endangered Species Act and the Clean Air and Clean Water Act and it would extend a broader precautionary approach, which could be integrated simply by amending Section 7, consultation requirements to that agency balance the impact to the ecosystem likely affected by the project and the short- and long-term effects of undertaking agency action against the short and long-term effects of not undertaking that action.

In addition, I want to quote Jack Thomas, who thinks that it's over time now to assemble a group of folks to look at the whole body of Federal law and determine their function and dysfunction, make recommendations about how they should.

And one final—I've got just a couple of seconds. I want to make a reference to Charles Darwin, who noted that individuals less suited to the environment are less likely to survive and less likely to reproduce. Individuals more suited to the environment are more likely to survive and more likely to reproduce and leave their inheritable traits to future generations, which produces the process of natural selection, and this applied to the Barred Owl. I would

observe that I think Darwin would find it ironic and surprising that an informed society would fund and enforce a requirement to thwart such a fundamental evolutionary process by killing Barred Owls in the name of ecosystem preservation. At least I think he would likely find it another example of static versus dynamic management.

Thank you.

The CHAIRMAN. Actually, you borrowed a few seconds from Dr. Hal Salwasser. I'm keeping track over here.

[The prepared statement of Mr. Mealey follows:]

Statement of Stephen P. Mealey, Vice President of Conservation, Boone and Crockett Club, Leaburg, Oregon

Mr. Chairman and Members of the Committee:

I am Steve Mealey, Honorary Life Member of the Boone and Crockett Club, and Vice President for Conservation. I am currently retired in Oregon. My professional career spanned 30 years and included wildlife (grizzly bear) research as well as management and administration for federal [U.S. Forest Service (USFS)], state (Idaho Department of Fish and Game), and private (Boise Cascade Corporation) natural resources based organizations. I am proud to represent the Boone and Crockett Club here today which was founded by Theodore Roosevelt in 1887. It is America's oldest hunter/conservationist organization with national focus. The Club's mission is to promote the conservation and management of wildlife, especially big game and its habitat, to preserve and encourage hunting and to maintain the highest ethical standards of fair chase and sportsmanship in North America. The Boone and Crockett Club has a great legacy of protecting wildlife, especially big game, as well as federal land habitat. It's fair to say the Club is the "godparent" of America's national forests, national parks and wildlife refuges having worked long, hard, and successfully for more than a century for their establishment, maintenance and improvement.

I come here today to express grave concern for:

1) The effect of the Northwest Forest Plan (NWFP) on black-tailed deer and hunting and on ecosystem restoration project implementation in western Oregon;
2) The effect on ecosystem restoration project implementation of the March 2012 proposal to expand critical habitat (CH) for the Northern Spotted Owl (NSO); and,
3) The problems associated with major federal land/regulatory laws underlying the NWFP and NSO protection rules and proposals.

I'll offer some recommendations for repair.

Prelude

In 1993, a comprehensive NWFP was initiated to end the impasse over management of federal forest lands in the Pacific Northwest within the range of the NSO. With the signing of the Northwest Forest Plan Record of Decision (ROD) in 1994, a framework and system of standards and guidelines were established to guide management of 24 million acres of federal forests in Oregon, Washington and northern California and protect the NSO listed in 1990 as a threatened species under the Endangered Species Act (ESA). The plan is a much less flexible version of its precursor, "Option 9", developed by the Forest Ecosystem Management and Assessment Team (FEMAT) led by then USFS Chief Research Wildlife Biologist, and later USFS Chief Jack Ward Thomas. Twenty-two years since listing, a Revised Recovery Plan for the NSO was issued June 28, 2011 which recognized "many populations of spotted owls continue to decline. . .even with extensive maintenance and restoration of spotted owl habitat in recent years. . .it is becoming more evident that securing habitat alone will not recover the spotted owl. . .competition from the barred owl poses a significant and complex threat. . .". Overall NSO numbers have been declining nearly 3%/year leading to an estimated 40% decline over the last 25 years. In February, 2012 the U.S. Fish and Wildlife Service (USFWS) announced a proposal identifying nearly 14,000,000 acres in Oregon, Washington and northern California as CH for the NSO. The proposal is a 62% increase over that designated in the 2008 plan.

NWFP and Deer, Elk, Hunting, and Ecosystem Restoration in Western Oregon

General

Since 1989, the year before NSO listing to present, timber harvest on federal forestland in western Oregon has dropped from about 3.5 billion board feet/year to under .5 billion board feet/year, an 86% decline owing to the effects of environmental litigation and an emphasis on mature and old forest retention. Final harvest acres declined from nearly 100,000/year to less than 10,000/year. Creation of early seral (deer and elk) habitat has declined approximately 90% annually. In response, black-tailed deer harvest and associated hunters have declined dramatically. Numbers of deer hunters have dropped 34% from around 170,000 to about 112,000 while harvest has dropped 67% to around 20,000. Hunter success has declined 44% to about 18%. A similar trend for Roosevelt elk and related hunting is likely. Elk numbers from Oregon Department of Fish and Wildlife (ODFW) annual counts on the Willamette National Forest in the McKenzie Unit have declined to 16 in 2012 from 114 in 2005, an 86% drop.

This loss of early succession habitat with the sharp drop in deer and elk populations indicated in part by declining harvest, and accompanying steep declines in hunter numbers all owing to the virtual end of timber harvest following the listing of the NSO has been a major contributor to the more general problem of declining hunter participation in Oregon. Here, the participation rate of resident hunters has declined nearly 30% from about 340,000 in 1986 to around 240,000 in 2011. Resident hunters as a percent of eligible residents declined about 53% to 8% in the same period. Even though Oregon's population has expanded by around a million during the period, the number of licensed resident hunters has declined in absolute numbers. There are similar declining trends in neighboring California and Washington. Nationally hunting participation also declined during the 25 year period but only by about 5%—much less than in Oregon. Declining game populations and habitat combined with increased license fees to offset lost revenues from fewer hunters is generally seen as a main reason for this disturbing trend which is a clear threat to Oregon's and America's primary hunting heritage and legacy: the North American Model of Wildlife Conservation.

The Model powered by hunters who have restored much of our nation's wildlife and habitat and enabled everyone who wants to—to hunt holds:

1) Wildlife can be owned by no individual, but is held by the states in trust for all people;
2) Trustee states have no power to delegate trust responsibilities, and;
3) States have an affirmative duty to fulfill their trust role: take care of wildlife for the people.

Coupled with the advocacy of sport hunters concerned with the dramatic declines in wildlife in the late 19th and early 20th Centuries, the Public Trust Doctrine, which mandates that states hold and manage wildlife for its citizens, is the lynchpin of the Model and is the legal bedrock for states to manage and regulate wildlife. Hunters and hunting have been the reason for the success of the Model. Hunters have been the main proponents of wildlife and have paid the bills for wildlife conservation through purchases of licenses and hunting equipment which have been the principal support for most state wildlife agencies including ODFW. Through the loss of deer and elk populations and habitat and the resulting loss of hunters causing declining license fees to ODFW and its reduced ability to carry out its Public Trust role, the NWFP is weakening the institution of wildlife management in Oregon.

This is a powerful irony: that federal protection primarily for one species and its associates is undermining the North American Model of Wildlife Conservation that has restored wildlife to Oregon and America and is likely the most successful wildlife management model on earth. It is a particularly tragic irony since the NWFP has in 18 years failed to halt the decline in NSO indicating it is certainly an insufficient response to the ecological challenges of NSO recovery. While the costs of the NWFP to Oregon's Model of Wildlife Conservation and its hunters are significant and clear, the benefits for NSO recovery—its intended purpose, remain uncertain at best.

Jim's Creek Restoration Project

While the NWFP standards and guidelines preclude most traditional (pre-1990) timber harvest practices, silvicultural opportunities including production forestry, ecological restoration and adaptive management are provided for in "matrix" and other areas in the 1994 NWFP ROD.

Standards and guidelines include those for "Survey and Manage" (S&M) intended to reduce or eliminate potential effects of agency actions on over 300 species includ-

ing mosses, liverworts, fungi, lichens, vascular plants, slugs, snails, salamanders, great grey owl, and red tree voles. With some qualifications pre-disturbance surveys for target species are required before proposed activities can proceed. If evidence of a species is found (i.e. tree vole nest tree) proposed projects are modified to meet species management requirements (protection of 10 acres/Vole Habitat Area).

The Jim's Creek Project (JCP) on the Middle Fork Ranger District, Willamette National Forest is a forest restoration project that has been planned and nearly completed. The JCP Decision Notice was signed in August 2006 and the project implemented through a Stewardship Contract in June 2008. The following were cited as primary benefits of the project and it's supporting Alternative:

1. Comprehensive and much needed ecological restoration of a small part of the unique Oregon white oak/ponderosa pine savanna ecosystem and gains in biodiversity;
2. Reduced wildfire risk;
3. Restored big game forage within a high emphasis Big Game Management Area;
4. Monetary receipts for subsequent ecological restoration;
5. Economic values to local economies from harvest of about 10 million board feet of forest products;
6. Refugia for species associated with the oak/pine savanna.

The JCP was seen as a small scale "test" to work out the restoration concepts and methods for subsequent application to other nearby oak/pine savanna landscapes critically in need of broad scale restoration. The project resulted in a non-significant forest plan amendment. While it modified and/or removed habitat or diminished its quality for use by NSO, the USFWS Biological Opinion found implementation (and effects on red tree voles as a NSO food) would not jeopardize the continued existence of NSO and that it could proceed. The project was widely supported; there were no appeals or lawsuits.

In 2007 the USFS and the Bureau of Land Management (BLM) eliminated for the second time the S&M Mitigation Measure. Had this not occurred the JCP could not have been implemented in 2008 because of the abundance of red tree voles in the project area and beyond. Restoration of approximately 455 acres of a potential 25,000 acre landscape restoration project has been completed.

On July 5, 2011 U.S. District Court Judge Coughenour issued a court order directing implementation of the settlement agreement restoring the S&M requirement. The order was implemented by the USFS July 21, 2011. Resumption of the S&M Mitigation Measure precludes expansion of the JCP restoration strategy across the broader 25,000 acre Middle Fork Mixed Conifer Forest Type (which was an open forest type and has been degraded by fire suppression and tree in-growth) because of the abundance of red tree voles in the area (a 10 acre Habitat Area is protected where one or more voles are known or assumed to occur). Specifically, S&M measures for the red tree vole prevents implementation of actions needed over a 25,000 acre landscape to save historic Oregon white oak/ponderosa pine savannas threatened by encroaching Douglas fir and ultimately uncharacteristic wildfire.

Inability to expand on the JCP success precludes reducing the risk of habitat loss or degradation from stand replacing wildfire over a broad fire-prone landscape, one of the four most important threats to the NSO stated in the Revised Recovery Plan (vii). Not expanding the JCP also contributes to the progressive loss of early forest succession habitat and consequent declining elk and deer numbers on the Willamette National Forest and other national forests in Region 6 of the USFS and on BLM lands and resulting lost hunting opportunity. Its loss also raises concerns about the likely adverse ecological effects of shrinking early succession habitat on other early succession dependent/associated species including neo-tropical migratory birds, reptiles and amphibians. One predictable effect is reduced economic activity associated with less hunting and wildlife associated recreation. A related issue is that ODFW will likely be unable to maintain current herd objectives for elk and deer on federal forestland habitats in the Southern Willamette Watershed District because of rapidly declining early forest succession habitat resulting from reduced timber harvest.

The reality of the Jim's Creek case defies common sense: Reinstatement of S&M for the vole, a relatively abundant "species of concern" has precluded expansion of the JCP restoration strategy while the JCP Biological Opinion for the NSO, a beneficiary of voles as prey, concluded NSO would not be jeopardized and the project could proceed.

The Middle Fork Ranger District covers roughly 725,000 acres with about 60% unavailable for management because of protection reserves (i.e. wilderness areas, Late Succession Reserves, roadless areas, riparian conservation reserves, etc.). Only about 200,000 acres are available for active management projects such as the JCP.

The JCP example shows clearly how the NWFP through application of its S&M standards and guidelines or through related litigation outcomes, acts as a barrier to active management of landscapes in need of restoration even where proposed projects occur in the < 30% of the District remaining for management.

One hopeful apparent change in guidance for implementing the NWFP is the recognition in the Revised Recovery Plan in the section *Habitat Conservation and Active Forest Restoration* (II–10) that "Active management for ecological values trades short-term negative effects for long-term gains. . .Collaborative management must be willing to accept short-term impacts and short-term risks to achieve long-term benefits and long-term risk reduction; overly zealous application of the precautionary principle often is a deliberate, conscious management decision to forgo long-term increases in forest health and resilience to avoid short-term responsibility or controversy." A recent paper by Roloff, Mealey and Bailey [*Comparative hazard assessment for protected species in a fire-prone landscape* in: Forest Ecology and Management 277 (2012) 1–10] provides a peer reviewed process for assessing and comparing the short and long-term risks and benefits of management options. Application of such an analysis to the JCP expansion would be useful in determining whether to suspend the S&M Mitigation Measure and tree vole management requirements as a short-term risk, in deference to the long-term benefits of ecological restoration.

The Jim's Creek case leads to my first recommendation:

The NWFP has been in effect 18 years with no significant external evaluation of its effectiveness in achieving its goals and objectives. I believe it is long past time for a congressionally sanctioned independent review of the NWFP. One option would be to engage a highly respected science institution such as the National Academies in a review. A better option would be to request a review by a select, locally experienced group including past and present federal land managers and members of various teams-especially the lead scientists-that would include the Interagency Scientific Committee (ISC), the "Gang of Four" (Jack Ward Thomas, K. Norman Johnson, Jerry F. Franklin, and John Gordon) and the Forest Ecosystem Management Assessment Team (FEMAT).

Critical Habitat (CH) Expansion and Ecological Restoration

March 11, 2012 the USFWS announced in a press release, a "science based" CH proposal for the NSO that revises a 2008 CH designation in response to a U.S. District Court order. According to the release, the proposal for 13, 962,449 acres of CH recommends substantially increasing active management of forests, consistent with ecological forestry principles.

PineGrass Plantation Management Project

February 28, 2012 the Middle Fork District of the Willamette National Forest issued a scoping letter proposing restoration treatments to maintain the historic vegetative diversity within 88 plantations totaling about 2,000 acres. The plantations with high fire risk are within the same 25,000 acre Middle Fork Mixed Conifer Type as the JCP, and were all regenerated after clearcutting 10–50 years ago. The purpose of the project is similar to the JCP and is designed to restore the forest type to its historic low density open forest condition. Twenty percent of the proposed treatment area was CH under the 2008 designation and would be managed to accelerate late forest conditions.

Soon after the scoping letter was sent, the USFWS published its proposed rule revising CH which now would cover about 80% of the plantations proposed for restoration. Consultation with the USFWS on the proposal under the 2008 CH designation has already occurred with a determination that the proposal "Would Not Likely Adversely Affect" the NSO. The new rule changed the status of most of the area proposed for treatment and requires project modifications to develop late forest succession (fire-prone) conditions for NSO instead of restoring low fire risk open forest conditions characteristic of the type. Project modification to meet requirements for NSO would not meet the original intent of the purpose and need for the project. District personnel are considering reinitiating consultation on the project under the proposed designation but consultation is considered "complex" and would likely delay the project an "indeterminate" amount of time. For all intents and purposes the forest ecosystem restoration project appears to be on "long-term" hold pending resolution of the CH proposed rule.

While the CH proposal for the NSO purports to support and encourage active forest management to restore forest health, increase resilience, and foster diversity in fire-prone landscapes, the immediate effect in the case of the PineGrass Plantation Project appears to be the opposite.

The Problem of Major Federal Land/Regulatory Laws

Summary

Management action and inaction or things we do and don't do (acts of commission and omission), both have the potential to cause serious environmental harm as well as good. On federal fire-prone forests of the West, the focus of regulatory environmental law has been mostly prevention of harm from action. The potential for harm from inaction has largely been ignored. This has contributed to the decline of the very resources the laws are intended to protect. The scope of the Endangered Species Act, Clean Water Act and Clean Air Act should be updated and expanded to include consideration of the short and long-term effects of management inaction, and comparing and balancing them with short and long-term effects of action. These comparative assessments would allow managers to consider the full ecological contexts over space and time in environmental decision-making and offer improved prospects for restoring and sustaining resources.

There are clear shortcomings in the federal forest policies discussed above; importantly however they appear to reflect those of the driving federal land and regulatory laws. Those difficulties are well known and discussed, most recently by Jack Ward Thomas in his article in the fall 2011 Boone and Crockett Club publication *Fair Chase* titled *The Future of the National Forests; Who Will Answer an Uncertain Trumpet?* In it Thomas writes *"Each of those [federal land/regulatory laws: i.e., National Forest Management Act (NFMA), Endangered Species Act (ESA), National Environmental Policy Act (NEPA), Clean Water Act (CWA), etc.] must have seemed a good idea in the context of time and circumstances. Yet in totality and considering interactions that evolved (especially as variously interpreted by the courts) they formed the threads of a now intractable Gordian knot (an intricate problem insoluble in its own terms) rendering national forest planning and management ever more costly and ineffective."*

Donald Floyd and others elaborated the problem of overlapping and interacting federal land use laws in a 1999 Society of American Foresters booklet *Forest of Discord;* and the American Wildlife Conservation Partners a federation of hunting/conservation organizations recommended to President Bush in 2001 in their *Wildlife for the 21st Century, Volume I, Recommendation to President George W. Bush* that he initiate an assessment of federal land laws to identify legal and regulatory problems contributing to federal land management "gridlock".

Context: Rachel Carson's Silent Spring

There is important context for the "federal land/regulatory law" problem. The American Ecology Hall of Fame states: "In 1992, a panel of distinguished Americans declared Rachel Carson's 1962 *Silent Spring* the most influential book of the past 50 years. Many argue that *Silent Spring* was instrumental in launching the American environmental movement. Passage of NEPA in 1969 and establishment of the CEQ and EPA in 1970 can be attributed to the environmental awareness that Carson raised. Soon after NEPA, the Clean Air Act (CAA) of 1970, the CWA of 1972, and the ESA of 1973 were all passed, all traceable to the spirit of environmental awareness and concern raised by Rachel Carson.

Common to *Silent Spring* and the federal regulatory laws that followed, was concern for documenting and reducing environmental harm man was causing through development actions. Environmental regulation focused on proposals for major actions (acts of commission), their environmental impacts, their adverse effects, and standards or alternatives to prevent or mitigate adverse effects. Most regulatory attention, especially related to fire-prone forests of the West, has been on preventing short-term adverse effects of fuels treatment proposals with little attention to the short or long-term consequences of inaction (acts of omission). **The applicable theory in regulatory law, regulations and their implementation appears to be that significant environmental risks result from committed acts rather than from their omission. Analyses supporting the theory continue to be lacking.**

Jack Ward Thomas, while addressing a conference in October, 2002 in Bend, Oregon entitled *"Fire in Oregon's Forests"* commented on the problem of "dynamic vs. static management" in fire influenced landscapes covered by the NWFP. Thomas noted that the combined effect of the environmental laws of the 1970s, especially the ESA, was the predominant use of preservationist strategies defined as static or "hands off" management to protect listed species (and water quality). He observed that reliance on static management minimizing immediate risks of activities has been routinely reinforced by federal court decisions that favor preservation. Thomas concluded that serious problems with static, near-term risk averse management are

emerging because ecosystems are dynamic and change is constant in preserves. In fire-prone forests, unabated fuel accumulation leads to uncharacteristic wildfires that can ultimately harm listed species and water quality. Thomas saw these long-term effects of management inaction as either ignored or downplayed.

In the 50 years between *Silent Spring* and "static vs. dynamic management" how could laws intended to protect the environment, actually put environmental assets at risk in fire prone forests of the West? A look at the precautionary nature of the ESA, and by inference the CWA and CAA, is instructive.

The ESA takes a strong but narrowly defined precautionary approach in the face of uncertainty about risk to species. It focuses on and seeks to prevent "take" by prohibiting mainly near-term potential and/or uncertain harm or risks. In consultations, proponents must demonstrate proposals would not be harmful regardless of timeframe, apparently dismissing ecological change over time. The ESA and its application do not commonly distinguish the time dimension of risk: i.e., that some short-term risks to species can result in longer term benefits to those same species, or that short-term risk avoidance can lead to long-term increased risk. Rather than documenting mainly actual or probable risks or comparing and balancing the short and long-term risks and benefits of proposals and then regulating, the law takes a more narrow precautionary approach. In summary, the ESA compels regulating where *any* risks are believed to be likely.

This restrictive precautionary philosophy is apparent in the definitions in the 1998 *Consultation Handbook* that governs Section 7 consultations. The phrase "Is Likely to Adversely Affect" is defined as the appropriate finding if *any* adverse effect to species may occur. *Any* immediate non-beneficial, measurable effect with *any* possibility of harm, regardless of magnitude and regardless of potential offsetting longer term benefits is "Likely to Adversely Affect" the species. Such a finding triggers a formal and usually expensive and time consuming process to determine jeopardy or how to avoid it by making modifications to the project. **To avoid the process, proponents must propose projects with no immediate risk. In fire-prone forests, this often excludes projects with long-term benefits to listed species.** Inability to reduce fuels in fire prone forests occupied by NSO only to see the trees in those forests killed by intense fire and the resulting vegetation return to brushland, unsuitable for owls, is a case in point.

NWFP and NSO Recovery

In 2002, regulating agencies issued a policy that ESA Section 7 consultations should balance the "long term benefits of fuel treatment projects". . ."against any short or long-term adverse effects." It is a hopeful sign that the 2011 Revised NSO Recovery Plan now reflects this direction. There is no clear evidence however that management agencies have responded by routinely completing comparative ecological risk/hazard assessments, comparing the short and long-term effects of proposals with the short and long-term effects of their absence, as part of the consultation process.

In the absence of such analysis, regulating agencies often appear to "default" to the highly precautionary conclusion that *any* short-term adverse effects are harmful and should be avoided. **In summary, in fire prone forests of the West, especially lands under the NWFP, precaution in the ESA is most often narrowly applied to acts of commission: management is discouraged unless there is certainty that no immediate harm will result, ignoring without inquiry the potential harm from omitted acts.**

When the USFWS completed its status review of the NSO in November 2004, uncharacteristic wildfire was found to be the greatest cause of habitat loss during the nine year review period. Uncharacteristic wildfire remains a major cause of NSO habitat loss today. Jack Ward Thomas, when reviewing implementation of the NWFP in northern California in 2003, found that the restrictive application of the precautionary principle in the NWFP had increased the risk of fire and the risk to NSO by discouraging management to mitigate fire risks to NSO and their habitat. The USFS identified ESA requirements for consultation as a main reason for Thomas's findings. Differences with regulators over the importance of short-term adverse impacts versus the longer term benefits of treatments were a big factor. **The USFS acknowledged designing projects to align with the risk averse philosophy to reach a "Not Likely to Adversely Affect" conclusion and avoid formal consultation. This often eliminated projects that had long-term benefits for owls and fish resulting from reduced fire risk in Late Succession Reserves and in riparian areas, but also had some near-term adverse effects.**

Highly restrictive precaution embedded in standards and guidelines as those for S&M has been a barrier to restoration management to reduce fire risk and an obstacle to achieving conservation goals. This calls into question the evolved practice in

the West of attempting to maintain essentially "static" unmanaged conservation reserves in dynamic fire prone forests. Recent assessments of uncharacteristic wildfire risks indicate that the *absence* of active management to mitigate fire risks in such areas may be the greater risk to vulnerable species. Ironically, continuation of highly restrictive precautionary principle driven, short-term risk averse protection measures will likely lead to the continued deterioration of the very resources the environmental laws were intended to protect.

ESA case law resulting from NWFP litigation (i.e. Case No. 03–35279, Gifford Pinchot Task Force v. USFWS) has generally reinforced the precautionary features of the ESA and the requirement that regulators implementing the act be averse to short-term risk in decision-making (an exception is a May 2011 decision by the 9th Circuit upholding the Sierra Nevada Forest Plan and stating *"it is the prerogative of the Forest Service to determine that long-term effects. . .remain desirable despite short-term harm".).* This essentially "locks in" an incomplete legal theory: one that fails to clearly and specifically recognize that acts of commission and acts of omission together are the necessary and sufficient source of environmental risk and benefit. Changing and completing the theory will likely require refining the ESA and other overly precautionary environmental laws.

Options for Broadening Ecological Context in Law

I acknowledge and compliment the USFWS for recognizing in the Revised NSO Recovery Plan that management must accept short-term negative effects for long-term gains. I also recognize that the recovery plan is a "guidance" document and does not regulate. Agency consideration of comparative short and long-term risks and benefits of proposals will be certain only if required in law. Such a requirement would also likely limit litigation which could follow agencies allowing short-term negative effects without a legal mandate.

This leads to my second recommendation:

A broader precautionary approach should be integrated in ESA by amending it to require in Section 7 consultations:

1) That agencies balance the "impacts to the ecosystem likely affected by the project, of the short and long-term effects of undertaking the agency action, against the short and long-term effects of not undertaking the agency action," as in Sec. 106 (c) (3) of the 2003 Healthy Forests Restoration Act; and,
2) That agencies consider such assessments in related decision-making.

Such language could also be incorporated into appropriate sections of the CWA and CAA. With this mandate there would be no need to "default" to an overly restrictive application of the precautionary principle. Not only would the standard for precaution be broadened, but the ecological context of the ESA and other laws would be updated and expanded as well.

America's laws regulating the environment were written mostly to resolve the critical environmental problems of Rachel Carson's time, projected forward: mainly to prevent or mitigate adverse consequences of acts of commission. They were necessary then and remain necessary, but they are insufficient for today's problems of omission, especially in fire-prone forests of the West, and must be amended to address them.

Cleaving the Gordian Knot

Jack Ward Thomas, in the fall 2011 *Fair Chase* article offers a solution to the Gordian knot problem of conflicting, overlapping and incompatible federal land/regulatory laws with which I fully agree and support.

This leads to my third recommendation:

As suggested by Thomas, Congress or the Administration should select a group of knowledgeable individuals experienced in the management of natural resources, public land law, and administration of land management agencies, and charge them with developing potential solutions with associated benefits and costs. The task should be completed in a year or less. Recommendations should include focus on revisions of present laws, repeal of those not current or redundant, and new laws that clearly define the mission and expectations of the USFS. Land use planning should be evaluated and new sources of revenues explored.

A Final Note

The Revised NSO Recovery Plan in response to ESA Listing Factor E: *Other Natural or Manmade Factors Affecting its Continued Existence* identifies competition from barred owls (a natural factor) as one of the three most important threats to NSO recovery. A major step in the recovery strategy is to evaluate management options to reduce the impact of barred owls on NSO since barred owls are seen as the "most significant short-term threat to spotted owl recovery." The barred owl is included as an "invasive" animal species and is further described as more likely to

be a "generalist" than a "specialist" like the NSO and able to adapt more successfully to a new climate than natives. Ten Recovery Actions are devoted to protecting NSO from barred owls (III–62 to III–69).

The cornerstone of Charles Darwin's theory of evolution is the concept of natural selection:

> Individuals less suited to the environment are less likely to survive and less likely to reproduce; individuals more suited to the environment are more likely to survive and more likely to reproduce and leave their inheritable traits to future generations which produces the process of natural selection

I think Darwin would find it ironic and surprising that an informed society would fund and enforce a requirement to thwart such a fundamental evolutionary process by killing barred owls in the name of ecosystem preservation. At least I think he would likely find it another example of "static" vs. "dynamic" management.

The CHAIRMAN. Next we'll hear from Mr. Ken Connaughton, Pacific Northwest Regional Forester, U.S. Forest Service.

Mr. Connaughton, recognize you for five minutes.

STATEMENT OF KENT CONNAUGHTON, PACIFIC NORTHWEST REGIONAL FORESTER, U.S. FOREST SERVICE, PORTLAND, OREGON

Mr. CONNAUGHTON. Thank you, Chairman Hastings, and it's a pleasure to meet with you and Congresswoman Herrera Beutler. I'm Kent Connaughton, Regional Forester for the U.S. Forest Service. I'm a forester and I've been with the U.S. Forest Service for 33 years. My responsibilities are the 16 national forest units here in Oregon and Washington and the Columbia River Gorge National Scenic area.

I'll begin by observing that the purpose of the United States Forest Service is to sustain the health, productivity and diversity of the nation's forests for current and future generations. Now, those words would mean nothing more than a platitude if there weren't some philosophy and execution behind them.

In 2009, the Secretary of Agriculture in Portland, Oregon, observed that the Forest Service has to be concerned about more than the national forest system, must look beyond the boundaries of the national forest system, and take care of all the nation's forests. That makes sense to me. How do we go about doing that? One of the things I want to observe is our dependence upon the forest products industry, the operating industry and the communities in which we operate is in fact a very necessary condition for success in conserving the nation's forests.

One of the means that we have to go about conservation is a current emphasis on forest restoration. We have in our targeting an increase in forest restoration across the national forest system for increase of some 20 percent in the next couple of years. Here's what the reality is: In the United States we have between 65 and 82 million acres of national forest that are desperately in need of some kind of restoration treatment.

Whether or not it's the protection from fire, insects, disease or forest health purposes is that we're united in dedicating ourselves toward these treatments. One of the means to do this that is the Collaborative Forest Landscape Restoration Act. In this year's appropriations we have some $40 million nationally dedicated toward execution of projects under the act.

The provisions of that act require that when the program is administered is that we jointly configure with elements of the public through collaboration and local government is where those treatments would be placed and to what ends they would be dedicated. In my mind this makes very, very good sense. We have five of these projects in the Northwest, two are in Washington, three are in Oregon.

Around the United States, with $40 million, we currently have 20 projects and we estimate that they provide more than 1,500 jobs. Here in the Northwest is a proportionate fraction of somewhere around 130 jobs directly and probably 600 jobs plus when one takes into account the indirect effects.

That is the Collaborative Forestry Restoration Act. It is not the only element of Forest Service programs that are relevant to the Northwest, but I bring it to your attention because it represents a seed change in terms of the philosophy of conservation appropriate to this nation and it makes some very good sense to me.

Second is, I want to point out that we are using an authority that Congress has granted us and been with us for some time, and that is the use of Stewardship Projects. A Stewardship Project does what? It permits us essentially to use exchanged goods for services. If they're of value in a particular project it can be used to pay for elements of the project over and above what normal appropriations would do. In other words, it's a leveraging of congressional appropriation.

In the Northwest, since we've had this stewardship authority, we've had more than 200 projects. Over the last couple of years, depending upon which year we're talking about, between 20 and 30 percent of the timber volumes in providing the national forest in Region 6 has come from Stewardship Projects. For us this means a great deal because the magnitude of work that needs to be done for restoration purposes is great, so I do want you to know about the significance of that stewardship for authority.

Third that I also want you to know is that following procedures of National Environmental Policy Act, that by statute, is your Forest Service and other Federal agencies must follow is that we have been very interested in innovative means that would streamline reduced costs, such that we can get more work done faster.

I'll point out some work done over more than 200 thousand acres in South Dakota that we are looking at closely here in the Northwest as a model for taking a look at forest health needs and restoration purposes when insects and disease threaten our forests. If we can in fact do our work more cheaply and faster, we need to do so.

Second is that we also are interested in expansion of the categorical exclusions under the National Environmental Policy Act essentially is the Council on Environmental Quality gives us the authority to proceed for certain kinds of forest practices without going through a more elaborative process of evaluating environmentally fit. It makes sense to do this under certain conditions and the expansion of that authority is something that I welcome.

And my last point is, over the last five or six years, the wood products industry has gone through a very, very severe reality check with respect to the United States' economy. There's been a

dramatic downturn in housing. We're all familiar with that. And we've also got a number of other factors that—

The CHAIRMAN. Mr. Connaughton, please wrap up—your time is over, so please wrap up your thought.

Mr. CONNAUGHTON. Yes. I'm sorry, I overlooked the—thank you very much.

So the Northern Spotted Owl is going to affect us. We've been working with the Fish and Wildlife Service and we're looking forward to working with them further as that comes to affect the Northwest.

Thank you very much.

The CHAIRMAN. Thank you very much.

[The prepared statement of Mr. Connaughton follows:]

Statement of Kent Connaughton, Regional Forester, Pacific Northwest Region, Forest Service, U.S.Department of Agriculture

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to present the views of the U.S. Department of Agriculture regarding Federal Forest Policies related to jobs, forest management and wildlife. I am Kent Connaughton, Regional Forester for the Pacific Northwest Region of the Forest Service.

Today, people understand forests provide a broad range of values and benefits, including recreation, clean air, drinking and irrigation water, and wildlife habitat. We have national forests in 42 states and Puerto Rico which comprise a land area of nearly 193 million acres. Our mission is to sustain the health, diversity, and productivity of the Nation's forests and grasslands for present and future generations. The Forest Service does this through working with numerous federal, state, and local partners, citizens, and industries.

The Forest Service also recognizes the need for a strong forest products industry to help accomplish forest restoration work and support local economies. A vibrant industry can provide the people and the know-how necessary to undertake mechanical treatments and other restoration activities. The forest industry also lowers the cost of restoration to the taxpayer by providing markets for forest products. The Forest Service is committed to increasing the number of acres being mechanically treated by 20% over the next three years, through our Accelerated Restoration Strategy, which was announced by USDA Secretary Vilsack in February of this year. This strategy increases the pace and scale of restoration and improves both the ecological health of our forests and the economic health of forest-dependent communities. Whether the threat comes from wildfire, bark beetles or a changing climate, it is vital that we step up our efforts to safeguard our country's natural resources.

For example, through implementation of the Collaborative Forest Landscape Restoration Program (including the use of stewardship contracts), the proponents of projects anticipate creating or maintaining 1,550 jobs nationally. Public lands and local communities both benefit from robust forest industries. The Forest Service relies on local forest contractors and mills to provide the work force to undertake a variety of restoration activities. One study has shown that for every $1 million spent on activities like stream restoration or road decommissioning, 12 to 28 jobs are generated.

The Accelerated Restoration strategy will allow the Forest Service to increase the number of watersheds restored, while supporting jobs and increasing annual forest product sales to 3 billion board feet of timber. A critical part of this effort is building public support for forest restoration and management activities. To this end, the Forest Service continues to emphasize the importance of collaboration with diverse stakeholders when developing restoration projects on national forest lands. Such collaboration not only results in better projects, but it also reduces the risks of costly litigation.

The Secretary described his vision for America's Forests in a speech given in Seattle in August 2009. He underscored the overriding importance of forest restoration by calling for a "complete commitment to restoration". Additionally, the Secretary highlighted the need for pursuing an "all lands approach to forest restoration" and called for close coordination with other landowners to encourage collaborative solutions through landscape-scale operations. The Collaborative Forest Landscape Restoration (CFLR) Act provides a means to meet this vision. The Forest Service is using $40 million from 2012 appropriations for 20 CFLR projects.

There are five landscape restoration projects selected in the Pacific Northwest of which one CFLR project and one High Priority Restoration project are located in the State of Washington. The Tapash Sustainable Forest Collaborative and the Northeast Washington Forest Vision 2020 are estimated to provide a minimum of 131 direct jobs and 634 total jobs in FY 2012.

One important tool the Forest Service uses to improve the health of America's forests and create jobs is stewardship contracting. It is a very successful and important program nationally, and particularly, in the Pacific Northwest Region. Through stewardship contracting we have been able to treat low value or dying vegetation caused by insect or disease epidemics, or other low-value hazardous fuels. This tool allows the Forest Service to offset the value of the services received with the value of forest products removed.

Since the authority was originally enacted in 1999, the Pacific Northwest Region has awarded more than 200 stewardship contracts and task orders, treating approximately 106,000 acres. The benefits of the program include implementation of more restoration projects, which reduce fuel loading and address insect infestation. Restoration projects yield significant sawlog and biomass material that supports woods operations jobs and industry infrastructure. An excellent example in Washington is the Colville Mill Creek Stewardship A to Z project, wherein the community and the Forest Service are striving to get more restoration work done through an innovative, broad, forest landscape-level approach.

The Forest Service is constantly improving upon our National Environmental Policy Act (NEPA) process. The Agency has initiated a project to learn and share lessons of successful implementation of streamlined NEPA analyses. The goal of this effort is to ensure the Agency's NEPA compliance is as efficient, cost-effective, and up-to-date as possible. Specifically we are looking at expanding the use of focused environmental assessments (EAs) and iterative environmental impact statements (EISs), expanding categories of actions which may be excluded from documentation in an environmental assessment or an environmental impact statement, and applying an adaptive management framework to NEPA documentation. Our landscape-scale NEPA analysis will also increase efficiencies by analyzing broad swaths of land, avoiding piecemeal NEPA analysis. The recently released landscape-scale Black Hills Mountain Pine Beetle Response Project proposes to treat 242,000 acres of high risk forest. This is approximately 5 times the normal analysis area.

It is important to remember the Forest Service supplies about 2 percent of total domestic timber production annually. For the Pacific Northwest, national forests supply about 6 percent of annual timber production. Market conditions during the past several years have been a severe departure from the era before 2005. Since 2005, the new home construction market dropped 75 percent, resulting in the closure of 1200 mills nationwide and the loss of a million jobs in the forest products sector. Today, the demand for lumber, plywood, and other building materials are at low levels not seen since the 1960s. The mills that remain open are often working only part-time because builders aren't buying with new housing starts so low. During the current down market, the Forest Service has been concentrating on maintaining infrastructure through relief measures in existing timber sale contracts, such as market-related contract term additions, and rate redeterminations.

Concerning federal forest management related in the Pacific Northwest, in April 1994, the Northwest Forest Plan Record of Decision (ROD) amended the existing land and resource management plans for national forests and BLM Districts within the range of the northern spotted owl (NSO). The "Northwest Forest Plan," as these amendments were called was developed and implemented in part to protect and enhance conditions favorable to late-successional and old-growth related species, such as the NSO, and to respond to controversy, litigation, and court injunctions over management of federal forest lands in Washington, Oregon, and northern California. The ROD included 24 million acres of federal lands including all or parts of 17 National Forests. The ROD changed the course of federal land management in the Pacific Northwest to significantly increase protection for species that depend on late-successional and old growth forests, while providing for a reduced yet stable supply of timber. Over the past 18 years many, but not all, of the stated objectives of the Northwest Forest Plan have been met. For example, the aquatic conservation strategy has eliminated many of the practices which led to degraded watersheds and threatened fish populations. The plan has withstood legal challenges and although the planned timber supply is not as high as envisioned, it has stabilized.

The NSO was listed as threatened under the Endangered Species Act in 1990. Overall, demographic studies indicate NSO populations have been declining approximately 2.9 percent annually, leading to an estimated 40% decline in population numbers over the last 25 years. Forest Service Research and Development (R&D) has been a key leader in long-term research and monitoring of the NSO. This re-

search aims to improve our understanding of the effects of land management under the Northwest Forest Plan on NSO populations, as well as the effects from invading barred owls, climate and other environmental factors. At its implementation, the Plan anticipated spotted owl populations would continue to decline for a few decades, until habitat is restored in the network of large reserves established under the Plan.

To date, monitoring shows a continued range-wide decline. However, some areas show stable populations, while others, like the northern portion of the range, have shown larger declines than anticipated. Monitoring and research have revealed wildfire appears to be the biggest factor in habitat loss for spotted owls on federally managed lands since the Plan's inception. Factors other than habitat loss are adversely affecting spotted owls. Competition from barred owls is a major threat. Forest Service research on competition between these species has revealed spotted owls avoid areas occupied by barred owls and have much lower reproductive rates than barred owls. This research will inform future management for spotted owls. Other Forest Service research focuses on modeling owl populations and habitats in relation to fire, climate change, and prey populations.

Although the specific reasons for the NSO decline are not yet fully understood, habitat loss and increasing competition from barred owls appear to be key factors. In 2011, the U.S. Fish and Wildlife Service (FWS) completed a revision of the 2008 Recovery Plan for the NSO and initiated the process to re-designate critical habitat based on the new recovery plan. The recovery plan emphasizes active restoration of habitat to meet recovery goals and ecosystem conservation, both in dry forests and moist forests. The recovery plan recognizes that in dry (fire adapted) forest ecosystems; there may be short-term adverse effects to individual owls with long-term benefits to their habitat. The Plan also addresses experimental removal of barred owls from certain parts of the NSO range to see if this removal affects NSO population trends.

In March 2012, the FWS proposal for critical habitat was released for public review and comment. The Forest Service supports the FWS proposal and believes the proposed revision of critical habitat reflects the intent of the 2011 recovery plan. We worked with the FWS to develop specific rule language, which continues protection for important old growth forests while recommending active forest management designed to restore and protect ecological processes; improve habitat conditions; and increase the resilience of the forests to fire and insect infestations.

The Forest Service will continue to work with the FWS to assure the final designation provides for recovery of the owl and allows for appropriate timber management, which restores forest health, increases resilience, and meets the economic needs of our communities.

In summary, the Forest Service continues to work toward accomplishing restoration objectives, maintaining a robust forest industry, and in turn creating jobs. We are striving to efficiently implement existing programs and policies, as well as pursuing a number of new policies and initiatives to increase the pace of forest restoration through collaboration and management of the national forests. The aim of these efforts is to move beyond the conflicts which have characterized forest policy in the past and toward a shared vision, which allows local communities, environmentalists, the forest industry, and other stakeholders to work collaboratively toward healthier forests and watersheds, safer communities and more vibrant local economies.

I want to thank the committee for its interest, leadership, and commitment to our national forests, their surrounding communities and the forest products infrastructure.

This concludes my prepared statement and I would be pleased to answer any questions you may have.

The CHAIRMAN. Next we'll call Mr. Mitch Friedman, Executive Director of Northwest Ecosystem Alliance.

Mr. Friedman, you're recognized for five minutes.

STATEMENT OF MITCH FRIEDMAN, EXECUTIVE DIRECTOR, NORTHWEST ECOSYSTEM ALLIANCE, BELLINGHAM, WASHINGTON

Mr. FRIEDMAN. Thank you, Mr. Chairman. In the mid 1980s prior to founding Conservation Northwest, which I now direct, I or-

ganized many protests against logging of ancient forest, including the first protest to protect Spotted Owls. My past is full of appeals and lawsuits on these issues and listing petitions under the Endangered Species Act.

About a decade ago we at Conservation Northwest changed our approach. We observed that few people, even in the timber industry, any longer favored logging old growth. We took the opportunity to explore common ground to benefit ecological and human communities. Conservation Northwest engaged fully in one of the first novel collaborations in the West here on the Gifford Pinchot National Forest.

A group of dedicated and diverse stakeholders transitioned the Forest Service away from clear cutting big, old trees by promoting projects to beneficially thin second growths. Appeals and lawsuits dwindled. Timber flowed. Ecosystems and recreation benefitted. A win-win-win.

Today we're most heavily invested in the Colville National Forest, where we're a core partner in the Northeast Washington Forestry Coalition. This collaboration is behind the success of about 30 projects over eight years without environmental controversy. That's going to be expanded by one of the grants Mr. Connaughton just described from the Collaborative Forest Landscape Restoration Program.

The collaborations we're involved in are real. They include people with whom we once battled but have reached accords in how we view forests and management. Collaboration builds trust and a culture of problem solving. When confronted with a new challenge, the process involves civil and genuine effort to identify common interests, evaluate science sometimes with the aid of experts and eventually reach agreement and action.

I have witnessed collaboration groups reach agreement to address objectives like wildfire fuels management, Spotted Owl habitat, threats to forest and watershed health and even wilderness protection. I invite you to take a field trip to see projects created by the Pinchot Partners or Northeast Washington Forestry Coalition and observe how collaboration is working.

My experience is not the exception but is now typical across the region. Federal forests in the West are producing as much timber as they are budgeted for and doing so with much less controversy or litigation expense than in the past. I have submitted into the record a graphic that compares budgeted targets and volume offered for the Forest Service and BLM units across Washington, Oregon and California over a 15-year period, and it shows that these days the Forest Service is producing as much timber as Congress provided funding for. If Congress provided more funds, the agencies could produce more controversy-free timber, notwithstanding protections for owls, salmon and other important values.

Conservation Northwest will soon release a commissioned study that provides detailed estimates of uncontroversial timber available on Northwest Federal lands. Federal timber values can be substantially increased without reducing environmental safeguards, cutting special areas, building new roads or otherwise harming our natural heritage.

If Congress wants more timber cut from Federal land, you need only invest more funds and allow ecological protections and collaborative groups to guide those funds into the most beneficial projects. Efficiency can be improved in environmental analysis and contracting procedures.

The agencies have become somewhat risk adverse and are generally following the same NEPA approach for popular restoration projects as they would there clear cut old growth. Many stakeholders want reform and innovation and are working for it through pilot projects under authorities like the Collaborative Forest Landscape Restoration Program, Stewardship Contracting, Proof of Concept and others. I am confident that efficiency can be increased without reducing collaboration or robust protections for water, wildlife or public resources.

With regard to timber production and jobs, the big constraint is the market. The economy is sluggish. Housing starts are a third of their boom level. British Columbia continues to dump subsidized soft wood. The strong markets are overseas.

Private lands are now being logged heavily to meet demand in China, Japan and other Pacific markets. Almost 20 percent of logs cut in Washington and Oregon are exported whole, a volume that is 2.5 times that cut from Federal lands here. Those exported logs touch the hands of few American workers.

I get the concerns of mill owners and workers, but the reason that loaded trucks bypass them on the way to export yards do not include protection for owls or other natural resources.

On the Endangered Species Act, a recent study found that 90 percent of 110 species listed that were reviewed, while not recovered, are actually on pace with expectations in their respective recovery plans. If you're cake is mushy, you can't blame the recipe unless you've allowed the full baking time. The Spotted Owl is a case in point.

Continued population declines were anticipated by the recovery plan until such time as enough habitat is recovered to reverse the trend. We have a ways to go on that objective and some complex challenges. It isn't easy work, but I know from my family experiences the Spotted Owls, wolves and other rare species, wildlife makes a big difference in our lives, but it's worth the effort.

Thank you.

The CHAIRMAN. Thank you very much for your testimony.

[The prepared statement of Mr. Friedman follows:]

Statement of Mitch Friedman, Executive Director, Conservation Northwest

I am Mitch Friedman, a biologist and Executive Director of Conservation Northwest. I have been involved in federal forest issues since 1985. I believe that the path forward on federal timber policy is clear and full of opportunity if we apply the leadership and resources to follow it.

In the mid 1980's, prior to founding Conservation Northwest, I was a organized many protests against logging of ancient forest, including the first protest to protect spotted owls. My past is also full of appeals and lawsuits on these issues.

About a decade ago, we at Conservation Northwest changed our approach. We observed that few people, even in the timber industry, any longer favored logging old growth. We took the opportunity to explore common ground to benefit ecological and human communities.

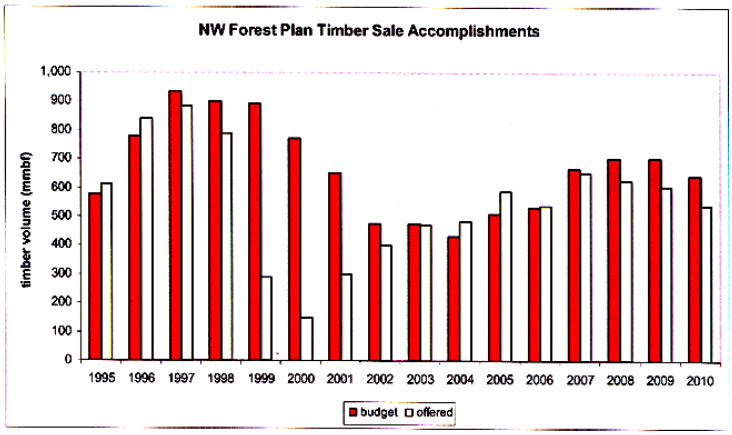
Conservation Northwest engaged fully in one of the first novel collaborations in the West, here on the Gifford Pinchot National Forest. A group of dedicated and diverse stakeholders transitioned the Forest Service away from clearcutting big, old

trees by promoting beneficial thinning projects in stands of second growth. Appeals and lawsuits ended, timber flowed, ecosystems and recreation benefited: A win-win-win.

Conservation Northwest is based in Bellingham and employs field associates in rural forest communities throughout the region. We have at least scrutinized most major national forest projects across the state for two decades. Today we are most heavily invested around the Colville National Forest, where we are a core partner in the Northeast Washington Forestry Coalition. This collaboration is behind the success of about 30 projects over eight years without environmental controversy. This work is now expanding thanks to a million dollar/year grant from the Collaborative Forest Landscape Restoration Program.

The collaborations we are involved in are real. They include people with whom we once battled but have reached accords in how we view forests and management. Collaboration builds trust and a culture of problem solving. When confronted with a new challenge, the process involves civil and genuine effort to identify common interests, evaluate science sometimes with the aid of experts, and eventually reach agreement and action. **I have witnessed collaborative groups reach agreement to address objectives like wildfire fuels management, spotted owl habitat, threats to forest and watershed health, and even wilderness protection.** I invite you to take a field trip to see projects created by the Pinchot Partners or Northeast Washington Forestry Coalition, and observe how collaboration is working.

My experience is not the exception, but is now typical across the region. Federal forests in the West are producing as much timber as they are budgeted for, and doing so with much less controversy or litigation expense then in past. This graphic compares budgeted targets and volume offered for the Forest Service and BLM in WA, OR and CA over a fifteen year period.



If Congress provided more funds, the agencies could produce more controversy-free timber, notwithstanding protections for owls, salmon and other important values. Conservation Northwest and other groups will soon release a commissioned study that provides detailed estimates of uncontroversial timber available on Northwest federal lands. **Federal timber volumes can be increased substantially without reducing environmental safeguards, cutting special areas, building new roads, or otherwise harming our natural heritage.**

If Congress wants more timber cut from federal land, you need only invest more funds and allow ecological protections and collaborative groups to guide those funds into most beneficial projects.

On the other hand, efficiency can be improved in federal environmental analysis and contracting procedures to provide better return on investment for the Treasury and communities. The agencies have become somewhat risk averse, and are generally following the same NEPA approach for popular restoration projects as they would to clearcut old growth. Many stakeholders want reform and innovation, and are working for it through pilot projects under authorities like the Collaborative Forest Landscape Restoration Act, Proof of Concept, and others. **I am confident that efficiency can be increased without reducing collaboration or robust protections for water, wildlife and other public resources.**

With regard to constraints on timber production and jobs in the region, the 800 pound gorilla is the market. The economy remains sluggish and housing starts are a third of their boom level. British Columbia continues to dump subsidized softwood. Domestic timber prices are therefore so weak that some federal timber sales have no bidders.

The strong markets are overseas. Private lands are now being logged very aggressively to meet demand in China, Japan, and other Pacific markets. Almost 20% of the logs cut in Washington and Oregon are exported whole, a volume that is 2.5 times that cut from federal lands here. Those exported logs are from private lands and touch the hands of few American workers.

I get the concerns of mill owners and workers. But the reasons that loaded trucks bypass them on the way to export yards do not include protections for spotted owls or other natural resources. I think it is wise for the committee explore ways to boost economic activity and timber jobs. The best opportunities for doing so are addressing raw log exports and investing more in programs like the Collaborative Forest Landscape Restoration Act that help communities by improving our forests and watersheds.

Policy should be based on a review of what is working. **Presently we have less conflict and controversy on our federal lands than we've had in decades. That is the result of land management policies that protect our assets and collaborations that identify common ground and build long term community equity.**

By staying the course on these successful principles while also exploring ways to improve returns on federal investment, we can provide a strong foundation for growth in timber jobs as the economy recovers, and improve the health of our forests and rural communities while protecting the landscapes, streams and wildlife that make our region great.

The CHAIRMAN. Next we'll call on Mr. Ernie Niemi, Senior Economist of EcoNorthwest.

Mr. Niemi, you're recognized.

STATEMENT OF ERNIE NIEMI, SENIOR ECONOMIST, ECONORTHWEST, EUGENE, OREGON

Mr. NIEMI. Thank you very much.

My name is Ernie Niemi. I've spent more than 30 years analyzing the relationship between national forests and the economy of this region. As the Subcommittee moves forward, I recommend that it consider three important characteristics of this relationship: Number one, to recognize that these national forests produce many, many different types of goods and services, timber certainly, recreational opportunities, clean water and the like. Each one of these goods and services contribute to the standard of living of the residents of this region and to the profitability of businesses in this region.

The second is that the national forests in this region also contribute to jobs and generate jobs in different ways. Economists generally rank these ways into two groups. One is that the national forests directly contribute to the commercial activities that you talked about earlier, so the national forests generate jobs so they generate recreational opportunities that support the tourism industry.

The second mechanism is known as amenity-driven growth. That is to say the national forests provide recreational opportunities, scenic vistas, clean water and a high quality of life. Those amenities attract productive workers, they attract entrepreneurs and they attract investors to this region.

For much of this region the amenity-driven growth mechanism predominates. That isn't to say that the commercial-driven mecha-

nism is irrelevant. Not at all. It is just that that's the reality in this region today. We also have 20 or 30 years of evidence that indicates that the amenity-driven mechanism has increased in importance, not just in this region but throughout the United States and is likely to do so.

We also have experience in the commercial sector. A very natural characteristic of the commercial sector that investments in technology and other factors over time diminish the ability of those sectors to generate new jobs for any given unit of the national forest. So we see that the number of jobs per million board feet of log has diminished over time.

We see that large mills across this region and in Canada have replaced the many numerous small mills that used to be in rural communities. Part of what that means is that any program designed to increase logging and generate timber-related jobs in small communities has a very steep uphill road to climb.

The third factor that I hope you pay attention to is that because of the complexity of this relationship there are necessarily trade-offs. Any action to generate jobs or new incomes for one group or for one set of communities or for one industry almost certainly will diminish the jobs and the incomes for another group.

For example, we've learned in this region at a hard cost that activities in the uplands, in the head waters, that result in sediment coming down in the streams increases the cost of communities. Businesses and households pay to remove that sediment downstream, and in effect that reduces the amount of money that businesses can invest to generate new jobs downstream. We also know that the impacts of sediment and other impacts on water quality eliminate jobs in the fishing industry all the way down to the coast.

I'm very pleased to have heard the two people who preceded me talk about the importance of restoration and the challenge of restoration. One of the leaders in restoration in the State of Oregon commented very recently to me that a useful way to think about this is that the national forests in many respects are like Humpty Dumpty: Once it's broke, it's really very hard to put back together again.

What that means is that these trade-offs persist not just across one group to another group but also over time. Short-run decisions for short-run gain can have very long lasting effects not just on the ability of the national forests to generate goods and services, their ability to generate jobs, but can in fact impose a cost, in effect a tax on future generations.

Thank you very much.

The CHAIRMAN. Thank you very much, Mr. Niemi.

[The prepared statement of Mr. Niemi follows:]

Statement of Ernie Niemi, Senior Economist, ECONorthwest, Eugene, Oregon

I. Introduction and Summary

My name is Ernie Niemi. I am testifying on my own behalf before the Subcommittee.

For more three decades I have analyzed the relationship between federal forests and the economy of the Pacific Northwest, as a Senior Economist with ECONorthwest, the oldest and largest independent economic consulting firm in the Pacific Northwest. I live and work in Eugene, Oregon, but have conducted economic

research on natural resource management issues throughout the United States and in other countries.

I encourage the Subcommittee, when considering the effects of federal forest policy, to consider the diverse nature of the relationship between federal forests and the economy of Oregon and Washington. In particular:

1. This region's federal forests produce many valuable goods and services that make important contributions to the economic well-being of workers and families, to the productivity of businesses, and to the economic outlook of communities, both rural and urban. These goods and services include wood fiber for the wood-products industry, clean water for communities, mitigation of potential flood damage for downstream property owners, habitat for fish and wildlife, recreational opportunities, the sequestration of carbon from the atmosphere, and many more.
2. This region's federal forests also generate jobs and incomes in many different ways. Not just through the production of products, such as logs for the timber and bio-energy industries, but also through the production of services, such as delivering clean water that lowers the cost of living and doing business in the region, recreational opportunities that support jobs in the tourism industry, and scenic amenities that attract productive workers, entrepreneurs, and investors.
3. Any policies regarding the management of the region's federal forests will have both positive and negative effects on the economy. With a change in policy, some residents of Oregon and Washington will see their economic welfare and job opportunities increase, others will experience a decrease.

All these dimensions of the relationship between this region's federal forests and its economy must be fully accounted for before one can reasonably conclude that the existing forest-management policies have failed, or succeeded. Similarly, all of these dimensions must be considered before concluding that new policies would, on balance, enhance or diminish the federal forests' contribution to the Pacific Northwest's economy.

II. Federal Forests Provide Many Economically Important Goods and Services

From an economic perspective, the Pacific Northwest's federal forests are important not in and of themselves but because they provide goods and services that increase the quality of life for the region's residents and visitors. The list of these goods and services is long and growing, as ecological scientists learn more about the inner workings of the federal forests and people learn more about how they derive benefits from them. Figure 1 provides an illustrative list. Consistent with widely accepted professional standards, this list includes a broad suite of goods and services, including those whose value comes from direct use of forest resources, such as logging, indirect use, such as purification of stream water, or non-use, such as occurs when people are willing to pay to protect forest characteristics for future generations (USEPA 2000, National Research Council 2004, USEPA 2009). The list may expand or contract depending on the results of future research and changes in human preferences.

A product from a forest is considered an economically important good or service only if humans derive a benefits from it and have a demand for it. Throughout this discussion, I recognize that humans are part of the forest ecosystem: they affect the amount of natural capital in federal forests, the workings of forest processes, and, hence, its ability to provide a set of goods and services.

Figures 2, 3, and 4 illustrate some of the goods and services provided by this region's federal forests. Figure 2 shows the extent to which all forests are currently protecting areas important to the supply of drinking water. The most intense areas in Oregon and Washington are located on federal forests. Forest cover can explain 50 percent of differences in water-treatment costs for ommunities in forested versus nonforested watersheds, and, for every 10 percent increase in forest cover, treatment and chemical costs decrease by 20 percent, with these benefits maximized at 60 percent forest cover (The Trust for Public Land et al. 2002). The map in Figure 3 similarly shows that the greatest sequestration of carbon, represented by the amount of biomass also occurs on federal forests.

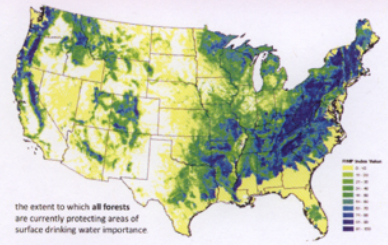
Figure 1. Illustrative List of Goods and Services Derived from Federal Forests

	Forest Processes	Examples of Goods and Services Produced
1	Production and regulation of water	Natural and human-built features of the forest capture precipitation; filter, retain, and store water; regulate levels and timing of runoff and stream flows; and influence drainage.
2	Formation & retention of soil	Forests accumulate organic matter, and prevent erosion to help maintain productivity of soils.
3	Regulation of atmosphere & climate	Forest biota produce oxygen, and help maintain good air quality and a favorable climate for human habitation, health, and cultivation.
4	Regulation of disturbances	Forest wetlands and reservoirs reduce economic flood damage by storing flood waters, reducing flood height, and slowing a flood's velocity.
5	Regulation of nutrients and pollution	Forest wetlands and riparian vegetation trap pollutants before they reach streams and aquifers; natural processes improve water quality by removing pollutants from streams.
6	Provision of habitat	Forest wetlands, riparian vegetation, streams, and reservoirs provide habitat for economically important fish and wildlife.
7	Food production	Forest biota convert solar energy into plants and animals edible by humans.
8	Production of raw materials	Forest biota generate materials for construction, fuel, and fodder; streams possess energy convertible to electricity.
9	Pollination	Insects facilitate pollination of economically important wild plants and agricultural crops.
10	Biological control	Forest-related birds and microorganisms control pests and diseases.
11	Production of genetic & medicinal resources	Genetic material in wild plants and animals provide potential basis for drugs and pharmaceuticals.
12	Production of ornamental resources	Products from forest-related plants and animals provide materials for handicraft, jewelry, worship, decoration, and souvenirs.
13	Production of aesthetic resources	Forest wetlands, riparian vegetation, streams, and reservoirs provide basis for enjoyment of scenery from roads, housing, parks, trails, etc.
14	Production of recreational resources	Forest scenery, streams, reservoirs, riparian vegetation, fish, waterfowl, and other wildlife provide basis for outdoor sports, eco-tourism, etc.
15	Production of spiritual, historic, cultural, and artistic resources	Landscapes serve as basis for spiritual renewal, focus of folklore, symbols of group identity, motif for advertising, etc.
16	Production of scientific and educational resources	Forest wetlands, riparian vegetation, streams, and reservoirs provide inputs for research and focus for on-site education.

Source: Adapted by ECONorthwest from various sources.

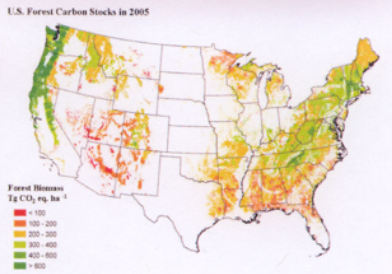
communities in forested versus nonforested watersheds, and, for every 10 percent increase in

Figure 2. Federal Forests Provide Protection for Drinking Water in the Pacific Northwest



Source: Todd and Weidner (2010).

Figure 3. Federal Forests Exhibit the Highest Carbon Stocks



Source: Stein et al. (2009).

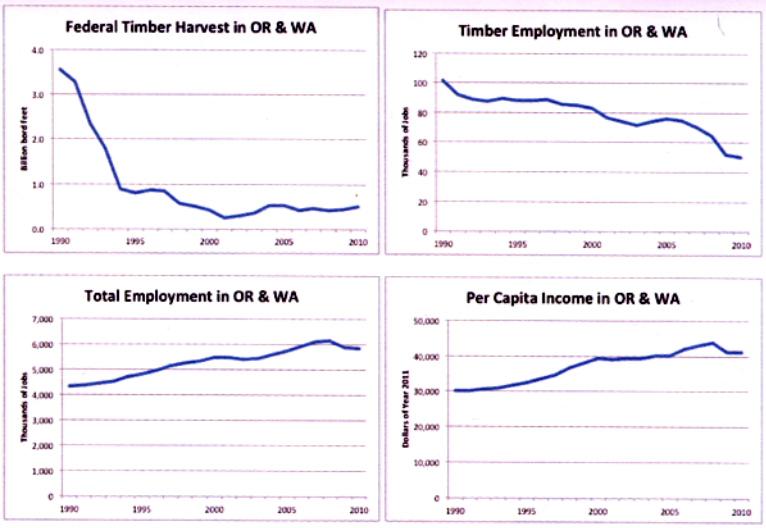
The federal forests of this region cannot be managed to increase the output of all goods and services at the same time. Increasing the output of one set will decrease the output of another. A change in management policies for the region's federal forests would improve the economic well-being of current and future generations only if it would increase the net economic value of all the different types of goods and services produced by the forests on a sustained basis. When weighing the potential change in the net economic value, it is important to consider all the different ways

in which society imputes a value to forest goods and services: through direct use, indirect use, and non-use.

III. Federal Forests Generate Jobs and Income in Different Ways

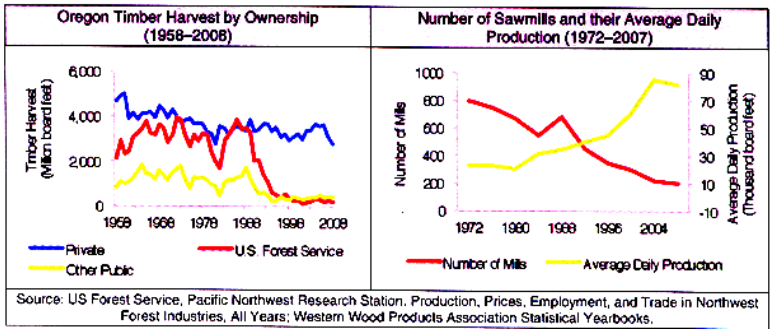
Many residents of this region can remember when federal forests generated jobs primarily through the timber industry. Logging and milling operations provided jobs for workers and supported communities, large and small, dispersed throughout the region. The implementation of the Northwest Forest Plan was accompanied by widespread fear that not just jobs and incomes in the timber industry but the overall the overall regional economy would collapse. The collapse never occurred. Figure 4 shows that, although the amount of timber harvested from federal lands in Oregon and Washington fell by about 90 percent in the 1990s, overall employment in the timber industry declined by only about 30 percent, while total employment and per capita income increased by about one-third. These trends have continued. They strongly suggest that future logging on federal forests will generate fewer jobs and lower incomes, and have less of an impact on the overall economy than in the past. This conclusion applies especially to small, rural communities. Figure 5 shows that the timber industry has shifted away from a large number of relatively small sawmills dispersed across the region to a smaller number of mills capable of processing large volumes of timber.

Figure 4. Changes in Federal Log Harvest, Timber-Industry Employment, Total Employment, and Per-Capita Income, Oregon and Washington



Source: ECONorthwest, with data from Oregon Department of Forestry (2011), Washington Department of Natural Resources (2011), and Bureau of Economic Analysis (2012).

Figure 5. Historical Characteristics of Oregon's Timber Industry



Source: US Forest Service, Pacific Northwest Research Station. Production, Prices, Employment, and Trade in Northwest Forest Industries, All Years; Western Wood Products Association Statistical Yearbooks.

In today's economy, federal forests generate jobs and income primarily by providing recreational opportunities and other amenities that attract workers, families, entrepreneurs, and investors. The overall economic power of amenities, of all types, is indicated by the findings of research on differences in job growth among the 50 states to distinguish between the two growth processes (Partridge and Rickman 2003). The researchers concluded that industry-driven and amenity-drive growth have roughly the same impact on job growth. This finding indicates, at a minimum, that federal forests may have a greater influence on jobs and income through their amenities and their influence on household-location decisions rather than through the production of logs. This expectation is reinforced by research showing that communities close to undeveloped public lands have experienced faster population growth than those lacking these amenities. (Power et al. 2001 and Kim et al. 2005).

Federal forest generate some jobs and income through direct consumption of recreational amenities. In Oregon, in 2006, the last year for which these data are available, outdoor recreation accounted for 73,000 jobs, $310 million in state tax revenue, and sales that represented 3.4 percent of the state GDP (Outdoor Industry Foundation 2006a). During the same year, the outdoor recreation industry created 115,000 jobs in Washington, $650 million in state tax revenue, and sales that accounted for 3.5 percent of the state GDP (Outdoor Industry Foundation 2006b). Much of this recreation occurred on or was dependent on federal forest lands.

Restoration of ecosystems damaged by past management of federal forests also can generate significant jobs and income. For example, a recent report shows that, for every $1 million invested in restoration projects, 15.7–23.8 jobs are created in Oregon directly and indirectly, with average payroll costs per worker ranging between $31,000 and $55,000 annually (Nielsen-Pinkus and Moseley 2010). The total economic output of the same $1 million investment ranges between $2.2 million and $2.5 million. The reason for the high multiplier effects of investments in forest and watershed restoration projects is that 95–99.5 percent of the initial investment goes towards hiring Oregon-based businesses for contracted work. The indirect impacts on the state's economic output from these types of projects range between about $735,000 and $985,000 for every $1 million spent on restoration.

IV. Any Change in Federal Forest Policy Will have Both Positive and Negative Impacts on the Economy

The demands for goods and services produced by this region's federal forests far exceed the supply. As a consequence, competition—for resources, land-uses, goods, and services—is an essential characteristic of the relationship between federal forests and the Pacific Northwest's economy (Niemi and Whitelaw 1999).

Some of this competition occurs over short time periods. Changes in the amount of logging on federal lands, for example, might alter the price of logs in the regional log market, and induce off-setting effects on logging on other lands. A marked increase in federal log production, for example, might depress log prices so that private landowners receive less for the logs they sell to the market. Or, if activities on federal lands that are the headwaters for municipal water supplies result in higher levels of sediment in the water, the businesses and households will incur additional costs to remove it. This added cost can reduce the funds businesses have available for new investment and force households to reduce their local spending, resulting in further reduction in business investment.

Many of the overall effects on the regional economy of changes in the competition for federal forests play out over longer time periods. Past experience suggests that using federal lands as a source of logs for the timber industry will continue to exhibit a declining ability to generate increases in jobs and incomes, while using these lands as a source of amenities attractive to workers, entrepreneurs, and investors will continue to exhibit a rising ability to generate economic growth. Actions today that increase the supply of logs but reduce the attractiveness of amenities thus can have an overall negative effect on economic growth for decades, an effect that may intensify over time.

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The CHAIRMAN. Next we'll call on Mr. Kelly Kreps of Kreps Ranch, LLC.

Mr. Kreps, you're recognized.

STATEMENT OF KELLY KREPS, KREPS RANCH, LLC, WHITE SALMON, WASHINGTON

Mr. KREPS. Thank you, Congressman Hastings.

The CHAIRMAN. Pull the microphone closer to you, please. Speak right into it.

Mr. KREPS. Thank you, Congressman Hastings and Representative Herrera Beutler for this opportunity to share how the Northern Spotted Owl designation has affected my family. The Kreps family homesteaded in Western Klickitat County in the State of Washington in——

The CHAIRMAN. Bring it closer and tilt it up if you can. There you go. Thank you very much.

Mr. KREPS. They started as a cattle ranch with 160 acres. Today my two brothers and I run 6,400 acre cattle and timber ranch. Besides the three of us, we have two full-time employees and also use some seasonal help.

We started actively logging in 1989. In 1990 we were hearing about the Northern Spotted Owl, but this did not concern us because he liked old-growth forests on the west side of the Cascades according to the biologists. Our timber was second growth with some pre-merchantable stands. Besides, Federal recommendations limited harvests on private property to 70 acres adjacent to the owl nest during the mating season.

The problem with the Endangered Species Act is that special interest groups in liberal states like Washington have a lot of power, so the State of Washington now tries to maintain 2,500 acres of habitat for each owl nest site. With these circumstances, by 1992 we had 400 acres restricted for owl habitat. I wrote a letter to the Washington Forest Practice Board at that time suggesting that the property be leased by the state or Federal government, whomever was responsible for implementing the owl recovery on private property.

Currently we have approximately 550 acres of timberland restricted for Spotted Owl habitat. We are small forest landowners with 3,200 total acres of timber. Only about 1,600 acres of this would be prime timbered ground which has good slope, good soils. The proposed new Critical Habitat Listing would restrict an additional 660 acres of our timberland. If this does not affect—if this does take affect, we would then have 1,210 acres of timberland reserved for owl habitat that we would then be maintaining for a public resource. 800 acres are part of our prime timberland.

With the potential loss of this additional timber base, we as a business would most likely have to lay off both of our employees, but not only will two of our full-time employees be affected, this also has a trickle-down effect. We do our on logging, except we hire mechanical felling and we get independent log haulers to ship our trees to the mills.

When we harvest less timber, we buy fewer seedlings to plant. With fewer acres to harvest, we need less equipment or need to upgrade it less often. We were strongly urged by a logger and friend in 1992 to clear cut or at least cut below habitat standards all of our timberland that was not affected by owls at that time. We chose not to because that is management from fear and not best management practices, which we have tried to do on our ranch for over 125 years.

However, with the current proposal, I feel anyone that does not manage their land so that the Endangered Species Act or any other bureaucratic policy that may inhibit them is probably a fool. This type of condemnation without compensation should be illegal. If a

public resource is to be protected by private property owners, then the public should have to lease their resources.

This not only affects jobs but it affects livelihoods that have been passed down through generations. We are part of the few which still use and grow natural resources as a way of life. My brothers and I hope that our children, the sixth generation of Kreps, will be able to follow in our footsteps.

With the continuing squeeze on private property owners to protect public resources as deemed by a specialist, it can be crippling. If every person in the United States had to donate $10 for every $100 they spent to protect public resources on private property, I think there would be a lot less regulations and habitat protected on private lands. Perhaps the public would prefer protecting those resources on the lands they currently have.

Thank you.

The CHAIRMAN. Thank you very much, Mr. Kreps.

[The prepared statement of Mr. Kreps follows:]

Statement of Kelly Kreps, Kreps Ranch LLC, White Salmon, Washington

The Kreps family homesteaded in Western Klickitat County in the State of Washington in 1883. They started as a cattle ranch with 160 acres. Today, my two brothers and I run the 6400 + acre cattle and timber ranch. Besides the three of us, we have two full time employees and also use some seasonal help.

We started actively logging in 1989. In 1990 we were hearing about the Northern Spotted Owl, but this did not concern us much because he liked old growth forests on the other side of the Cascade Range (west side) according to the biologists. Our timber was second growth with some pre-merchantable stands. Besides, federal guidelines limited harvests on private property of the 70 acres adjacent to the owl nest during the mating season.

The problem with the endangered species act is that special interest groups in a liberal State like Washington have a lot of power and so the State of Washington now tries to maintain 2500 acres of habitat for each owl nest site. With these circumstances, by 1992 we had about 400 acres restricted for owl habitat. I wrote a letter to the Washington Forest Practice Board at that time suggesting that the property be leased by the State or Federal government, whomever was responsible for implementing the owl recovery on private property (attachment A). I did receive a phone call (unofficial) sometime later, and the person told me that if the State paid what I suggested to every private property owner who was maintaining owl habitat, the dollar value would break the State.

Currently we have approximately 550 acres of timberland restricted for spotted owl habitat. This has grown since 1992 mostly because the State of Washington has a statewide HCP (Habitat Conservation Plan) and that enables them to harvest timber that is habitat in one owl circle because they have property somewhere else in the State that now can be considered habitat and that leaves the burden of habitat back to the private property owners.

We are small forest land owners with 3200 total acres of timber. Only about 1600 acres of this would be prime timbered ground (good soil, mild slope, etc.). The proposed new Federal Critical Habitat listing would restrict an additional 660 acres of our timberland. If this does take effect we would then have 1210 acres of timberland reserved for owl habitat that we would then be maintaining for a public resource. Eight hundred acres are part of our prime timberland.

With the potential loss of this additional timber base, we as a business will most likely have to lay off both of our employees. Our timber is our primary source of income and has subsidized our cattle operation 8 of the last 10 years. Not only will two of our full time employees be affected, but this has a trickledown effect. We do our own logging except we hire mechanical felling and we get independent log haulers to ship our trees to the mills. When we harvest less timber, we buy fewer seedlings to replant. With fewer acres to harvest, we don't need to upgrade equipment as often.

We were strongly urged by a logger and friend in 1992 to clear cut or at least cut below habitat standards all of our timberland that was not affected by the owls at that time. We chose not, because that is management from fear and not best management practices which we have tried to do on our ranch for over 125 years.

However, with the current proposal I feel that anyone that does not manage their land so that the ESA or any other bureaucratic policy that many inhibit them is probably a fool. This type of condemnation without compensation should be illegal. If a public resource is to be protected by private property owners, then the public should have to lease these resources. This not only affects jobs, but it affects lively hoods that have been passed down through generations. We are part of the few, which still use and grow our natural resources as a way of life. My brothers and I hope that our children, the 6th generation of Kreps', will be able to follow in our footsteps. With the continuing squeeze on private property owners to protect public resources as deemed by a specialist, it can be crippling. If every person in the United States had to donate $10 for every $100 they spent to protect public resources on private property, I think there would be a lot less regulations and habitat protection on private lands. Perhaps the public would prefer protecting those resources on the lands they currently have.

Thank you for your consideration.

April 22, 1992

Washington Forest Practice Board,

I strongly urge you to consider the economic factor before listing any more species as an endangered species in the State of Washington. I feel any private property that would be or is affected by an endangered species that restricts its use, should be compensated by either the United States Government, State of Washington, or the Washington Department of Wildlife, whomever is responsible for its implementation.

The Kreps Ranch as of today has almost 400 acres restricted from logging by two pairs of Spotted Owls. This land has a dense stand of second-growth Douglas Fir. The trees need to be thinned now because they are too thick and cannot grow to their potential.

I have figured that we are loosing a minimum of $525.00 per acre per year of potential revenue on our spotted owl land. I came up with this figure by using the current log market, growth rate of thinned stands versus its current rate, and the lose of much needed grazing.

Before the State of Washington decides to list any more endangered species, they should figure out how they would be able to come up with the money to LEASE the private ground that they are and would be restricting the use of.

I suggest you make a bill that the people of this state could vote on in November to see whether they wish to include private property to help maintain endangered species habitat. If so, then an endangered species tax needs to be applied to all the people of this state to compensate the private land owner.

Kelly Kreps

Kelly L. Kreps

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The CHAIRMAN. And last we'll go to Mr. Tom Nelson, who is the Washington Timberland Manager for Sierra Pacific Industries.

Mr. Nelson, you're recognized for five minutes.

STATEMENT OF TOM NELSON, WASHINGTON TIMBERLAND MANAGER, SIERRA PACIFIC INDUSTRIES, MT. VERNON, WASHINGTON

Mr. NELSON. Thank you very much.

For the record, my name is Tom Nelson. I live about four miles north of here in a tiny community of Bayview, Washington, Skagit County. I'm here today to speak on behalf of Sierra Pacific Industries. We're here to urge the congressman and whoever else can help us to ask the U.S. Fish and Wildlife Service to abandon this plan for implementation of the current proposed critical habitat designation.

Our three main reasons for this are that, number one, the proposed critical habitat does not meet the definition of essential for the bird's survival. Number two, the economic effects of this action have not have been adequately analyzed and they would undoubtedly add to the ongoing deleterious effects currently being endured throughout the Pacific Northwest. And three, the proposed actions would inevitably be futile anyway since the Northern Spotted Owl's fate will largely be determined by the evolution of future populations and territories of the Barred Owl and how much habitat might being lost to forest fires, not by how much forest habitat is going to be set aside.

I'd like to expand on each of these briefly, though not to the extent I have in my submitted written testimony. Fist of all, critical habitat, at the time of the listing suitable habitat was deemed necessary for the recovery of this species and it consisted of large blocks of high-quality habitat, primarily old coniferous forest land.

As such, the recovery plan since 1990 has focused on setting aside large blocks of essential habitat and eliminating timber management altogether in these areas. After more than 20 years of locking up type of land and nearly a total devastation of our industry within a lot of these communities, it appears this was not really the right answer.

Spotted Owl numbers have continued to decline in spite of these sweeping changes. We now have fewer owls than we did in 1990 in spite of all of this and we've dedicated more than 21 million acres of Federal forest land to the Northern Spotted Owl and yet the Fish and Wildlife Service most recently studied that the population has declined by an average of 2.8 percent per year since 1995. This simply hasn't worked.

Number two, the economic effect, I won't dwell on them because a lot of the previous speakers have covered it, but I would like to add that many of us pleaded back in 1990 that perhaps the Northern Spotted Owl is not really so dependent on old growth forest for its survival as some would have us believe. Perhaps we should be more certain of our predictions before we impact an entire generation of people within our region, but yet, the proposal before us now is to essentially double down on this same risky theory and set aside even more productive timber as owl habitat. That seems like a really bad idea to us.

The last reason is the Spotted Owl competition and displacement. We now know that competition from Barred Owls is a significant threat to the continued existence of Northern Spotted Owl. This is something we didn't know back in 1990. We also know that

both Barred Owls and Spotted Owls select very similar habitat for breeding, feeding and shelter. Given this, does it really make sense to set aside even more essential habitat for Spotted Owls before we figure out how to deal with the threatening cousin, the Barred Owl, and I'm not talking about a 12-gauge shotgun.

I'd like to summarize briefly. The current theory that we must designate massive chunks of Federal timberland in order to save the Spotted Owl seems to be, at best, highly questionable. It has not worked for the past 20 years. Why should it work now? Moreover, even if you expect it to change course and begin to increase these populations immediately, we've never closely looked at the severe economic conditions that the previous listings caused. Shouldn't we review this carefully before we compound these effects?

And finally, aren't we simply trying to interject our own personal values in this case by trying to override evolution and natural selection? Given what we have learned since the listing of the Northern Spotted Owl in 1990, any objective review of these events would have to conclude that the Northern Spotted Owl is going extinct. Regardless of how much forest land we set aside for preservation, Barred Owls appear to be replacing them at a fairly rapid rate.

The sensible approach would be to reject the proposal for more set asides of essential habitat until and unless the U.S. Fish and Wildlife Service can actually demonstrate how this habitat will reverse the Spotted Owl's decline and that an adequate Barred Owl control program has been implemented. Unless we look at all the variables in this complicated equation, the answer will always be incorrect.

Thank you.

The CHAIRMAN. Thank you very much, Mr. Nelson.

[The prepared statement of Mr. Nelson follows:]

Statement of Tom Nelson, Washington Timberlands Manager, Sierra Pacific Industries

Background

SPI is a 3rd generation, family-owned and operated business with (3) manufacturing facilities, (2) biomass cogeneration facilities and over 217,000 acres of working forestland in Washington state. We employ nearly 600 crewmembers at these facilities and we are, historically, one of the top three purchasers of State Trust timber sales. We also own more than 438,000 acres of timberland in northern California that lie within the range of the northern spotted owl and operate an additional 10 sawmills and millwork plants within this region that employ more than 2900 employees. We are here today to urge you to direct the US Fish and Wildlife Service (USFWS) to abandon their plans for implementation of the current proposed "Critical Habitat" designation for the northern spotted owls. Our primary reasons for this request are that:

1. the proposed critical habitat does not meet the definition of "essential" for this bird's survival,
2. the economic effects of this action have not been adequately analyzed and would undoubtedly add to the ongoing deleterious effects currently being endured throughout the Pacific Northwest, and
3. the proposed actions would inevitably be futile anyway, since the northern spotted owl's fate will largely be determined by the evolution of future populations and territories of the barred owl, and how much habitat will be lost to forest fires, not how much forest habitat is set aside by this proposed action for the northern spotted owl.

As noted in the Federal Register for this proposed action, the original rationale for listing the northern spotted owl (NSO) as threatened under the Endangered Spe-

cies Act (ESA) was a widespread loss of its old growth forest habitat and a declining population (55 FR 26114, June 26,1990). This resulted in an 85% reduction in historic timber sale levels from Federal lands, the closure of hundreds of mills, the loss of thousands of family wage jobs and the virtual elimination of generated timber receipts to pay for county governments.

Critical Habitat

Critical habitat is defined within the Endangered Species Act (ESA) as that which is "essential to the conservation and recovery" of the owl. At the time of listing, suitable habitat that was deemed necessary for recovery of this species consisted of large blocks of suitable, high-quality habitat—primarily old-growth coniferous forest land. As such, the recovery plans for the NSO since 1990 have primarily focused on setting aside large, contiguous areas as essential habitat for the NSO (and eliminating timber management altogether in these areas). After more than 20 years of locking up public timber land as owl habitat—and nearly total devastation of the timber industry within one of the world's richest timber-growing regions—it now appears that this was not the right answer. Spotted owl numbers have continued to decline, in spite of these sweeping changes to the culture and infrastructure of the Pacific Northwest. We have fewer owls now than we did in 1990 despite effectively dedicating much of the 21 million acres of Federal land to the NSO.

It is also impossible to determine what habitat is "essential" to the conservation and recovery of the owl when the USFWS lacks reliable information on how many northern spotted owls are alive today and where they are located. In fact, very little monitoring has taken place since the early 1990's. The limited population trend estimates and owl site data that is being relied upon results in significant errors. The USFWS' most recent studies claim that the population has declined by 2.8% per year since 1985. This critical habitat designation is based upon data for 3,439 owl pair sites. Taking into account the 2.8% annual population decline this would mean that there were over 6,300 owl pairs in 1990, which is over three times the 2,000 reported in the 1990 listing document. If there actually were 2,000 owl pairs in 1990 and if the population has declined by 2.8% annually, then there would be only 1,071 remaining. How can the public have any confidence in this 13 million acre critical habitat designation with this type of uncertainty?

Economic Effects

The economic effects brought on by this listing have been catastrophic to the rural communities within this region. The annual amount of Federal timber being harvested has dropped by 85% since the listing, demands for public assistance are up sharply, and entire communities have fallen into a state of deep economic recession as public timber (the lifeblood of many of these communities) was withdrawn for essential owl habitat—rather than sustainable timber management.

As many of us pleaded in 1990, perhaps the NSO is not really so dependent on old growth forests for its survival as some would have us believe. Perhaps we should be more certain of our predictions before we impact an entire generation of people within this region. And now the proposal before us is to "double down" on the same risky theory and set aside even more productive timber land as owl habitat?

Effects of Barred Owl Competition and Displacement, Forest Fires

Over the past 50–60 years, the barred owl (*Strix varia*) has expanded its range from the eastern US and Canada into western North America. The range of the barred owl now intermingles and overlaps that of the NSO in the western US, where they compete for habitat (and appear to be winning).

As the Service states in their recent announcement for this proposal, *"We now know that the suite of threats facing the northern spotted owl differs from those at the time it was listed; in addition to the effects of historical and ongoing habitat loss, the northern spotted owl faces a new, significant, and complex threat in the form of competition from the congeneric (referring to a member of the same genus) barred owl* (USFWS 2011, pp. I–7 to I–8). Emphasis added.

We now know that competition from barred owls (not a listed species) is a significant threat to the continued existence of northern spotted owls—something that was not considered or acknowledged at the time of listing in 1990. We also know that both barred owls and spotted owls select very similar habitat for breeding, feeding, and shelter. Given this, does it really make sense to set aside even more "essential habitat" for spotted owls before we figure out how to deal with their threatening cousins, the barred owl? Wouldn't this simply amount to more land precluded from sustainable forest management so that the barred owl can expand while the NSO continues to decline in numbers?

In addition, even if the barred owl threat were somehow solved, the additional threat of essential habitat loss due to forest fires is ignored (or, at best, grossly un-

derestimated) in this analysis. This is especially true in the Klamath province, central Cascade range, and eastside owl habitats. And, it is compounded in areas of these provinces where there is an ownership pattern dominated by "checkerboard" sections, a remnant of the original railroad land grants. Checkerboard blocks of owl habitat in private ownership will eventually fall victim to fires as non-management of adjacent Federal land continues—rampant fires will not adhere to property boundaries. The lack of forest management brought on by single species-focused management for the NSO has actually compounded the risk of catastrophic wildfires.

Summary

In short, the current theory that we must designate massive chunks of federal timber land in order to save the northern spotted owl seem to be highly questionable—it has not worked over the past 20 years, why should it work now? Moreover, even if you expect it to change course and begin to increase NSO populations immediately, we have never closely looked at the severe economic effects that the previous listing action caused—shouldn't we review this carefully before we compound these effects with even more land withdrawals in the name of the spotted owl?

And, finally, aren't we simply trying to interject our own personal values in this case by trying to "override" evolution and natural selection? Given what we have learned since the listing of the NSO in 1990, any objective review of these events would have to conclude that the northern spotted owl is going extinct—regardless of how much forest land we set aside for preservation. Barred owls appear to be replacing them at a fairly rapid rate.

The sensible approach would be to reject this proposal for more set asides as "essential habitat" for the northern spotted owl until, and unless, the USFWS can actually demonstrate how this habitat will reverse spotted owl declines and that an adequate barred owl control program has been implemented. Unless we look at all the variables in this complicated equation, the answer will always be incorrect.

Thank you for the opportunity to comment on this important issue.

The CHAIRMAN. That concludes our testimony, and I know I have a few questions and I'm sure that Mrs. Herrera Beutler has some questions. I do want to mention when I mention this is an official committee hearing that your input is welcome, and there are forms at the table at the back that I understand are pretty self-explanatory. If any member of the audience has comments, you're certainly welcome to pick up one of those forms and fill it out.

Let me start with just a couple of questions, and, frankly, after hearing the testimony, I'm not sure there's so much to start with, but Commissioner Pearce, let me ask you first, you mentioned in your testimony that about the time that the Spotted Owl was listed there were almost four times as many private jobs on the Gifford Pinchot than Forest Service jobs.

What would that ratio look like today in your estimation?

Mr. PEARCE. Well, the last time that I spoke with our Economic Development Commission, their estimate of jobs on the forest, private jobs on the forest, were less than 15 total, and to be honest with you, I don't know how may Forest Service folks work on the Gifford Pinchot. What I do know is that there's not a single office or ranger station in my county, and I don't believe any of them are actually on the forest any longer. I know that there are two people that report to work on the forest at the Land River Station from the Forest Service.

The CHAIRMAN. But the ratio certainly isn't four to one?

Mr. PEARCE. No, sir. It's much, much, much higher Forest Service to——

The CHAIRMAN. So it's reversed, Forest Service higher than private?

Mr. PEARCE. Absolutely.

The CHAIRMAN. That's the point.

Dr. Salwasser, the national forest in the Region 6 I understand are currently growing at an annual rate in excess of 9 billion board feet but they sold only about 550 million board feet, so what is going to happen with that ratio if it continues to the health of the forest and what sort of risks are associated with that imbalance that I just described?

Dr. SALWASSER. Congressman Hastings, that question might be a better question for Dr. Connaughton, who would know what's going to happen. I can give you the general story.

The CHAIRMAN. Well, give me the general and we'll ask Mr. Connaughton.

Dr. SALWASSER. The general story is, on the wetter west side forest they will simply accumulate the biomass on the land. Fire is very rare. Insects don't appear to be a major problem, with the exception of some invasive species. On the drier side, though, that amount of annual growth with no natural removal from fire, for example, or harvest makes those forest more vulnerable to drought stress, insects and fire.

The CHAIRMAN. Mr. Connaughton, would you respond to the question I had there with that imbalance of what the projected growth is as it relates to harvest?

Mr. CONNAUGHTON. Hal Salwasser's answer was a good answer. Desiccation of these forest will occur and then they can become vulnerable to recess. That's one of the reasons we prioritize our treatments where we do, particularly is to reduce the influence of fire that that might have an unfavorable effect on communities.

The CHAIRMAN. Mr. Connaughton, you mentioned treatments and you mentioned restoration. Harvest, is that part of the treatment and restoration?

Mr. CONNAUGHTON. Oh, yes. It's an essential element.

The CHAIRMAN. How much flexibility do you have to, say, increase harvest if the demand is there under current law?

Mr. CONNAUGHTON. Outside the range of the Northern Spotted Owl is we have——

The CHAIRMAN. Outside the range of the Northern Spotted Owl—Northern Spotted Owl makes up how much of the range percentage-wise.

Mr. CONNAUGHTON. Wild guess on my part is 60 percent.

The CHAIRMAN. 60 percent is off limits essentially then?

Mr. CONNAUGHTON. Not entirely off limits because the new recovery plan calls for greater flexibility for managing those forest that are vulnerable to fire.

The CHAIRMAN. And that flexibility, I assume—the reason I'm here rubbing you is because I want to—the thought comes. And that flexibility, I assume, is subject to lawsuit.

Is that correct?

Mr. CONNAUGHTON. Yes.

The CHAIRMAN. That's subject to lawsuit under the Endangered Species Act; is that correct?

Mr. CONNAUGHTON. And several other acts.

The CHAIRMAN. OK. That brings me then to another observation that, Mr. Friedman, I congratulate you for saying that in your past for self—I don't know if I should say self, but for full disclosure,

but you suggested, at least I got you suggested that collaboration is the new mantra rather than litigation.

Is that correct?

Mr. FRIEDMAN. Yeah, I think that shows up in the record.

The CHAIRMAN. With that in mind, Hal, is it correct that you have filed five lawsuits, you and your organization in the last five years regarding that?

Dr. SALWASSER. Sure, but that's a substantial decrease from the past.

The CHAIRMAN. It's still five, however, right? OK. Well, I mean, in other words, a city could conclude, well, OK that's in the past, but my goodness, if we start harvesting, that five could increase. Could it increase?

Dr. SALWASSER. Yeah, but those lawsuits aren't necessarily related to timber harvest. For instance——

The CHAIRMAN. Well, I'm talking about timber harvest.

Dr. SALWASSER. Then it's not an accurate statement. Those five lawsuits are more general than just those related to——

The CHAIRMAN. They're related to the Endangered Species Act, though, aren't they?

Ms. HERRERA BEUTLER. Sure.

The CHAIRMAN. Well, my time has expired, and I'll recognize the gentlelady from Washington, as we say in the other Washington.

Ms. HERRERA BEUTLER. Thank you, Mr. Chairman. I'm going to speak fast. I might have to cut some of you all off because I have many questions—I have more questions to ask than we probably have time.

But, you know, I am going to start with following along the Chairman's line for Mr. Connaughton. One of the things he was saying I think is very important and I want wanted to bring up the Wild Cats Sale. A recent lawsuit involving Wild Cats Sale on the Gifford Pinchot was ruled in favor of the U.S. Forest Service on all points, but the agency failed to defend the sale when an appeal was filed and instead negotiated with the plaintiff. This resulted in a substantial reduction of harvest. I believe we got down to about 3 million board feet. It was substantial.

Why didn't the agency defend this? If you're talking about areas where we could potentially harvest, that could be part of restoring the forest.

Mr. CONNAUGHTON. First, it's my knowledge that the Wild Cat Sale is limited, so I don't have a specific answer.

Ms. HERRERA BEUTLER. It's the only sale that I think we were talking about in the Gifford Pinchot in our region for several years. I mean, it's like the only one.

Dr. SALWASSER. The appeal is instructive because during the appeal period there is an expectation that the Forest Service and other Federal agencies will enter into a negotiation with the appellant. If we find common ground that there is a grounds for concern over one of the Federal laws being either broken or in some way or another discharged, we make a change.

Ms. HERRERA BEUTLER. But it was ruled—you were ruled in favor of on all points, so that yes, there's always going to be someone who throws rocks, but as far the courts were concerned, the

Forest Service was right with the first sale we were going to have, in my knowledge, in a long time, and you all backed away.

Is that going to be your approach when it comes to managing the non-set-aside land where it's appropriate, where it's not within owls circles, where it's not environmentally sensitive? You're not even going to push forward on those areas?

Mr. CONNAUGHTON. Our intent is to very much obey the law, and that is in the eye of multiple participants.

Ms. HERRERA BEUTLER. But in the issue of a court case, the eye of the law should be, I would assume, the judicial review.

Mr. CONNAUGHTON. Certainly.

Ms. HERRERA BEUTLER. So moving forward, my office has been informed—and this is also to Mr. Connaughton—my office has been informed that biologists within your own agency are raising the alarm because of the rapid decline of species dependent upon young forest growth. You know, one of the panels is talking about a 2.8 percent per year decline in Spotted Owls, but another panelist, Mr. Mealey, spoke to the decline of other species, I think about elk and deer who need some of that foraging habitat. You know they're starving and unable to produce and take care of their offspring.

Do you believe that the management of our forest for a single species has been beneficial for the health of our forests and the multiple species of wildlife within them?

Mr. CONNAUGHTON. I think that's a very questionable approach, because I think that we've learned that the conservation of species occurs at best landscape scales and therefore doing one species at a time ends up as being a logical outcome in terms of public policy, nobly motivated, but the execution becomes exceptionally——

Ms. HERRERA BEUTLER. So with that, having basically admitted that no, managing for one species hasn't necessarily proven beneficial for all species or the overall health of the forest, why then would you double down on an expanded critical habitat taking basically more private forest land if you're admitting that that species has not done well for the health of the owl, forest or the species?

Mr. CONNAUGHTON. Well, first, it's Fish and Wildlife Service's obligation to designate critical habitat. The coordination we have on that is what can the Federal estate bring to that obligation that they have? If in their determination that that's an appropriate thing to do even though the population has declined by 40 percent, and that also protects some other owner. If you have restrictions Federally, then you don't need to impose them elsewhere.

Ms. HERRERA BEUTLER. So then you don't support what U.S. Fish and Wildlife is doing then? The Forest Service does not support that expansion?

Mr. CONNAUGHTON. Oh, no. We're with the Fish and Wildlife. We understand the law they need to apply, too.

Ms. HERRERA BEUTLER. So you, the Forest Service, support the expansion of the critical habitat even though you just admitted that it doesn't necessarily protect the Spotted Owl?

Mr. CONNAUGHTON. The critical habitat obligation is theirs and definitely we have been part of those negotiations.

Ms. HERRERA BEUTLER. So I understand that to be yes.

I'm going to switch over to Dr. Salwasser. I'm so sorry if I'm saying that wrong. Unfortunately some people who see this hearing,

and may even be here today, they'll see it as an attack on the Spotted Owl. That is not the case. There is a thought that preserving as much old growth habitat as possible is the only way to help the owl. Although, it sounds like we're hearing different even from our regional forester. It appears to me that over the last 20 years of this type of management hasn't necessarily helped the owl, considering that the numbers do continue to drop.

If you were to propose a plan to save the Spotted Owl, would this be it? And if not, how you would change it?

Dr. SALWASSER. Congresswoman, you have posed a very difficult question for me as a wildlife biologist. I support the Endangered Species Act whose purpose was to preserve ecosystems and the species that depend on them. I do not support plans to save a single species. I am more concerned about the resiliency, diversity and productivity of ecosystems at a landscape scale to provide the environmental, economic and social benefits that we need from our forest lands.

Ms. HERRERA BEUTLER. Very good. Thank you.

The CHAIRMAN. Second round.

Ms. HERRERA BEUTLER. We'll have to do the second round.

The CHAIRMAN. Well, let me ask—Mr. Fox, let me ask you a question here. As you know, President Obama has directed the Department of Interior to come up with an economic analysis of the spotted oil critical habitat that's due very shortly.

This is not a clear question, but as this is being developed, what do you think needs to be in there to accurately reflect the impact on private timber owners and others? In other words, we may have a report. We don't know what's going to be in it, but if there's something missing or added, give me your—what do you think needs to be in that plan?

Mr. FOX. Well, I think that what I spoke about, which was Section 10 of the USA, and I think we need to get a true implementation of that and make it available for private forest landowners to get a habitat conservation plan, thereby creating an incentive for them to continue to be in forestry and to create the species habitats that we need. Otherwise, folks are not going to invest in private forest land. They're being scared. They're managing by fear and they are not going to continue to do this. We're not going to get what we need at the end of the day. In other words——

The CHAIRMAN. Let me try to put it in kind of layman's terms. If there is not something in this plan that provides some certainty that can be counted on, then the report would be inadequate?

Mr. FOX. That's correct.

The CHAIRMAN. That's correct, OK.

Mr. Nelson, you're in the commercial business and you heard my observation that I thought that public lands should be multiple purposes. The Forest Service has recently claimed that there is insufficient demand for timber sales, thus leading to reduced harvest and so forth.

Would Sierra Pacific be interested in purchasing more Federal timber in your marketing area if it were offered.

Mr. NELSON. That's an easy one. Yes.

The CHAIRMAN. I thought it would be an easy one, but I thought it would be good to have it on the record because we hear so much about different economies and so forth.

Mr. NELSON. If I could expand upon the "yes." Our company expanded into Washington six or seven years ago and we expanded out of California. We own 1.7 million acres down there. We expanded largely because of the public timber supply stability in the State of Washington, but it wasn't from the U.S. Forest Service. It's from the DNR.

The CHAIRMAN. Were you part of the Quincy Library Agreement?

Mr. NELSON. Yes, I was one of the original three.

The CHAIRMAN. You painfully understood how that broke down. Now, what you just made an observation on is important, so I want to ask you, Region 6 of the Forest Service has in excess of 50 million acres of forest land and yet they sold—what came off those lands were around 575 in million board feet. In contrast, Washington State DNR has little over 2 million acres. That's 52 million compared to 2 million acres yet they sold 550 million board feet.

How could there be such a discrepancy on that?

Mr. NELSON. A couple of reasons: First of all, the DNR—I wanted to add to that. The DNR also has in place a HC2, a Habitat Conservation Plan. They have a plan that covers all of us that own private land for aquatic species, largely fish. They have their own plan that covers Spotted Owls and other species as well as fish, so they not only have the stability of the Timber Sale Program, but they have the stability of these Federal assurances.

I think the real reason that the state is doing that and not so much the feds, my own opinion, is that the state has it in trust. There are some very tight restrictions. They must manage their lands for the beneficiary of the trust but to be with inside all of the environmental regulations.

The Forest Service on the other hand has about umpteen conflicting and overlapping rules, regulations, policies, et cetera, that are all geared toward not doing stuff. That's basically what they do, and so there's a different approach to it entirely between the state and the Federal implements.

The CHAIRMAN. Would that be part of the reason why the yield on state lands is over $300 per thousand board feet and yet on Forest Service lands it's less than $50 per thousand board feet? Would you say that would be a reason for that?

Mr. NELSON. Yes, I would, and in addition to that, the overhead is codified by the state legislature of Washington, so they can only have 30 percent overhead to do something. The Forest Service is kind of a blank check.

The CHAIRMAN. So let me ask you this—I just asked Dr. Fox what should be in that plan.

Is it fair to say that you as a commercial operator have more certainty dealing with state lands than you do with Federal lands?

Mr. NELSON. Yes.

The CHAIRMAN. That is affirmative. OK. My time has run out. I'll recognize the gentlelady from Washington.

Ms. HERRERA BEUTLER. Thank you. We're kind of coming up to what I think a big part of the reason we're here. We also want to talk about the impacts it has on jobs and the economy. We're talk-

ing about small forest landowners. We're talking about timber and forest management companies. That has an impact on our counties and our communities locally, which is one of the reasons I wanted to raise a question to you, Commissioner, with regard to tax receipts, and specifically will you please go into detail about the amount of Federal dollars the county or counties who are timber dependent receive through Secure Rural Schools and PILT, and with both of those set to expire, how would you like to see those programs addressed in lieu of this conversation?

Mr. PEARCE. Well, the Secure Rural Schools was based on actual timber harvest between 1986 and 1996, the three highest years' average, and that began in 2000, following the Owl Guaranteed Payment. That, of course, ramped down in the last four years. That was part of the agreement in Congress. And so my county, as just an example, is 5 and a half million a year.

Now, during logging, back in 1990, we made $7 million in actually receipts. '91 we made 7 million. So we actually went down significantly with these payments. Last year the payment was 1.8 million. Our DNR receipts are county by county. We happened to be in the HCP, one of the counties hardest hit by the Spotted Owl. I know that comes as a surprise. But the state has actually begun a program to buy that land which is encumbered and to pay the county for the timber value, so our legislature, our Governor and the commissioner have recognized that those trust monies are very important to us and they developed a program to buy those lands. The schools are absolutely dependent on it. It's how they construct schools in this state.

Ms. HERRERA BEUTLER. I think it's important for folks to realize and believe this is the case, we're not talking about—I think in certain agencies in certain areas even in Washington, D.C., and central planning offices, I don't think there's an understanding of there was a good faith trade made here between the county and the Forest Service. The counties are not asking for welfare payment. This is not something for nothing. This was a trade. When 90-plus percent of the county is completely off limits, it makes it difficult for counties to have economic viability to pay for school districts and fire, so on and so forth, and I believe this is the situation that Skamania is in.

Mr. PEARCE. Well, yes, ma'am. The fact is in 1908 with the Federal Forest Act, the reality is there was an agreement between—and it specifically was between counties and the Federal government, and that agreement was that to begin with we would get ten cents of every dollar it received. Of course that went to 25 cents.

The fact is in 2010 the Forest Service on 193 million acres nationwide only made $180 million in total receipts. Had we shared in that, it would have been a quarter of 180 million. So yes, the counties are very much left out in the cold and our schools are as well because we've lost that contract.

Ms. HERRERA BEUTLER. Can you speak to under the new plan almost all Skamania County will be covered, I believe, almost all. I mean, it is almost there now, but under the new plan, believe it or not they're even expanding it and what will that—what will the economic impact be? Do you think that will be on Skamania, your ability to produce?

Mr. PEARCE. Well, we're very concerned because obviously Secure Rural Schools and county payments has not been reauthorized. Even if it is, it's going to be significantly less. As I said earlier, we cut 4 million from a 14 million dollar budget last year. We're looking at another 4 million dollar cut. The fact is at this time if this plan goes into effect, it affects 45 or 50 percent of our matrix land that is left, which is supposed to be the land that we actually get to go past, and it does in fact, as you look at the map, pretty much cover the entire Gifford Pinchot National Forest except for those areas that are already no touch, wilderness and so.

I believe and—you and I met with our mill owner. I believe our mill is finding it very hard to stay profitable, having to ship logs—while they're right in the middle of a national forest, having to ship logs from so far away, so it's going to have a profound impact.

Ms. HERRERA BEUTLER. I yield.

The CHAIRMAN. There are a lot of questions here that I want to ask.

Let me ask first, Commissioner Pearce, in the testimony that we have heard from several of our witnesses, they testified that the national forests provide a number of jobs and other valuable goods such as recreation, biomass energy and ecosystem services. Your county is probably the poster child as to where that sort of activity is supposed to come because of that.

Give me your assessment of those observations.

Mr. PEARCE. Well, certainly preservation of the forest is important. The problem is that our forest is very close to the Portland metropolitan area, so for the most part we don't get overnight stays outside of the forest. Folks will come to stay.

Just to give you an idea of how hard it is in our forest, there has been a moratorium on our forest for guide services for 11 years. Literally you can't get a permit to take people out on bikes, you can't get a permit to go caving, you can't get a permit to take people on hikes, let alone hunting, fishing, so on.

We're working very hard to get that lifted because our large private employer, which is the Skamania Lodge, would very much like to offer those sorts of services, so I would have to disagree, sir, that we are not seeing an economic vitality out of serving the forest.

The CHAIRMAN. So that's what one could largely call a theory that hasn't been put into place, is not yielding, but the theory is supposed to be?

Mr. PEARCE. Yes, sir.

The CHAIRMAN. Theory as opposed to axiom for math majors.

Mr. Mealey, you quoted Jack Ward Thomas that Federal agencies have developed the hands-off management approach. Now, my question to you, taking that at its worth, is the flaw in the implementation, the hands-off approach, or is it a flaw in the law itself?

Mr. MEALEY. In my opinion it's a flaw in the law.

The CHAIRMAN. It is?

Mr. MEALEY. I talk a lot about the overly precautionary nature of the Endangered Species Act, and what I mean by that is that the act itself provides for the elimination of harm to a species, and so that means that any harm in the short term should be avoided, regardless of the long-term benefits.

So I hope this wouldn't be too long, but let me give an example of actually how this applies, and this is a real example: When I was on the Boise Forest, for example, if there's a watershed that's at risk from uncharacteristic wildfire and it requires access or road access that crosses a stream to do the necessary actions to reduce the risk and that road would produce sediment in crossing a stream, you would have to consult—if the agency, the Forest Service, found that that may affect the species, you would consult with Fish and Wildlife Service, and if they conclude it likely to adversely affect, it would have an effect and in the short term that would require formal consultation, which is time consuming, and so what happens is that knowing that and knowing the back log of those activities, the agency would propose actions that would have no effect, so they wouldn't have to formally consult, but the law itself requires the agency conclude likely to adversely affect to avoid any short-term harm, and so that's why I recommended that Section 7, Consultations, require a balancing of risks, balancing the short-term effects of an action against the long-term benefits so that there could be some weighing and some rational conclusions about actions.

The CHAIRMAN. Should there be when you're doing that, recognizing that certainly people have a right to disagree and have a right to go to court, but, I mean, it seems to me in the instance you described in Idaho as ripe for litigation. Am I correct?

Mr. MEALEY. Yes.

The CHAIRMAN. So it's ripe for litigation. Is there a way to do it where you can speed up the litigation yet people can still be heard if they have concerns? But you have to address issues in a timely manner. Is there a way to do that in your mind.

Mr. MEALEY. I don't know what they would be. Of course, we all know that there's an appeals process and if you appeal you get standing to sue, and then if you sue, that case is on the docket, and I don't know how that can be changed except to remove the litigation points.

The CHAIRMAN. Well, listen, I know that was not a fair question, because that's a question that we have to wrestle with on our side, and my time has run out. I'll recognize Mrs. Herrera Beutler and then I'll make a closing remark, but I'll address that particular issue because I think that is the important part as we go forward.

I'll recognize Mrs. Herrera Beutler.

Ms. HERRERA BEUTLER. Thank you, Mr. Chairman.

And this is for Mr. Connaughton: In Washington state, do you believe that the current 2 percent of the forest harvests in our 9 million acres that you manage, do you think that 2 percent harvest is adequate and is it sustainable over the long term?

Mr. CONNAUGHTON. We're getting as much from the appropriations that we have currently as we can make happen. Is there more work to be done? Indeed there is, and I'd like to do it.

Ms. HERRERA BEUTLER. So you believe that the 2 percent is not adequate over the long term?

Mr. CONNAUGHTON. We're at 6 percent in Oregon and Washington in the national forests.

Ms. HERRERA BEUTLER. I was speaking to just Washington. I apologize. I don't know the Oregon numbers.

Mr. CONNAUGHTON. So I'd have to verify with the court. The take-home message that you asked me about, is there more work to be done, the answer to that in my mind is yes.

Ms. HERRERA BEUTLER. Absolutely. Let me also speak to, with regards to the areas of forest that have been designated as critical habitat for the last 20 years, do you believe that those areas are healthier today than they were before the designation?

Mr. CONNAUGHTON. It depends on what one means by healthier. If they're contributing to the recovery of the Northern Spotted Owl, the answer to that is probably going to be yes, and several of the speakers have raised the issue but that has consequences for other environmental services and benefits, and the question in that would be yes in terms of aquatic conditions and our river basins. In terms of timber harvest, that would be part of local economy, so the answer to that would probably in general be no, so there is a gradient based on service itself.

Ms. HERRERA BEUTLER. And kind of skipping over to a different question that since I have you here I wanted to bring up. Recently the EPA, presumably in response to last year's Ninth Circuit Court ruling, that runoff from logging roads are considered point source indicated that it will begin to draft regulations, and I wanted to know if the Forest Service raised concerns about the impacts of this ruling to the Administration and the Justice Department, in large part because some of the numbers I've seen, the amount of permits that you all have to get will take upwards of ten years for the 400,000 permits.

How do you know all—dealing with the Administration, do you personally believe that runoff is a point source?

Mr. CONNAUGHTON. First is, have we weighed in with the Administration? The answer to that is yes, and there's been an awful lot of discussion about what is implied. The idea of point source is also a matter of contention, and here's where I am when it comes to that issue, is, for forest practices we want to be very aware of any adverse effects that we have on our watersheds and our river basins, and I'm very content with the way in which we're going about managing the National Forest System, and I've seen some very good things off the National Forest System, too, in terms of conservation.

Does that then justify the need for a permit? The answer to that is very much in front of you folks in congress, and for an EPA, my intent is, I wind up in the same place whether I have to ask for or request a permit or not. It is the protections of those watersheds. Whether I've got a permit or not is a procedural event. I hope that makes sense.

Ms. HERRERA BEUTLER. Yeah.

The CHAIRMAN. Well, thank you very much. I just want to ask one more question and then I'll make a closing remark here, but in fairness, this is a question to all of you, and it's really the basis for which we have this hearing here today, and I'm going to ask if you will just give a "yes" or "no" answer.

As we describe what you have all described, the Northwest Forest Plan was developed based on essentially five principles, and I'll just paraphrase what those principles are: Social and economic balance to protect forests' health, wildlife and water; sound science;

predictable and sustainable timber harvest; and ending gridlock. That was essential the five principles.

Now, based on this, let me ask what we used to call the $64 question: Does anybody there, yes or no, believe that the Northwest Forest Plan has achieved any success?

Start with you, Commissioner Pearce.

Mr. PEARCE. Absolutely not.

The CHAIRMAN. Mr. Fox?

Mr. FOX. No.

The CHAIRMAN. Dr. Salwasser?

Dr. SALWASSER. Yes and no. You changed the question at the tail end.

The CHAIRMAN. I did? OK.

Dr. SALWASSER. Yeah. The Northwest Forest Plan has achieved some successes, but it has not achieved its five set of the principles.

The CHAIRMAN. Got you.

Mr. Mealey?

Mr. MEALEY. In response to the five principles, the answer is clearly no.

The CHAIRMAN. Mr. Connaughton?

Mr. CONNAUGHTON. Same as Mr. Salwasser's comment.

The CHAIRMAN. OK. Very good.

Mr. Friedman?

Mr. FRIEDMAN. I'm with Salwasser and Connaughton.

The CHAIRMAN. You moved.

Mr. Niemi?

Mr. NIEMI. I'm with Mr. Salwasser as well.

The CHAIRMAN. Mr. Kreps?

Mr. KREPS. No.

The CHAIRMAN. Mr. Nelson?

Mr. NELSON. Not even close.

The CHAIRMAN. Split decision.

Again, I want to thank Mrs. Herrera Beutler for allowing this Committee to come into her district. I think this is a very, very important Committee meeting to try to get information, and I certainly I want to thank the panel for coming here. As Chairman of the Natural Resources Committee, I have determined after a great deal of working on this to look at the Endangered Species Act, because if there's one constant thread that we have heard throughout all this testimony is that this is being driven by the Endangered Species Act and the implementation of that act.

Now, just for the record, I don't think there's anybody in America that wants to see species become extinct. We should do everything in our power to see that they are recovered, and that ought to be a goal, and I think that's one of the reasons why when the Endangered Species Act passed, it passed with strong bipartisan support in both houses, but like every act that Congress puts in place, there's a time limit we should go back and review to see if it's working.

The Endangered Species Act was passed in 1983. The last time it was reauthorized was in 1988. That's 24 years ago. And if the goal is to recover species, let me just give you some figures, round figures on what the act has done and why probably there's a lot of controversy about it. There are roughly, round figures, 2,00 list-

ing of species. The amount that's been recovered again is roughly 20, 20 out of 2,000.

If one were to equate that to baseball in batting averages, I can tell you 20 out of 2,000 would not qualify you for Class D baseball. It probably wouldn't classify you for little league baseball, to be very honest. Yet we are working under this law, and it's for that reason that my Committee has decided to look into the Endangered Species Act with the goal of recovering species and not get tied up into litigation.

So much—we can't get the exact figure from the Federal government—is tied up. Their dollars are not recovering species but rather defending lawsuits, and that to me seems to be a focal point that we're going to look on, and we've already had hearings on that and we'll have more hearings, but this Committee hearing here allows us to get testimony from obviously the panel, and welcome you again if you have testimony of something that sparked your interest, please fill out the form, and we'll proceed forward, but I want to do it, again, in the sense that the idea ought be recover species and yet still have the way of life that we Americans enjoy so much.

And I'll go back to what I said in my opening statements: When I became Chairman of this Committee, I strongly felt then and that feeling hasn't diminished a bit that our public lands ought to be, unless otherwise designated, for multipurpose use, and that includes obviously commercial and recreational activity.

So, again, I want to thank the panel very, very much for appearing today. Your testimony is very, very valuable. And, again, I invite the audience if you have something that you want to add to this, please do so. The record will be held open for ten days.

The CHAIRMAN. And once again, I want to thank my colleague from Southwest Washington for being here and being such a great host. Do you want to say something? I know better. I know I'm going to yield to the hostess. You are recognized.

Ms. HERRERA BEUTLER. Thank you, Mr. Chairman, thank you so much for bringing your team here and for listening. We have tremendous resources in our area. I'm not just talking about the forests. I'm not just talking about the species. I'm talking about our region as a whole, our community, and yes, healthy forests are part of our DNA. It's part of our blood. We all chose to live here. The quality of life that we have, I believe, is unparalleled, and we want to protect it. We want to recover what has been lost, but we need to do so in a way that both respects wildlife and, I said it before a little tongue-in-cheek, but I believe the endangered American wage earner.

We have very rural areas. We act as though we are resource poor, but we are resource rich, and I believe with the goal of managing in a sustainable, healthy way wildlife and forests, we're all going to benefit, and I agree that a collaborative approach is important. As I look across this room today, the folks who have come to this hearing and the folks who have come to testify, I'm looking at a lot of collaborators.

I don't know if you've ever been on private and on forest land, but it's some of the best managed habitat you will see, period, bar none. Comparing that with Federal lands makes you go, "OK, what's the difference here?" And I think it's because we love our

land and we love our resources, and so we want to make sure that what we got out of today is taken back to Washington, D.C., as this reconsideration of the forest policy is considered, that we recognize where we can make changes to better improve our forest health, our habitat and the economy for our region.

So with that, thank you so much for coming.

The CHAIRMAN. Again, thank all of you for coming. I certainly appreciate your attendance being here.

If there's no further business coming before the Subcommittee, the Subcommittee stands adjourned.

[Whereupon, at 10:53 a.m., the Subcommittee was adjourned.]

[Additional material submitted for the record follows:]

Statement submitted for the record by the U.S. Department of the Interior

Introduction

The Department of the Interior (Department) takes this opportunity to submit a Statement for the Record on Federal forest policies and their effects on local economies and natural resources. Because the oversight hearing is being held in the state of Washington, our statement addresses the Department's policies for public forests and natural resources in the Pacific Northwest, as well as the economic contributions in the states of Washington and Oregon from the Department's forest management activities.

Background

The public lands and natural resources managed by the Department of the Interior play an important role in American lives, economies, and communities, and include some of our Nation's greatest assets. The forests of the Pacific Northwest have provided, for more than a century, the timber which Americans have used to build countless homes, schools, and factories. The rivers traversing these forests create hydropower that has supplied electricity to generations of Americans. Within the public lands today are also preserved the last areas of old-growth forest that link the current generation of Americans back through millennia.

The mission of the Department is to protect and manage the responsible use of many of America's most significant natural resources. Within the Department, both the Bureau of Land Management (BLM) and the U.S. Fish & Wildlife Service (FWS) play a role in the public forests in the Pacific Northwest. The FWS carries out its mission of working with others to conserve, protect, and enhance fish, wildlife, plants, and their habitats for the continuing benefit of the American people. The BLM, meanwhile, is responsible for managing 245 million surface acres of public lands in 11 western states. Of these lands, the BLM manages 2.2 million acres of commercial forest in western Oregon and California (O&C), which is allocated for a variety of multiple uses, including conservation of northern spotted owl and riparian habitat as well as for traditional forest products such as lumber, plywood, and paper.

In December 2010, Secretary of the Interior Ken Salazar hosted a Forest Summit in Washington, D.C. Dozens of stakeholders voiced familiar concerns and desires: conserve old-growth, recover threatened species; sustain local communities; provide jobs, and reduce wildfire risk. The Secretary renewed the Department's commitment to a strong working partnership with open lines of communication in order to tackle the long-standing challenges of achieving these complex goals.

This Administration's policies reject the false choice between the environment and our communities. Rather, the Department has embraced a multiple-use concept that supports traditional jobs in the forestry industries by providing for sustainable timber harvest while restoring ecosystems for environmental benefits and recreation. We are committed to continuing our work with stakeholders and interested members of the public to find ways to balance the economic potential of the Pacific Northwest forests with protecting watersheds and providing habitat for endangered species.

Forest Management

Under the Oregon and California (O&C) Grant Lands Act of 1937 (43 U.S.C. § 1181a), the BLM administers its 2.2 million-acre O&C forests *"in conformity with the principle of sustained yield for the purpose of providing a permanent source of*

timber supply, protecting watersheds, regulating stream flow, and contributing to the economic stability of local communities and industries, and providing recreational facilities".

For the better part of the past 17 years, the BLM's management of the O&C lands has been framed by the Northwest Forest Plan and the BLM's 1995 Western Oregon Resource Management Plans (RMPs). In managing timber activities on public forestlands, the BLM's objectives are to:

- Provide timber-based economic opportunities for rural communities;
- Ensure the long-term health and productivity of these lands; and
- In coordination with the FWS and other agencies and partners, create multiple environmental benefits—including recovery and conservation of species and habitat—that result from healthy forests and watersheds.

Economic Activity/Timber Sales

The BLM's timber management activities have direct effects in terms of employment and income in the Pacific Northwest, as well as induced effects in the local economy, such as the activities of other businesses required to support timber operations. In Oregon, which has seen a marked decline in traditional forestry jobs, BLM's forest management activities supported over 2,700 jobs in 2010 and produced almost $600 million in economic activity (*The Department of the Interior's Economic Contributions; June 21, 2011*).

Although timber purchases as well as harvest levels are driven by market forces, the BLM continues to offer a predictable, sustainable supply of timber sales in western Oregon of approximately 200 million board feet (MMBF) per year. In recent years the BLM's timber volumes offered for sale have ranged from highs of 236 MMBF in 2008 and 233 MMBF in 2010, to 198 MMBF in 2007.

The BLM offered 198 million board feet of timber for sale in FY2011, including 28 MMBF from the Roseburg District and 22 MMBF from the Medford District, and in addition, re-offered 12 million board feet from previous contracts that had been mutually cancelled. In FY 2012, the BLM plans to offer the program target volume of 193 MMBF of timber for sale; the Roseburg target is 28 MMBF and the Medford target is 19 MMBF. The BLM also plans to reoffer additional volume from eight more contracts that were mutually cancelled. For FY 2013, the BLM budget proposal also includes an increase of $1.5 million in the O&C Forest Management program to increase the volume of timber offered for sale.

Forest Health & Productivity

The Department's highest priority activities are directed toward reducing risks to communities by ensuring the long-term health of these forests and their watersheds. In recent decades, prolonged droughts and the spread of insect infestation have devastated millions of acres of trees in the Northwest. Through Federal forestry management, we are working to improve the health of these forest ecosystems, which, in turn, makes the forested lands more resilient against the risk of wildfires and invasive species, and preserves key wildlife habitat that will aid in conserving and recovering threatened and endangered species.

The BLM, in collaboration with the FWS, is working to refine its implementation of active management, which employs science-based "ecological forestry' practices that are carefully tailored to restore localized forest areas to healthy conditions. In the dry forests of southwestern Oregon, for example, a prescription for active management may require intervention to reduce the buildup of fuels. In the wetter forests on the west side of the Cascades, a prescription may include patchy regeneration harvests in addition to thinning to better mimic natural forest processes. In addition to restoring forest health, these techniques allow for sustainable timber harvests for local mills and the communities who rely on the timber industry for jobs and economic strength.

Pilot Projects

As a result of the December 2010 Forest Summit, Secretary Salazar set in motion a plan to apply the principles of active forest management, as suggested by Professors Norm Johnson and Jerry Franklin, on BLM lands within the Coos Bay, Roseburg, and Medford Districts in Oregon. Professors Johnson and Franklin—in collaboration with the BLM, FWS, the National Marine Fisheries Service, and the Coquille Indian Tribe—are demonstrating the ecological and economic merits of ecological forestry principles in Oregon's moist and dry forests. The Medford pilot project, the first of the three sales and the one furthest along in implementation, received no protests or administrative appeals and sold for more than four times the appraised value. Commercial harvest is underway in that Pilot. The Coos Bay and Roseburg Pilots are at various stages of the sale and environmental assessment process.

Based on the promise of these pilot projects described by Professors Johnson and Franklin in a report on Ecological Forestry pilot projects, in February Secretary Salazar announced that the BLM will plan five additional timber sales using ecological forestry principles in 2012 and 2013. Drs. Johnson and Franklin estimate that the BLM's use of ecological forestry practices would sustainably yield an annual harvest of approximately 217 to 286 MMBF for the next 15 years from the public forests in Oregon.

Moving Forward/Planning

As part of the commitment to restoring healthy habitat and providing sustainable timber harvest and revenues—in March of 2012, BLM announced that it will undertake Resource Management Plan (RMP) revisions which will provide goals, objectives, and direction for the management of approximately 2,500,000 acres of BLM-administered lands in western Oregon. The revisions to the existing RMPs will determine how the BLM will actively manage BLM-administered forests in western Oregon for multiple objectives including contributing to the recovery of threatened and endangered species, to provide clean water, to restore fire adapted ecosystems, to produce a sustained yield of timber products, and provide for recreation opportunities. Finding a balanced, sustainable approach is critical in western Oregon. The Department encourages citizens to participate in discussions about management of public forests in western Oregon and to be part of the solution. The first step in the BLM's process to revise RMPs is a formal public scoping period to seek public input regarding the range of issues to be addressed in the planning process, including the management alternatives that should be examined. The public scoping period ends on July 5, 2012.

We expect that with participation from members of the public and stakeholders in this scoping process as well as throughout the planning process, the agency will be better able to determine which forest management practices and activities will help achieve our goals.

Northern Spotted Owl Recovery Efforts

The U.S. Fish and Wildlife Service (FWS) is working to recover the northern spotted owl in coordination with the U.S. Forest Service, BLM, National Park Service, and many other state, tribal, and private sector partners. Recovery efforts currently encompass recovery planning, critical habitat designation, and barred owl management. The recently released 2011 Recovery Plan for the Northern Spotted Owl includes 34 recovery actions and makes three overarching recommendations: 1) protect the best of the spotted owl's remaining habitat; 2) conserve forest ecosystems through active management; and 3) reduce competition from the encroaching barred owl. Specifically:

- To protect the best of the spotted owl's remaining habitat, FWS recommends conserving spotted owl sites and high quality habitat across the landscape. This means the habitat protections provided under land use plans on Federal lands will continue to be a focus of recovery, but protection of other areas is likely needed to achieve full success. FWS is currently seeking public comment on the proposed critical habitat designation and an economic analysis will be made available for public review and comment.
- To conserve forest ecosystems through active management, FWS recommends actions that make forest ecosystems healthier and more resilient to the effects of climate change and catastrophic wildfire, disease, and insect outbreaks. This involves an "ecological forestry" approach in certain areas, which may include carefully applied prescriptions such as fuels treatment to reduce the threat of severe fires, thinning to help older trees grow faster, and restoration to enhance habitat and return the natural dynamics of a healthy forest landscape. FWS also recommends continually evaluating and refining active forest management techniques. This effort includes the BLM's pilot projects, supported by Secretary Salazar.
- To reduce competition from the encroaching barred owl, FWS recommends managing barred owl populations to give the spotted owl a chance to rebound sufficiently that the two species may eventually be able to co-exist. To test the feasibility and effectiveness of barred owl management, the FWS is proposing experimental removal of barred owls in certain portions of the spotted owl's range to see how this may affect spotted owls. If the experiment proceeds and the effects on spotted owls are positive, the FWS may consider the efficacy and feasibility of barred owl removal on a broader scale.

Northern Spotted Owl Recovery Plan and Critical Habitat Proposal Minimizes Impact to Private Landowners and States

The 2011 Recovery Plan for the Northern Spotted Owl acknowledges that certain areas on non-Federal lands play a critical role in recovery and recommends working collaboratively with key conservation partners such as state agencies, private landowners, and tribes. FWS is pursuing ongoing dialogue and collaborative decision-making with state agency partners and citizens to determine the best way forward. FWS will also continue to consult and collaborate with tribal governments that have long worked to monitor and conserve spotted owls on their lands, thus making valuable contributions to recovery. The goal is to work with partners and citizens to evaluate the potential contribution of state and private lands to recovery in areas where Federal lands are limited. If any areas are to be included, FWS will work together to develop economic and other sensible incentives for voluntary habitat conservation partnerships such as Safe Harbor agreements and Habitat Conservation Plans.

For the current critical habitat proposal, FWS is considering the exclusion of several categories of land from the final designation, including state and private lands which are already managed for conservation. When a critical habitat designation includes non-Federal lands with no Federal connection, there is no direct effect on landowners (though there may be indirect effects). The designation helps to inform state and local government agencies and private landowners about the value of the habitat. As a result, a critical habitat designation may help facilitate voluntary conservation partnerships such as Safe Harbor agreements and Habitat Conservation Plans.

A Safe Harbor is a voluntary agreement between FWS and a private landowner that encourages private landowners to carry out habitat conservation measures on their land to benefit species listed under the Endangered Species Act. In exchange, FWS provides assurances that future land use restrictions will not be imposed. Under Safe Harbors, some impacts to individual species may occur in return for the landowner's commitment to conservation measures that contribute to the species' population overall. This provides landowners with more certainty for their land use planning. There are currently five Safe Harbor agreements for the northern spotted owl—two in Washington, one providing statewide coverage in Oregon, and two in northern California.

Similarly, Habitat Conservation Plans are used for non-Federal landowners (usually government agencies, private organizations, or businesses) whose otherwise lawful activities are expected to impact listed species. The FWS works with these landowners to develop provisions for monitoring, minimizing, and mitigating for potential incidental take. There are currently 12 Habitat Conservation Plans for the spotted owl—six in Washington covering more than 2 million acres, two in Oregon covering 200,000 acres, and four in California covering more than 200,000 acres.

Addressing Forestry Needs

The BLM has a target of 197 million board feet of proposed sales in western Oregon in FY 2013. The Secretary announced that as part of this target, BLM will plan for at least five additional timber sales (totaling approximately 15 million board feet) using ecological forestry principles. By using ecological forestry principles, addressing the growing impact of the invasive barred owl and expanding the scientific foundation for wise management of our forests, the Department of the Interior seeks to give communities, foresters, and land managers the additional tools they need to forge healthier and more resilient forests. The Department is also working closely with the Forest Service, which recently announced steps to improve forest restoration through active management and to increase forest products sold by the National Forests from 2.4 billion board feet in 2011 to 3 billion board feet no later than 2014.

The current critical habitat proposal for northern spotted owl encourages increasing active management of forests, consistent with ecological forestry principles and practices within critical habitat when it promotes forest restoration and ecosystem health. This is a major change from previous critical habitat designations. Many Pacific Northwest forests are out of balance due to an interaction of natural and human influences. In the drier and diseased forests, FWS supports intervention to protect older trees, reduce unnatural fire risk, and better manage insect outbreaks. In the moist forests west of the Cascade Mountains, FWS supports thinning and patchy regeneration harvests that better mimic natural forest processes. Application of such science-based forest treatments could provide significant economic and employment opportunities in many areas and should be compatible with the goals of northern spotted owl recovery. It may also reduce the potential for litigation of some timber harvest proposals that apply these methods.

The Endangered Species Act requires the FWS to identify all areas essential to the conservation of a species and that may require special management, and then to take other factors, such as economic impacts, into consideration to refine proposals before critical habitat designations are finalized. The critical habitat proposal that identifies areas that may be considered for the final designation also emphasizes the significant benefits of excluding private lands, and that consideration, along with the economic assessment, will help inform which areas will be excluded from the final critical habitat designation. The FWS is contracting with economics experts to develop a thorough economic analysis of the critical habitat proposal, which will evaluate timber harvest-related and other potential economic impacts. The economic analysis will be made available for public review and comment, prior to the finalization of the northern spotted owl critical habitat designation.

Conclusion

By working in partnership with local communities, forest industry, and conservation groups, this Administration is moving toward a long-term strategy for forest management that is environmentally sound and economically sustainable. The Department's science-based planning activities, informed by economic analysis and public feedback, will provide greater certainty for timber mills and communities while conserving our land, water and wildlife.

The documents listed below have been retained in the Committee's official files.

- Anderson, Emily, Grayland, Washington, Comment form submitted for the record
- Bonagofsky, Jerry, Comment form submitted for the record
- Cowlitz County, Board of Commissioners, Letter submitted for the record
- Dubrashich, Mike, Lebanon, Oregon, Letter submitted for the record
- Edwards, Karla Kay, Willamina, Oregon, Comment form submitted for the record
- Forsberg, R. Lynn, Ridgefield, Washington, Letter submitted for the record
- Graham, Darren, Comment form submitted for the record
- Gross, Commissioner Lee, on behalf of the National Forest Counties and Schools Coalition, Letter submitted for the record
- Hallanger, Bill, Email submitted for the record
- Jensen, Carol, Longview, Washington, Comment form submitted for the record
- Krug, Larry, Stevenson, Washington, Comment form submitted for the record
- Linde, Thomas, Carson, Washington, Letter submitted for the record
- McKeirnan, Leigh, Letter and email submitted for the record
- Mitchen, Darcy, Comment form submitted for the record
- Newton, Dr. Michael, Professor Emeritus of Forest Ecology and Management, Oregon State University, Letter submitted for the record
- Oregon State Delegation, U.S. House and Senate, Letter to Secretary Salazar
- Pickell, William, Hoquiam, Washington, Letter submitted for the record
- Revesz, Peter & Jane, Battleground, Waashington, Letter submitted for the record
- Richter, Jeff, Letter and comment form submitted for the record
- Smith, Larry F., Mossyrock, Washington, Comment form submitted for the record
- Spencer, Paul, Letter submitted for the record
- Stubblefield, Ted, Former Forest Supervisor, Gifford Pinchot National Forest, Letter submitted for the record
- Teitzel, David, Carson, Washington, Comment form submitted for the record
- Whipple, Darrel, Rainier, Oregon, Comment form submitted for the record
- Woods, Richard I., Kelso, Washington, Letter submitted for the record

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